

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 9:01 a.m., July 24, 2019 by Chairman Lee.

The Invocation was given by Mr. Russ Mathis.

The Pledge of Allegiance was led by Chairman Lee.

The Executive Secretary called the roll and indicated all the Board members were present except Mr. James Johnson.

Mr. Mathis made a motion to accept the Agenda. Vice Chairman McDonald seconded the motion. The vote was taken and the motion passed unanimously.

Election of Officers:

Ms. Sims made a motion to retain Mr. Del Lee as Chairman and Mr. Glen McDonald as Vice Chairman of the Board. Mr. Tusa seconded the motion. The vote was taken and the motion passed unanimously.

Reports:

Mr. Parker McClellan presented and reviewed the Activity Reports.

Ms. Darlene Nelson presented and reviewed the Financial Reports.

Consent Agenda:

a. Board Meeting Minutes – June 26, 2019

This item provided for Board approval of the June 26, 2019 Board Meeting Minutes.

b. Exercise Option to Extend The Moore Agency Agreement

This item requests approval by the Board to extend the Agreement with The Moore Agency for an additional two (2) year term.

Effective October 1, 2016 the Airport entered into an Agreement with Moore Communications Group (“Moore”) for advertising, marketing and public relations services. The Agreement provided for a three (3) year term with an additional two (2) year term renewal option.

Moore provides integrated communications services for ECP including the following: Public Relations Counsel, Public Relations, Advertising, Branding, Community Relations, Cooperative Programs, Crisis Communication, Direct Mail, Marketing, Public Affairs, Market Research, Media Relations and Tracking, Promotional Materials, Special Events, Social Media, Graphic Design, Website Maintenance, Brochure Design, and Emergency

Management Communication Planning. The Agreement is cancellable by either party with 30 days written notice.

Staff is happy with the working relationship and the services provided by Moore and recommend exercising the two (2) year renewal option at the same terms and conditions as the original Agreement with no rate increase.

c. Approve Land Lease Name Change – N850J, LLC to St. Joe Company, Inc.

This item provides for Board approval of a tenant name change for a Land Lease between the District and N850J, LLC.

During the May, 2019 Airport Board meeting, a hangar land lease was approved for N850J, LLC. Upon review of the lease by N850J, LLC, it was determined the lease would be better positioned if it were held by the St. Joe Company, the parent company of N850J, LLC. As the lease has not yet been executed by the District, Staff is requesting a simple name change on the lease from N850J, LLC to St. Joe Company. All other provision of the lease remain unchanged.

The FY20 Airport Operating and Capital Improvement Budget would be positively impacted by the amount of revenue from this lease. Monthly revenue generated would be approximately \$1,057.00 (\$12,684.00 annually).

d. Approve Lease Assignment – Daniel Dunn to Steve Locklear

This item provides for Board approval of the assignment of the Thirty (30) Year Land Lease Agreement (October 10, 2011) between Daniel Dunn and the Panama City-Bay County Airport and Industrial District (District) to Steve Locklear.

Staff was recently contacted by Daniel Dunn, and informed he had sold his hangar, located at 5231 Johnny Reaver Road #5, to Steve Locklear, and requested consent and approval from the District to assign the lease to Steve Locklear.

Under the current Lease Agreement between Daniel Dunn and the District, Mr. Dunn cannot assign or otherwise transfer rights and obligations under the lease without the prior written consent from the District.

e. Approve Purchase of Baggage Carousel Replacement Pallet Blades – ERMCA Aviation Services

This item provides for Board approval for the purchase and installation of replacement pallet blades for the outgoing baggage carousel.

The Airport owns, operates, and maintains (through a contracted service provider), a baggage conveyance system to facilitate the movement of inbound and outbound baggage through the Airport Terminal Facility. One of the baggage system components, the outbound baggage carousel located in the bag make-up area of the Terminal, is made up of 130 pallet-type blades that, over the course of nearly 10 years of continuous use, have deteriorated and worn to the point of requiring replacement. The blades have, in some cases, worn to the point of having knife-like sharp edges.

Since the baggage carousel is considered operational critical equipment, it is recommended the pallet blades be replaced. The life of these components is based on usage rather than time and our increased usage over the last several years necessitates the replacement. The failure of this system would have a significant adverse impact on the operation of the Airport.

Staff recommends Board approval of the purchase and installation of replacement baggage carousel pallet blades from our system maintenance contractor ERMCA Aviation Services (blades to be Owner Directed Purchase with

installation by ERMC Aviation Services) for a total amount not to exceed \$55,000 and the reallocation of funds to cover the expenditure.

