

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., July 28, 2021 by Acting Chair James Johnson.

The Invocation was given by Mayor Mark Sheldon.

The Pledge of Allegiance was led by Mr. Will Cramer.

The Executive Secretary called the roll and indicated all the Board members were present in person with the exception of Chair Glen McDonald and Vice Chair Holly Melzer.

Chair Johnson welcomed new Board Member Les McFatter, and asked Les to say a few words. Mr. McFatter was appointed as the City of Panama City Beach representative.

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

Chair Johnson asked if there were any Items on the Agenda, including the Consent Agenda, that any Board member would like to move, and if not, to make a motion to accept the Agenda.

Mr. Cramer made a motion to accept the Agenda, and Mayor Sheldon seconded the motion. The vote was taken and the motion passed unanimously.

District Administrative Items:

Election of Officers: Chair Johnson asked if there were any nominations for Chair and Vice Chair.

Mr. Cramer made a motion to nominate Glen McDonald as Chair, and Holly Melzer as Vice Chair. Mayor Sheldon seconded the motion. The vote was taken and the motion passed unanimously.

Review of Board Operating Procedures: Mr. Parker McClellan informed the Board that any references to the title Chairman would be changed to Chair, and any personal name references would be eliminated – only titles would be used.

Mayor Sheldon made a motion to accept the Board Operating Procedures, and Mr. Jason Cutshaw seconded the motion. The vote was taken and the motion passed unanimously.

Reports:

Mr. Parker McClellan presented the Activity Reports. Mr. McClellan reported the passenger count for June 2021 once again exceeded all other previous years, and announced that since the pandemic, ECP is #4 out of 250 in the Contract Tower System for instrument operations in the United States, up from #119 prior to COVID 19.

Mrs. Darlene Gordon presented the Financial Reports.

Consent Agenda:**a. Board Meeting Minutes – June 30, 2021**

This Item provided for Board approval of the June 30, 2021 Board Meeting Minutes.

Mr. Cramer made a motion to accept the Consent Agenda, and Mayor Sheldon seconded the motion. The vote was taken and the motion passed unanimously.

Business Items:**a. Approve Second Amendment to State Infrastructure Bank Loans**

This Item provided for Board approval of the Second Amendment to each of the two State Infrastructure Bank (“SIB”) Loans.

The District entered into two loan agreements with the State of Florida Department of Transportation (“FDOT”), one in December 2007 in the amount of \$25 million (Loan 421137-1-94-01 “Loan 1”) and one in April 2009 in the amount of \$20 million (Loan 421137-1-94-02 “Loan 2”) to finance the construction of the Airport. The interest rate for both Loan 1 and Loan 2 was 4.6%, with maturity dates October 1, 2036 for both loans.

Due to economic conditions and the continued lowering of interest rates nationally, Staff contacted FDOT to explore the possibility of refinancing the SIB loans at a lower interest rate. Initially, FDOT was not able to accommodate the request; however, with continued discussion between Staff, legal counsel, financial consultants and FDOT, an agreement was reached to lower the interest rates on both loans.

The revised interest rate for Loan 1 is 1.97% and the new rate for Loan 2 is 2.71%. There is a difference in the rates because loans were executed at different times, reflecting different rate premiums based on differing project features, tenors, principal amounts, and cash flow characteristics, and the new interest rates reflect an adjustment to the treasury/risk-free component of the all-in interest rates only.

The effective date of the new rate will be August 1, 2021, pending Board Approval of the Amendments.

The approval of the Second Amendments for Loan 1 and Loan 2 will result in a savings of \$4,355,728 and \$2,642,036, respectively over the life of the loans. The total savings for the District for both loans will be \$6,997,764. There will be a savings of \$131,407 in FY21, \$475,357 per year in years 2-15, and \$211,362 in year 16.

Staff recommended Board approval of the Second Amendment to each of the two Florida Department of Transportation State Infrastructure Bank Loans.

