

SPECIAL MEETING MINUTES**PANAMA CITY – BAY COUNTY AIRPORT AND INDUSTRIAL DISTRICT**

Opening:

The Special Board Meeting of the Panama City-Bay County Airport and Industrial District was called to order at 9:00 a.m., February 13, 2020 by Chairman Lee.

The Invocation was given by Ms. Holly Melzer.

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. Russ Mathis.

Mr. Johnson made a motion to accept the Agenda. Mr. Tusa seconded the motion. The vote was taken and the motion passed unanimously.

Business Items:

a. **Approve Allstate Construction, Inc. – Guaranteed Maximum Price (GMP) Amendment 2 for Terminal Expansion Project Modular Building Construction**

This item provided for Board consideration of an Amendment to the Allstate Construction, Inc. Contract for the Terminal Expansion Project to include the Guaranteed Maximum Price (GMP) for site and building construction.

At the October 2019 Meeting, the Board approved a Construction Manager at Risk (CM@R) Contract with Allstate Construction, Inc. for the Terminal Expansion Project. At the December 2019 Meeting, Amendment 1 to the Contract was approved which included a Guaranteed Maximum Price (GMP) for the modular building of \$1,661,400. Amendment 2 amends the GMP by a \$2,120,218 increase to include the site and building construction efforts.

This Amendment does not address the fixed ramps or passenger boarding bridges (PBB). The ramps and loading bridges are under further review and an Amendment will be forthcoming for Alternatives 1 and 2.

Additionally, there is a revised schedule based on the delivery date of the modular building. Staff, General Consultant and Allstate are all reviewing opportunities to advance the schedule, knowing it is critical for our summer season. The goal is to minimize operational impacts.

Mr. McClellan informed the Board that this Amendment differs from a Change Order in that it doesn't change the Contract, only the GMP. Mr. Rick Mellin, ZHA President addressed the Board to explain the Amendment further: Initially the Project was estimated to cost in the \$6M-plus range. However, by breaking out the Project into three Amendments, they were able to have the time to find cost-saving alternatives, bringing the price down to \$5.8M, and looking to bring it down even further.

Amendment 1 included the modular building, the item with the longest lead time to find, order and have delivered. Amendment 2 includes the site preparation (build outs, finishings – basically, everything inside). Amendment 3 will include – and should be the final amendment to the GMP – the passenger boarding bridges (PBB), and fixed ramps.

Mr. Mellin explained that they are reviewing the cost savings between using new PBBs (est. \$1M per PBB, 20-year life expectancy, longer delivery time, FAA funding) vs. refurbished PBBs (typically est. 40% cost savings, 10-year life expectancy, shorter delivery time, no federal funding) and are hoping to have proposals from three companies for the new bridges and more information on used bridges in the next week. The current PBB was taken down and examined and deemed to be in pretty decent shape only needing three levels of finishes that they can do that would affect the life expectancy and the potential warranty.

Mr. Mellin explained that the schedule now will bring us into the middle to late June for Project completion, but everyone is working on advancing that schedule wherever possible. He said we can't get started until the modules are delivered. Mr. Mellin also clarified that it is Allstate, the CM@R who advertises for bids at the subcontractor level (mechanical/electrical/plumbing/concrete pedestals/internal finishings) and that though Allstate got decent coverage back, prices are higher than they hoped, and are what is currently expected for the region. When Ms. Melzer asked about items "not included" in the Amendments, Mr. Mellin explained one was a temporary staging area they were able to eliminate after finding opportunities here, resulting in a \$20-30K cost savings; and certified building erectors are actually coming with the modular company.

This Amendment will be funded within the Project and through FAA AIP Grant Funding. Staff recommended approving Amendment 2 to the Allstate Construction, Inc. Contract to increase the GMP by \$2,120,218 for the site and building construction.

Vice Chairman McDonald made a motion to approve the Allstate Construction GMP Amendment 2 for Terminal Expansion Project Construction, and Ms. Melzer seconded the motion.

b. **Authorize to Proceed with Application Process for Triumph Gulf Coast and Other Funding Sources**

This Item provided for Board approval to move forward with the Triumph Gulf Coast, Inc. and other funding source applications for Project Venus, Project Saturn, Project Gator, and Project Good Wrench.

The Airport working with the Economic Development Alliance (EDA) and the Bay County School District (Haney) has developed an Aviation – Center of Excellence with four (4) components for the Airport. The Triumph Gulf Coast requires a pre-application, and a letter of support from the County. The application process for the Triumph Gulf Coast will include the submission of the formal application as well as meeting with the Triumph Board. Additionally, Staff and the EDA will be working on other possible funding sources.

