

MEETING MINUTES

PANAMA CITY – BAY COUNTY AIRPORT AND INDUSTRIAL DISTRICT

Opening:

The Board Meeting of the Panama City-Bay County Airport and Industrial District was called to order at 9:00 a.m., May 24, 2023 by Chair Holly Melzer.

The Invocation was given by Vice Chair Sheldon.

The Pledge of Allegiance was led by Chair Holly Melzer.

Roll was called. In attendance were: Ms. Victoria Williams, Mr. Matt Algarin, Mr. Les McFatter, Mr. Glen McDonald, Mr. Will Cramer, Vice Chair Mark Sheldon and Chair Holly Melzer.

Chair Melzer asked if there were any Public Comments. There were no Public Comments.

Chair Melzer asked if there were any items on the Amended Agenda, including the Consent Agenda, that any Board Member would like to move to a Business Item for further discussion, and if not, to make a motion to accept the Amended Agenda.

Mr. Will Cramer made a motion to accept the Amended Agenda, and Mr. Glen McDonald seconded the motion. The vote was taken and the motion passed unanimously.

Reports:

Mr. Parker McClellan presented the Activity Reports. The operation numbers were down slightly, but passenger number are up in April, at 2.9%. The Airport continues to maintain its market share across the Region at 23%. As the Region continues to grow, that number should grow as well.

Ms. Darlene Gordon presented the Financial Reports for the first 7 months of the Fiscal Year ending April 30, 2023. In the month of April, total cash increased \$638,000 over March of last year. Compared to last year, cash increased \$7.2 million for a total balance of \$40.1 million. Of that number, unrestricted cash is \$28.5 million and restricted cash is \$11.6 million. In April of 2023, total liabilities increased \$835,000 due to construction. Excess revenues over expenditures to date are \$9.4 million. Operating Revenues account for \$5 million with Non-Operating Revenues making up the remaining \$4.4 million. Operating Revenues to date are 110.56% of budget. Personnel is at 91% of budget. There are currently 8 positions open that we are trying to fill. General Operating Expenses are at 90% of budget. Most accounts are within budget and there is nothing out of the ordinary to report.

Consent Agenda:**a. Board Meeting Minutes – April 26, 2023**

This Item provided for Board approval of the April 26, 2023 Board Meeting Minutes.

b. Ratify Purchase of Wheelchair Lift

This item provides for Board ratification of a non-budgeted capital purchase for a replacement wheelchair lift for passenger boarding bridge Gate 2 at the Terminal Building.

In compliance with the Americans with Disabilities Act provisions, each passenger boarding bridge at the terminal has a wheelchair lift mounted on it for the purpose of transferring wheelchairs to/from the concourse and ramp levels to/from aircraft. In May of 2022, one of the airlines operating the wheelchair lift at Gate 2 loaded a large electric wheelchair on the lift which appeared to be within the weight limits of the lift. The lift subsequently failed as a result of the weight and positioning of the wheelchair. Upon request from the operating airline, temporary repairs were made to the lift and it was placed back in service. The temporary repairs were an attempt to keep the lift in service until permanent repairs could be facilitated and ultimately failed. In September 2022, the lift was removed from service permanently.

The original intent was to replace the wheelchair lift through an insurance claim, as we were not able to determine whether the damage was due to misuse or failure of the lift. Upon further review by our insurance carrier, it was determined that we would not be able to claim the failure of the wheelchair lift and the claim was denied.

In February 2023, an “Invitation for Bid” was publicly advertised for a replacement wheelchair lift for Gate 2 passenger boarding bridge. At bid opening on March 9, 2023, one responsive bid was received as follows:

- P & W Quality Machine, Inc. - \$25,190

Due to the operational necessity of the wheelchair lift it was necessary for the Executive Director to approve the purchase. The new lift was acquired and placed in operation on Gate 2.