This expenditure is unbudgeted and funding is available in the current budget.

f. Approve Security System Software Service Agreement – Allcom Global Services, Inc.

This item provides for Board approval of a software maintenance agreement in support of the Airport's computerized security system.

The Airport owns and operates a complex, computerized security system that includes access control, CCTV, and badging components. The integrated software (AMAG) associated with this system requires ongoing service and software updating that can only be performed by authorized software integrators. Allcom is an authorized software service provider for the Airport's Security System software (AMAG).

Staff recommends Board approval of the AMAG software service agreement from Allcom Global Services, Inc. of Lake St. Louis, Missouri in an amount not to exceed \$23,046.25.

Mr. Nelson made a motion to accept the Consent Agenda, and Mr. Mathis seconded the motion. The vote was taken and the motion passed unanimously.

Business Items:

a. Presentation of Compensation Study – Evergreen Solutions, LLC

Mr. Brad Brackins, senior analyst of Evergreen Solutions, LLC, presented to the Board how their ECP Employee Compensation Study was performed, how they came up with their findings, how the study was conducted, where they went to market to survey employees' salaries and benefits, and the recommendations they created. This item was for informational purposes only and a discussion ensued. No formal action was required.

Staff will make recommendations to be presented to the Board during the September Budget Workshop.

b. Master Plan Update

Mr. Paul Puckli, vice president of CHA, presented to the Board an update on the Airport Master Plan. He explained the master planning process and where we are to date, the forecast of passenger enplanements and operations in comparison to the FAA's Terminal Area Forecast (TAF), the land use evaluation study, and the next activities.

Mr. Puckli explained that the progress to date includes finishing up the forecast working paper that provides the forecast of aviation activity with recommendations to be presented to Staff for their review and then posted on ECP website, and that the land use planning study is in a draft format and a report has been submitted to Staff for review.

Mr. Puckli reported that the forecast aviation activity is one of two portions of the Master Planning Process that needs to be submitted to the FAA and FDOT for approval so that it is in line with state and FAA projections. The forecast looks at 5-, 10-, and 20- year milestones, and the process includes identifying the Airport service area; establishing baseline activity data; identifying socioeconomic factors; developing Airport activity assumptions; generating a forecast scenario; and selecting a preferred forecast scenario(s). He added that once the FAA and FDOT approve the forecast, we can then move forward with the planning process and looking at deficiencies at the Airport and improvements that might be needed.

Mr. Puckli further explained that the forecast methodologies they looked at included a Market Share Scenario (applies growth rates of national, regional, and state forecasts to ECP's existing and historical activity totals – which was used the last time we did the Master Plan, but the FDOT had not updated the market share for airports across the state since we did the Master Plan originally, so it did not show all of VPS' and ECP's growth since the new Airport opened); Regression Scenario (uses correlations between socioeconomic rates such as population, gross regional product, and tourism visits); Trend Scenario (uses 3-, 5-, and 10-year trends based on historic airport activity to project future growth rates); Terminal Area Forecast Based Growth Scenario (uses the growth rate as determined by the FAA's TAF); and an Air Service Scenario (to include the possibility of the gradual addition of service to a Midwest hub and a Northeast hub within the next 5-10 years). The Air Service Scenario was used as the preferred forecast scenario and will be presented to the FAA and FDOT for approval.

Mr. Puckli reported on the existing Airport activity levels for both historical enplanements, and historical operations; the existing air service (four airlines, 14 nonstop destinations with AA adding DCA in Jan. 2020; increased from only two airlines with five destinations in 2010); the Catchment Area (the core contains 3 counties, the full area contains 10 counties in northwest Florida and southeast Alabama; VPS, and TLH); the FAA Terminal Area Forecast with 2018 as the baseline year (with 504,330 enplanements) through the year 2039 with an expected 1,050,950 enplanements; the FAA Terminal Area Forecast (enplanements forecast vs. TAF, and Operations Forecast vs. TAF); and the recommended Forecast vs. FAA TAF.

Mr. Puckli asked Mr. Aaron Kurtz, senior associate from Jones Lang LaSalle (JLL) who specializes in commercial real estate services and property investment strategies, to present on the land use evaluation update. In consultation with CHA, JLL was tasked to explore opportunities for non-aeronautical commercial development on lands owned by the Panama City-Bay County Airport and Industrial District at ECP. JLL's approach was to determine the development potential based on existing conditions, assess demographic and economic trends, and analyze the market to understand trends for office, industrial, and hospitality in Bay County (including identifying the competitive environment).