The Triumph Committee was established by the legislature to oversee the expenditure of funds recovered by the Florida Attorney General for economic damages caused by the BP Deep Water Horizon Oil Spill.

Staff and the EDA have developed the concept of an Aviation – Center of Excellence which will be designed to incorporate an aircraft maintenance component, refinishing component, training component and an educational component. The Center of Excellence will support the growth of the aerospace and defense sectors in Northwest Florida. The use of the multi-faceted approach will maximize the opportunities while maximizing the funding options.

The Airport will submit one project with four (4) components under the Aviation – Center of Excellence, as described below:

Project Venus is an aviation and aerospace company with headquarters in Europe. The company has an extensive network of aviation maintenance, repair, and overhaul facilities throughout

Europe and Asia. The company has established themselves as a fully integrated aircraft maintenance solutions provider. The company has been established for over two decades and has over 1,200 aviation professionals. With a long track record of success in the European and Asian market, Project Venus representatives are looking to expand their operations into North America with a new facility to support their growth. The company currently completes MRO operations on aircraft in the commercial and military sectors.

Project Gator is an aviation and aerospace company based in the southeast United States. Currently Project Gator has facilities and operations in two states and desires to expand to Florida because of its proximity to key customers. Founded 10 years ago, the company has grown to be a renowned leader as an aviation refinishing specialist. The company has seen record growth in sales in their business due to their reliable and meticulous approach to servicing customers and their business needs. Because of the company's growth and vision, the company is evaluating siting a new business location in Panama City, Bay County, Florida. This potential expansion will have no impact to the company's current operating locations.

Project Good Wrench is a partnership between the Bay County School System and the Airport Authority to enhance the educational opportunities for the expansion and development of the FAA Approved Airframe and Powerplant (A & P) Program at Tom P. Haney Technical Center (Haney). The present facilities at Haney are limiting the growth of the program that has seen recent success with the growth of the aviation industry worldwide.

Project Good Wrench would be the construction of a facility at the ECP Airport that would allow the A & P program to relocate and expand the educational opportunities for students. The present facilities have the capability to allow 60 students per session and the new facility would provide classrooms, labs, engine test and support facilities for more than 120 students.

The unique location and the ability to have the students begin their training and familiarity of working at an MRO facility would enhance the employment and growth of the aviation sector in NW Florida. The facility would be designed as an MRO allowing students to be familiar with the working environment and as a result increase their employability upon completion of the licensing program. This relocation would also allow the A & P program to become a new pipeline for employment opportunities supporting Project Venus, Project Gator, and future MRO facilities. This close proximity to existing employers would also provide opportunities for students to complete internships and co-op positions within these adjacent businesses.

Project Saturn is a private aviation training provider independent for aviation professionals. This European based company has a global network of clients in nearly 100 countries. The company also provides training for 14 types of aircraft including Airbus, Boeing, Embraer, and others. Working with Bay EDA, the Airport Authority, and other partners, Project Saturn is working to establish a training center within the MRO Center of Excellence. The company intends to start with two full flight simulators (FFS) and expand to four FFSs and three fixed based simulators (FBS) in the coming years. Once operational, Project Saturn would hire 40 employees with an average wage of at least 115% of the Bay County average. The Project Saturn operation is also projected to generate approximately 12,000 room nights for local hotel accommodations per each FFS. The projected capital investment for this project is expected to exceed \$50M.

The Center of Excellence and its various components would utilize Space Florida as the funding partner. Space Florida provides preferred funding mechanisms as well as significant tax savings. Staff and the EDA will utilize the University of West Florida – Hass Center to assist in the development of the various funding source applications. Staff recommends authorization to proceed with the development and submission of formal applications for the Aviation – Center of Excellence with the four diversified

partners for the four (4) components identified as Project Venus, Project Saturn, Project Gator and Project Good Wrench with Triumph Gulf Coast as well as possible other funding partners. In addition, Staff recommends authorization for the Executive Director to re-engage the University of West Florida – Hass Center to assist Staff in the development of the application in an amount not to exceed \$20,000, with funding available in the FY 20 Budget.

Mr. McClellan informed the Board that the estimated maximum Airport out-of-pocket cost being proposed for the four components would be \$4M, the overall estimated project cost would be over \$100M and owned by Space Florida, and the only risk we would have would be not collecting rent from Space Florida if it “went away” and we would benefit by having concrete already in place, and having structures available to rent.

Mr. Johnson made a motion to authorize to proceed with the application process for Triumph Gulf Coast and other funding sources, and Mr. Nelson seconded the motion.

Adjournment:

The meeting was adjourned at approximately 9:27 a.m.

Kathy Gilmore, Executive Secretary

Del Lee, Chairman