The wheelchair lift replacement was an unbudgeted purchase. In review of the Airport’s FY2023 Operating and Capital Improvement Budget, sufficient funds were available to accommodate the purchase.

Staff recommends ratification of the Executive Director’s authorization to P & W Quality Machine, Inc., for the replacement wheelchair lift at Passenger Boarding Bridge 2 in an amount of \$25,190.

c. Award Bid for Waste Removal Services

This item provides information to the Board for awarding a contract for waste removal services

at the Airport.

The Airport's current contract for waste removal services is scheduled to expire on May 30, 2023 with no extension options available. Accordingly, Staff recently advertised an Invitation to Bid for Waste Removal Services for the Northwest Florida Beaches International Airport. Pricing was requested for the following services:

Base Bid

<u>Facility</u>	<u>Container Type</u>	<u>Service Frequency</u>
• Terminal Building	Compactor	As needed
• Rental Car Service Facility	2 6-yard containers	1x per week service
• Maintenance Building	1 6-yard container	1x per week service
• Price for unscheduled pickup		

As per "Invitation to Bid", bids were opened at 2 p.m. on May 16, 2023. One responsive bid package was received from:

- Coastal Waste and Recycling –

	Y1	Y2	Y3	Option Y1	Option Y2
Annual	\$25,841.52	\$26,923.08	\$27,950.04	\$29,068.92	\$30,231.60
Monthly	\$2,153.46	\$2,243.59	\$2,329.17	\$2,422.41	\$2,519.30

Year One bid annual cost of \$25,841.52 represents a 6.67 percent increase over current agreement final year amount.

The term of the contract will be for three years with the possibility of two additional one-year options, at the discretion of the Airport. The contract will begin on June 1, 2023.

The bidder is required to carry commercial general liability insurance, business auto insurance, Florida Workmen's Compensation coverage and employer's liability insurance.

There are sufficient funds in the current year's budget for June through September's services. Future years' budgets will include the appropriate amounts for waste removal services.

Staff recommends the Board award the contract for waste removal services to Coastal Waste and Recycling, at an initial monthly cost of \$2,153.46.

d. Approval of Continuing Month to Month Service Agreement for Flight Display/Public Address System – Altel Systems Group, Inc.

The Airport owns and maintains a Flight Information Display/Public Address system located in the Terminal Building. The system is "Operation Critical" as it supports passenger and flight operations as well as compliance with ADA laws and regulations. Maintenance and technical support for this system is provided by contracted vendors who are manufacture-certified to perform the work. The Maintenance and Support agreement currently in effect is on a month-to-month basis as approved by the Board at the February 23, 2022 regularly scheduled meeting. As part of the Airport's current Terminal development and construction program, the Flight

Information Display/Public Address system is included for re-design and expansion to provide system capability and coverage in the expanded Terminal facility. The final configuration of the overall system has not yet been determined thus requiring continuation of the current Maintenance and Support Agreement. Staff is requesting to continue the current Maintenance and Support agreement, on a month-to-month basis, until final configuration of the overall system is determined and implemented at which time a longer term, comprehensive maintenance and support agreement will be procured.

Funds for the Flight Information Display/Public Address system Maintenance and Service Agreement are provided for in the Airport's current FY2023 Operating and Capital Budget and will be including the FY24 Operating and Capital Budget.

Staff recommends Board approval of the Addendum to continue current Maintenance and Service Agreement with Altel Systems Group, Inc. for the Airport Flight Information Display/Public Address system, on a month-to-month basis, in an amount of \$3,196.00 per month.

e. **Approve Lease Amendment 1 for Southern Sky Aviation**

On June 2023, Southern Sky Aviation entered into a lease agreement for a parcel of land to develop a second FBO on the Airport.

Airport Staff has received a request from Southern Sky Aviation to modify their lease to amend Section 5.A. of the Agreement, which states the date they are required to begin paying premise rent. The requested change is to modify the Premise Rent due date from October 1, 2023 to January 1, 2024. The request is based on the amount of time that the permitting process took based on the Bay County Planning and Building Services workload.