Mr. Kurtz identified two potential development sites for commercial, non-aviation land uses: Site 1 is 31.5 acres and is located at the south end of ECP; Site 2 is 124.6 acres and is located at the north end of ECP. Mr. Kurtz reported the evaluations of both sites' development potential (entitlements and land use, infrastructure, configuration, environmental, regional planning, and an overall evaluation).

Mr. Puckli concluded his presentation by summarizing the next activities: the forecast working paper number one (inventory) will be re-presented to Staff and posted on the website, the forecast aviation activity working paper number two will be submitted to the FAA and FDOT for approval, Demand Capacity and Facility Requirements Analysis will be underway, and the second Planning Advisory Committee (PAC) meeting will be held in September. A discussion ensued.

This item was for informational purposes only. No formal action was required.

c. Review Airport Board Guidelines

Mr. Nick Beninate, attorney for the Airport, reported to the Board that following new legislation, nothing changed that would impact the Board Guidelines this year. He added that in 2022 the Board will have to file their annual financial disclosures – income and debts – electronically, and the only notification that it will be due will be an email which they will be responsible for noticing.

This item was for informational purposes only. No formal action was required.

Presentation: State Road 388 Construction Update:

Mr. McClellan reported that following our busy season and the Labor Day weekend in September, we will begin to see significant activity for six to eight months as the contractor moves to the Airport Entrance Roundabout area to start working with the required surcharge and Airport Entrance Sign removal, and at that time we'll be down to one lane in and one lane out.

Richard McConnell added that the most activity is happening out in the trees as they clear area for the realignment section. Mr. McConnell reported that the contractor has been on schedule, finding no issues.

The Bay EDA Update:

Ms. Becca Hardin, President of Bay EDA had to leave the meeting early, and Mr. McClellan reported on her behalf that Project Mastermind is still a very active, high level project and is ongoing; and ECP Staff is working with Bay EDA as we do our due diligence with Space Florida on Project Gator.

The Moore Agency Update:

Ms. Katie Spillman of The Moore Agency reported that Super Summer Weekends launched in June with enhanced flight schedules, new nonstop service announcements (including between ECP and Chicago on United Airlines and American Airlines; and between ECP and Kansas City on Southwest Airlines), inaugural flights, and celebrated with on-site passenger and media engagement (cookies and custom ECP-branded luggage tags), two water cannon salutes, and amplified messaging on owned media channels (ECP newsletter and social media platforms).

Ms. Spillman reported that Google and Bing digital advertising ran, and so did a local major daily newspaper advertisement, during which we saw an 11% increase in traffic and a 25% increase in airline clicks from direct traffic.

Ms. Spillman added that as a result of the campaign we saw 18K impressions, 637 airline website click conversions, 196 assisted conversions, 1,741 Escape page views, over 22K new website visitors, and almost 45K total sessions. She said 21% of our subscribers opened the newsletter (the industry average is 17%), and we had 2M earned media impressions.

She said that we continue to pace well against our Dashboard goals and our key performance indicators are on track to meet our goals at the end of our fiscal year; and that we saw outstanding social media engagement across all channels.

Ms. Spillman reported our top performing organic social media post was an animated ad creative graphic showing the nonstop and direct destinations by flipping through all the airport codes on luggage tags.

Executive Director Report:

Mr. McClellan reported that we are in the process of putting together the budget, and Hurricane Michael is presenting a challenge (i.e., rental car numbers were very high, not the norm).

Mr. McClellan reported that the TSA Checkpoint has been realigned with new queue and equipment, bringing the wait time down to 14 minutes at our peak time, previously a 40- to 40 plus-minute wait. He continued that in late October we anticipate there will be new technology coming to the Checkpoint, which will speed up that process even more.

Mr. McClellan showed a picture of the Ramp Expansion Project. He said the Ramp Expansion Project is necessary to begin the estimated \$4.5M Terminal Expansion Project (deadline for Bids today) and reported that the Ramp Repair Project (needed before the Ramp Expansion Project) is finished. He continued that we also have submitted to the FAA a new Taxiway Project, and a 300 x 600 Transient Apron Parking Ramp for large aircraft (working with the EDA), and that several of these projects are multi-year projects because we only have \$9M in FAA entitlements, and these are \$10M projects.

Public Comments:

There were no public comments.

Adjournment:

The meeting was adjourned at approximately 10:41 a.m.

Kathy Gilmore, Executive Secretary

Del Lee, Chairman