Mr. Cramer made a motion to approved the Second Amendment to each of the two FDOT State Infrastructure Bank Loans, and Mayor Sheldon seconded the motion. The vote was taken and the motion passed unanimously.

b. Approve Extended Warranty Agreement – Schindler Elevator Corporation

This Item provided for Board approval of a Sole Source extended warranty agreement for warranty services of three (3) escalators and nine (9) elevators located at the Airport.

The Airport owns and operates three (3) Schindler escalators and nine (9) elevators at the Airport (these

escalators and elevators have been in continuous service in the Terminal Building since 2010). The Airport maintains an extended warranty agreement with Schindler Elevator Corporation. Under the extended warranty agreement Schindler, at Schindler's expense, corrects any defects and workmanship and materials occurring for the 5-year term of the extended warranty provided the warranty agreement is extended and maintained in affect.

In accordance with State of Florida statute, a notice of intended Sole-Source purchase was publicly posted twice to determine if any other vendors were available to perform the elevator/escalator extended warranty services. No responses or comments were received.

Costs for this agreement are included in the Airport's annual Airport Operating & Capital budget. First year annual cost is \$34,560 (\$2,880/month) with provisions for adjustments contained within the Extended Warranty Agreement. Annual agreement costs will be included in future Airport budgets in accordance with approved Airport fiscal policy.

Staff recommended approval of the sole source extended warranty agreement from Schindler Elevator Corporation USA, Inc. for elevator/escalator extended warranty services in a first-year amount of \$34,560 (\$2,880/month).

Mayor Sheldon made a motion to extend the warranty agreement with Schindler Elevator Corporation, and Mr. McFatter seconded the motion. The vote was taken and the motion passed unanimously.

c. **Approve Sole Source Purchase and Installation of UV LED Anti-bacterial/Anti-viral Escalator Devices – Schindler Elevator Corporation**

This Item provided for Board approval of a sole source purchase for acquisition and installation of UV LED anti-bacterial/anti-viral escalator devices on each of the Airport's six escalator handrails in the Terminal Building.

In efforts to provide a safe transportation environment for passengers and other users of facilities, the Airport has implemented several initiatives. One such initiative is to reduce the presence of bacteria and viruses on high touch points throughout the Terminal. One of the most commonly touched and contacted areas are the escalator handrails. To assist in the reduction of potential bacteria and viruses, Ultra Violet LED lighting devices are to be installed on each of the Airport's six escalator handrails. The Airport owns and operates three Schindler escalators. Each escalator has two handrails. The Airport is procuring a manufacture-provided UV device designed to be integrated into Schindler brand escalators.

In accordance with State of Florida statute, a notice of intended Sole-Source purchase will be publicly posted twice to determine if any other vendors are available to perform the replacement/overhaul services.

This purchase will be budget neutral and will not impact the Airport's current Operating & Capital budget. This purchase will be funded at 100% participation from one of the Airport's current Federal Cares Act grants.

Staff recommended approval of the sole source purchase from Schindler Elevator Corporation USA, Inc. for acquisition and installation of UV LED anti-bacterial/anti-viral devices in an amount not to exceed \$36,000.

Mayor Sheldon made a motion to approve the sole source purchase and installation of UV LED anti-bacterial/anti-viral escalator devices from Schindler Elevator Corporation, and Mr. Cutshaw seconded the motion. The vote was taken and the motion passed unanimously.

d. Approve Airport Master Plan Update

This Item provided for conditional Board approval of the Airport Master Plan Update for submission to FAA and FDOT for review/acceptance/approval.

On September 26, 2018, the Board authorized the award of an Airport Master Plan Update to CHA Consulting, Inc. The Consultant Team, in partnership with Staff, Airport General Consultant, and Planning Advisory Committee, began working on an update to the Airport's 2015 Master Plan. During initial update activities it was determined rather than using year-based milestones as development triggers the use of planning horizons "Planning Activity Levels (PAL)" would be utilized to provide the Airport with a more valuable, demand-based, planning tool.

The Master Plan Update Presentation is an Executive Summary of the results of the planning effort and as such will be useful to the Board and Staff for future planning efforts as well as a guide for future development.