Staff has reviewed this request and requests approval.

The fiscal impact of Amendment 1 is the reduction of the rent for FY24 by approximately \$45,500 for the three-month period for the modification of the Premise Rent starting due date.

Staff recommends that Amendment 1 to Southern Sky Aviation Lease be approved.

f. **Acceptance of FAA Grant Offer to Expand Terminal Building – Outbound Baggage System**

This item provides for Board Acceptance of FAA grant funds allocated from the Bipartisan Infrastructure Law – Airport Infrastructure Grant Project # 3-12-0159-041-2023 for the purpose of Terminal Expansion – Outbound Baggage System.

This Grant Offer represents one of the Airport's requests for funds under the Bipartisan Infrastructure Law.

The Grant will be used for the Terminal Building Expansion of the Outbound Baggage System.

The project will include the construction of approximately 11,690 square feet of additional bag makeup area located west of the existing bag makeup area, addition of a new bag makeup carousel, and modifications to the existing bag makeup carousel and bag sorting equipment.

Project costs for the construction are estimated to be \$8,651,158. Costs are reimbursable under this Grant at a 90% / 10% ratio for eligible items, with the Airport's share being funded with available Airport Funds.

Staff recommends Board Acceptance of the Grant Offer to Expand Terminal Building – Outbound Baggage System, as outlined above.

Mr. Will Cramer made a motion to Accept the Consent Agenda, and Ms. Victoria Williams seconded the motion. The vote was taken and the motion passed unanimously.

Business Items:

a. Approve Contract for Construction Manager at Risk (CMAR) for North Terminal Expansion Program

Legal Counsel and Mr. Rick Mellin with ZHA were available to answer any questions asked by the Board about this Agenda Item.

This item provides for Board approval of the recommended Construction Manager at Risk Contract and Preconstruction Services Fees for North Terminal Expansion Program. The CMAR Contract identifies the terms and conditions that will govern the execution of the preconstruction and construction phase services. The Preconstruction Services Fees define the cost to provide preconstruction services including consulting, schedule and logistics planning, estimating and budgeting, and prospective bidder stimulation for the development of a Guaranteed Maximum Price (GMP) Amendment for the North Terminal Expansion Program.

On March 2, 2023, the Airport received five (5) responses to the Request for Proposals for CMAR for Terminal Expansion Project. An Evaluation Committee reviewed the proposals and interviewed all five firms. The Committee recommended the Board approve the ranking and authorize Staff and legal counsel to negotiate the CMAR contract terms and conditions and preconstruction fees with Hensel Phelps. The Board approved the recommendation at the April 26, 2023 Board Meeting.

Staff, legal counsel and the general consultant met with Hensel Phelps on April 26th and 27th to discuss contract terms and conditions and their proposed Preconstruction fees. The base form contract was a modified AIA A133-2019 standard form of agreement between Owner and Construction Manager as Constructor and AIA A201-2017 General Conditions of the Contract for Construction.

Subsequently, Hensel Phelps provided revised contract terms and fees generally in accordance with staff, legal counsel and general consultant's requests. Terms and conditions were enhanced to identify specific preconstruction services and terms and conditions for the construction phase administration.

This approval will only authorize the preconstruction services. Prior to any construction phase activities, Hensel Phelps will prepare a GMP proposal to construct the Project. Given the complexity of the program, it is likely more than one GMP proposal will be presented for different components of the Project.