The Approval Process for the Master Plan Update by the FAA and FDOT has already begun with the submission of the draft activity and development documents. The formal review and comment portion of the final approval process now begins with Board Approval of the Final Master Plan Update. Upon approval by the Board, Staff will notify both FAA and FDOT and they will perform the final review and acceptance process. Upon acceptance by both FDOT and FAA, the Airport Master Plan Update will be approved. The anticipated acceptance/approval date from both FAA and FDOT is approximately 120-180 days from submittal.

Mr. McClellan invited CHA's Paul Puckli to present the final Master Plan Update concepts to the Board. Mr. Puckli briefed the Board beginning with Airfield Recommendations.

Mr. Puckli announced that we are just short of justifying the Crosswind Runway for FAA funding after the latest wind and weather analysis arising from a comment that an outside source took to Washington asking for an additional analysis. Mr. Puckli explained when using the FAA data provided prior to the additional analysis, we were at 94%, which would have justified the Runway. But because this new additional analysis looked at the wind and weather and aircraft activity hourly, and even at increments within those hours, it went the opposite way. He said the FAA threshold for financial participation is 95% and the new data shows 95.3%. He said it will still be included in the Airport Layout Plan and the FAA can still conditionally approve the Airport Layout Plan without the Crosswind Runway while asking for additional studies to be conducted – and potentially approving to fund it – in the future. He said by keeping it in the Airport Layout Plan, we can protect the land and airspace for the future when we will meet the requirements to justify federal funding. He recommended a bi-annual wind analysis to determine any changes since the ten-year data submitted to the FAA includes 2 years from the "old" airport (PFN).

He clarified, however, that while using only 10 years of ECP data is suspected to increase the percentage making it more difficult to justify the Crosswind Runway – because our Primary Runway is perfectly aligned for wind direction, and the land surrounding the Airport is an open swampy area – structures being built near the Airport can change wind patterns in our favor, as can changes in weather. Mr. Puckli added that the only other way the FAA would consider it for the Airport Layout Plan federal funding would be if we had capacity concerns, but that we are no way near that.

Mayor Sheldon asked what it would cost to build the Crosswind Runway if we had no federal funding, and how much of that cost would be paid by the Airlines. Mr. Puckli said that with Mrs. Gordon's help, he can provide those figures to the Board at the next meeting. Mr. McClellan explained that there are other avenues we can pursue for funding – that this is just the Master Plan part of it with FAA, for now.

With no further discussion on the Crosswind Runway, Mr. Puckli described the other Master Plan recommendations: General Aviation & Support Facilities (additional aprons, hangars, development of the Aviation Center of Excellence; expansion of the Maintenance building, federal inspection building, storage facilities and fuel farm area); Terminal Recommendations using four Planning Activity Levels (PAL) which could span 20 years or less if our passenger activity increases faster, to include a new Concourse added to the north, expanded Baggage Claim, a gradual addition (over the four planning levels) of a total of 12 Gates, larger holdrooms to hold more passengers, expanded administrative office space and ticket counters, expanded concession areas); Landside Recommendations (parking and roadways), also using four PAL plans; the ACIP Summary and Funding Sources; and the Terminal recommendations for the future, beyond this PAL 4 planning period.

A discussion ensued regarding the logic of waiting to build expanded parking closer to the Terminal, and Mr. Puckli said it was from a security standpoint not needed since 911, and esthetic reasons, but that if the Board wanted to move the timeline up it was certainly doable; as well as considering a parking garage which would require a cost benefit analysis due to the large expense using rental car CFC funds.

Staff recommended that the Board conditionally approve the Master Plan Update for submission to FAA and FDOT and upon their acceptance/approval, approve the Airport Master Plan as submitted.

Mayor Sheldon made a motion to approve the Airport Master Plan Update and Mr. Cramer seconded the motion. The vote was taken and the motion passed unanimously.

The meeting continued after a short recess.

e. Approve ZHA Task Order #49C for Bag Make-Up Facility Expansion Design Services

This Item provided for the Board's approval of Task Order #49C to ZHA for Bag Make-Up Facility Expansion Design Services.

As part of the recent Master Plan Update, development projects were identified to meet the increasing demand at the Airport. The thresholds for development are called Passenger Activity Levels (PAL). The Bag Make-Up Area is the area "behind the curtain" where the bags are screened and located onto carts to go out to the aircraft. The present Bag Make-Up Area is congested and at peak times there is little to no room to operate. In order to accommodate new air carriers and the projected increase in traffic based on the Region's recent success with pandemic, this area must be expanded.

A study was conducted that included air carrier input, airport operations evaluations, and options available based on the limitations of building expansion in the current area. The study also determined the limits of potential building construction area.

Services in this task order will include the following: the design of a 9,650 sf addition to the west side of the existing bag make-up facility; the design of a new additional bag make-up carousel; and modifications to the existing carousel and sorting equipment. Survey and geotechnical services will also be performed to allow for the engineering of the building and site. Additionally, the design services will include development of system specifications to ensure compatible baggage handling system modification.

The overall cost of this Task Order is not to exceed \$572,100 and will be funding utilizing an existing FDOT Grant and District funds approved in the FY21 Budget. Staff recommended Board approval.

Mr. McClellan invited ZHA's Rick Mellin to further describe how this Task Order fits in with the Master Plan Update. Mr. Mellin explained how this expansion does what the Master Plan suggests we do. He said this second bag make-up carousel should take us out 17 years in terms of the projected need, moving it to the west.

Mayor Sheldon made a motion to approve this ZHA Task Order #49C for the Bag Make-Up Facility Expansion Design Services and Mr. Cutshaw seconded the motion. The vote was taken and the motion passed unanimously.

f. ZHA Task Order #55A – North Terminal Concourse Expansion – Design Services

This Item provided for the Board’s approval of ZHA Task Order #55A for North Terminal Concourse Expansion – Design Services.

As part of the recent Master Plan Update, development projects were identified to meet the increasing demand at the Airport. The thresholds for development are called Passenger Activity Levels (PAL). The demand for the current Terminal Building, primarily the Concourse, is constrained at peak times throughout the year. To address these constraints and provide additional holdroom, restrooms and concession areas, it has been determined the existing shell space located on the northside of the Terminal is the preferred location.

This Task Order provides for services to include the design of: demolition and renovation of roughly 12,500 sf of existing shell and finished space; a small portion of new structure construction required in both interior and exterior locations; and a ramp to the expanded North Terminal Apron. A phasing plan will be developed for constructing the buildout area without any major impacts to the facility operation. After completion of those modifications, additional construction and demolition in the existing Terminal will be sequenced, as required, to complete the work and adjust existing facility flow of traffic.

Additionally, the design services will include the integration of the Master Plan concept of the future North Terminal Expansion including vertical transportation and bag claim and checkpoint modifications.

The Task Order provides for the detailed design requirements which are in compliance with federal, state and local requirements. The overall cost of this Task Order is not to exceed \$462,000 and will be funding utilizing an existing FDOT grant and District funds approved in the FY21 Budget. Staff recommended Board approval.

Mr. McClellan explained how the previous Master Plan of five years ago planned for space for the Federal Inspection Station (FIS), but that those requirements for processing international passengers have since changed and that space (“The Great Hall”) is now better suited for Terminal Expansion. Mr. McClellan invited ZHA’s Rick Mellin to further describe this Task Order. Mr. Mellin explained how the current shell can be utilized in Phase 1 of the Terminal Expansion without having to take out Gate 2.

Mayor Sheldon made a motion to ZHA Task Order #55A – North Terminal Concourse Expansion Design Services and Mr. Cramer seconded the motion. The vote was taken and the motion passed unanimously.

g. Approve ZHA Task Order #55B – North Terminal Apron Expansion – Design Services

This Item provided for the Board’s approval of Task Order #55B to ZHA for North Terminal Apron Expansion – Design Services.