The Preconstruction Services Fees include the following services:

- Project Evaluation & Consulting
- Design Reviews
- Bidder Market Analysis
- Estimating
- Schedule Development
- Project Phasing
- Bidder Interest Stimulation
- GMP Development

The Preconstruction Services Fees are broken into two components: Preconstruction Services and GMP Proposal Development. The fees were separated to allow flexibility as to when to solicit final subcontractor bids for the GMP Proposal development based on availability of funds for construction. The fees are as follows:

Preconstruction Services:	\$513,738.18
GMP Proposal Development:	<u>\$ 96,478.21</u>
Total Fees:	\$610,225.39

The proposed fees were negotiated based on the current design status and specific requirements of the North Terminal Program and are in line with general industry fees for a project of similar cost and complexity. This total fee represents a reduction of \$86,529.15 from Hensel Phelps' originally proposed fees.

Funds are available within the FY23 Operating and Capital Budget to finance the initial phases of work, and grant funds will be used as available. Funding will also be provided for in the FY24 Operating and Capital Budget for this Project.

Staff recommends the approval of the Construction Manager at Risk (CMAR) Contract for North Terminal Expansion Program and the Preconstruction Services Fees for North Terminal Expansion Program.

Mr. Glen McDonald made a motion to Approve Contract for Construction Manager at Risk (CMAR) for North Terminal Expansion Program, and Mr. Matt Algarin seconded the motion. The vote was taken and the motion passed unanimously.

b. Approve ZHA Annual Review

Mr. Rick Mellin of ZHA, Incorporated presented a summary of their activities for the last year.

On May 19, 2021, the Airport Authority entered into an Agreement with ZHA to provide engineering, architectural, project inspection, construction management and planning series. The

original agreement had a five (5) year term with an annual review of their performance and the review of the services provided.

During the past year, ZHA has performed and completed numerous tasks for the Airport Authority. The projects have ranged from providing and ensuring environmental oversight and compliance, providing planning services on multiple ongoing airport construction projects, and by providing design and construction oversight of ongoing projects.

During this past year, ZHA strived to work in the best interest of the Airport Authority and has performed the projects in an exemplary manner.

ZHA has prepared an Annual Report (Presentation), which summarizes their efforts over this contract period.

This Board action does not have any immediate budget impact. We will continue to bring task orders to the Board on an individual basis.

Staff recommends approval of the annual renewal of the Professional Engineering, Architectural, Project Inspection, Construction Management and Planning Service Agreement with ZHA Incorporated for Year 3 of their Agreement, based on their satisfactory performance in Year 2.

Following the presentation, there was Board discussion about concerns with the performance of ZHA over the last year. There was also discussion about getting additional engineering firms other than ZHA on board to help with some of the upcoming projects.

Ms. Victoria Williams made a motion to approve the ZHA Annual Review, and Mr. Les McFatter seconded the motion. Vice Chair Sheldon and Mr. Glen McDonald voted “no”. The motion passed.

Construction Update (information only):

- a. **Airport Entrance Roundabout and State Road (SR) 388 Realignment**
Mr. Parker McClellan gave the construction updates. The Roundabout continues to move forward and is about 80% complete. The irrigation system is done and the grass is beginning to grow. The Eastbound lane sign needs to be replaced.
- b. **Parking Lot Expansion**
We are waiting on compaction of the Overflow Lot. Once this lot is completed, it will have a self-pay gate for credit cards.
- c. **Terminal Buildout**
Mr. Rick Mellin updated about this Project during his presentation.
- d. **Bag Makeup Expansion**
The contractor for the Bag Makeup Expansion is working on utilities.
- e. **Southern Sky Aviation**

Mr. Donald Howell with Southern Sky Aviation gave an update; they are still on track with their construction timeline and have had no weather delays. The steel girders are going up on the FBO Terminal and the roofline is taking shape. Finishing work on the foundation is ongoing for all three hangars. The week of June 12th, Hangar A, the large hangar, will begin to go up. Water lines will be installed throughout the site over the next 3 weeks.

f. Sheltair

Mr. Keith Rogers with Sheltair updated on the progress of their construction. They currently have 2 construction projects underway. They are on Phase 2 of the Ramp Expansion and Hangar 3 Project. The majority of the Ramp Expansion is complete and they have begun work on the Hangar. They are also adding additional office space to Hangar 2 which will add 4 more offices, giving them a total of 8 offices once that project is complete.

Planning Update (information only):

a. North Terminal Expansion:

North Terminal Design – Mr. Donald Gray and Ms. Erica Hagan with ZHA, Inc. gave a presentation on the “Butterfly” design concept with the new Terminal Expansion. He discussed ways that the stormwater drainage would be handled in the front of the Airport, and Ms. Hagan showed areas that would be great for displaying art and light wells that would allow natural light into the terminal. Mr. Gray also talked about the option of lighting the front entry with colored lighting within the butterfly design. They showed a rendering of where the new baggage claim, TSA, concessions, and gates will be located.

Additionally, Mr. Gray provided an overall rendering of the Terminal Expansion from the landside and the airside perspective.

Bay EDA Update (Information Only):

Ms. Becca Hardin gave the Bay EDA Update. Project Maple, an International maintenance, repair and overhaul (MRO) company that has committed to coming to Bay County. An \$11.2 million grant with Triumph has been tentatively approved to support their growth here and they are undergoing term negotiations at this time. They will be building a 100,000sf hangar at the southern end site at the Airport near the transient apron. Project Maple will bring 250 jobs with \$30 million capital investment.

Project Stamper, headquartered in the Silicon Valley of California recently made a site visit to the Airport. They are an original equipment manufacturer that will be assembling aircraft. They will be building a 600,000sf modified building on the Infield site at the Airport and creating 1800 jobs and \$400 million capital investment, with the possibility of further future development. They will make a final decision mid to late June and will make a formal announcement in July. Project Paradigm is looking at 350 acres North of the Terminal. It is a Defense related company that will create 350 jobs and an undetermined capital investment at this

time. She said that they attended MRO Americas and met with 20 companies in 2 days. She will be travelling with Mr. Ben Moorman to the upcoming Paris Air Show.

The Moore Agency Update (Information Only):

Ms. Katie Spillman of The Moore Agency reported on marketing. She discussed the partnership of ECP with the Hidden Disabilities Sunflower Program. They will be doing a press release about it with about 10 different companies on social media with a reach of about 807,000 people. WJHG shared it online and on the air, and the Bay County Chamber also shared information about the program as well as Arc of the Bay, a non-profit agency in Lynn Haven, Florida that provides support and opportunities for adults with disabilities. “Wherever Family” a social media lifestyle travel blog, will be sharing it on their site at the end of the month. They will be celebrating the Airport’s 13th year of operation next week, and will be kicking off the Summer Wheel’s Up Music Series again in the month of July, providing live music in the Terminal for passengers to enjoy. She said that at the 44th Annual Telly Awards, ECP won the Bronze Telly Award for the “Let’s Go” commercial that ran during the Super Bowl.

Executive Director Report:

Mr. McClellan gave the Executive Director Report. He said that currently there is an open position for a Procurement and Contracts Manager, as well as a Construction Program Manager. There will be a revised Purchasing Policy presented to the Board for approval at next month’s meeting. The Airport will be renewing the TURO Agreement. To fund future growth, the Airport has secured a \$25 million SIB Loan, and had our Financial Consultant do a preliminary Debt Capacity Analysis. Based on passenger activity, we are able to do a new PFC Application. On June 5th, Mr. McClellan will be meeting at the White House to talk about the Bipartisan Infrastructure Law (BIL) money. He asked the Board to approve temporarily reducing the parking fees for the grass overflow parking from \$9.00 down to \$7.00 per day, because it is a lesser parking experience, and the Board agreed. The reduced rate will only be utilized when the other lots on the Airport are at capacity.

Public Comments:

There were no Public Comments.

Adjournment:

The meeting was adjourned at approximately 10:10 a.m.

Next meeting is scheduled: June 21, 2023 – Board Meeting 9:00 a.m.