As part of the recent Master Plan Update, development projects were identified to meet the increasing demand at the Airport. The thresholds for development are called Passenger Activity Levels (PAL).

The Terminal Aircraft Parking Apron is a project that will be key for future North Terminal Concourse development and capacity enhancement. This project will expand the ramp to the north to allow for aircraft parking and the future gate area. This Task Order provides for the design of approximately 23,300 square yards of PCC concrete, designed to accommodate all classifications of aircraft.

The Task Order provides for the detailed design requirements and compliance with federal, state and local requirements.

The overall cost of this Task Order is not to exceed \$356,300 and will be funding utilizing an existing FDOT Grant and District funds approved in the FY21 Budget. Staff recommended Board approval of this Task Order for the North Terminal Apron Expansion – Design Services.

Mr. McFatter made a motion to approve ZHA’s Task Order #55B for North Terminal Apron Expansion Design Services and Mr. Cramer seconded the motion. The vote was taken and the motion passed unanimously.

Construction Update (information only):

a. Aircraft Parking Apron Expansion

Mr. Richard McConnell reported the Transient Apron Phase 1 Expansion is substantially complete as of June 30. He said we are finishing some punch list items and we made a few changes to allow for future infrastructure expansion – drainage pipe, primarily – which is being installed and then that project will be complete. He said the Apron has been well utilized already this season for both Sheltair and the Airport transient aircraft parking.

b. Airport Entrance Roundabout and State Road (SR) 388 Realignment

Mr. McConnell reported the SR 388/Airport Entrance Roundabout is expanding. He said the grading/curb and gutter work is being done to prepare for the change in the traffic pattern to allow for the Roundabout construction to begin. He said a diagram and details should be forthcoming in the next couple of weeks, and the project is expected to be complete in the first or second quarter of 2023.

Bay EDA Update:

Bay EDA President Ms. Becca Hardin reported that there is a new road design for Venture Crossings: the T-road behind the former GKN facility will connect to SR 388 so there will not be truck traffic coming onto West Bay Pkwy, and it will become the main entrance to Venture Crossings.

Ms. Hardin said that the Airport Authority and Venture Crossings (owned by St. Joe Company) properties have a total of nine projects that range from 50 employees to 550 employees, with a capital investment of \$12M to \$450M.

She said that with travel opening up, Bay EDA will be attending the National Business Aviation Association (NBAA) tradeshow in Vegas in October, and the Maintenance, Repair and Overhaul (MRO) Europe Show in Amsterdam, as well as several other events, in addition to hosting other prospects.

The Moore Agency Update:

Due to the length of the meeting, and because Board members were already provided with The Moore Agency’s June Marketing update in their Board packets, Chair Johnson asked that Ms. Katie Spillman defer her Report for this meeting.

Executive Director Report:

Mr. McClellan addressed the Board by recognizing the Airport management staff who have been working six days a week and at least two or three Saturdays due to the increase in passenger numbers. He said

Staff and our consultants continue to do a lot of planning; the Budget will be submitted to the Airlines later this week and back to the Board at the Budget Workshop September 1; the Airlines have the latest Agreement version for their legal review (the current Agreement ends the end of September); and there are many contracts in the pipeline.

Public Comments:

There were no Public Comments.

Recess:

The meeting recessed at 10:40 a.m. and reconvened at 10:57 a.m. for the mandatory Ethics Training.

Ethics Training:

Airport Authority legal counsel Franklin Harrison and Nick Beninate presented the Ethics Training. The Board Members present included: Mr. James Johnson, Mr. Will Cramer, Mr. Jason Cutshaw, and Mr. Les McFatter. Staff present included: Mr. Parker McClellan, Mr. Richard McConnell, Mrs. Darlene Gordon, Mr. Mark Adams, Police Lieutenant Tom McCarthy, Fire Chief Jerry Swearingen, and Maintenance Dept. Head Larry Hightower.

Adjournment:

The Ethics Trainings was adjourned at approximately 3:00 p.m.

Kathy Gilmore, Executive Assistant

Glen McDonald, Chair