

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., February 28, 2018 by Chairman Mathis.

The Invocation was given by Mrs. Rhonda Marchman.

The Pledge of Allegiance was led by Vice Chairman Del Lee.

The Executive Secretary called the roll and indicated that all Board Members were present.

Chairman Mathis introduced the newest Board Member, James Johnson, appointed by the City of Panama City.

Reports:

Mr. Parker McClellan presented and reviewed the Activity Report.

Ms. Darlene Nelson presented and reviewed the Financial Report.

An Amended Agenda was presented to the Board. Mr. Nelson made a motion to accept the Amended Agenda. Ms. Sims seconded the motion. The vote was taken and the motion passed unanimously.

Consent Agenda:**a. Board Meeting Minutes – January 24, 2018**

This item provides for Board approval of the January 24, 2018 Board Meeting Minutes.

b. Ratify Banner Tow Agreement – Aerial Messages of Daytona Inc.

This item provides for Board ratification of a Banner Tow Agreement between Aerial Messages of Daytona Inc. and the Panama City-Bay County Airport and Industrial District for the operation of aircraft banner tow activities at the Northwest Florida Beaches International Airport.

c. Approve Lease Agreement – Burton Beitz to Dunnair LLC

This item provides for Board approval of the assignment of the Lease Agreement between Burton E. Beitz and the Panama City-Bay County Airport and Industrial District to Daniel K. Dunn.

d. Authorization to Join the State of Florida 457 Retirement Program

This item was moved to the Business Agenda.

e. Accept Bid for Spring Fertilizer

This item provides for Board approval for the purchase and application of fertilizer and lime for approximately 500 acres of Airport property.

f. Accept Bid for Rental Car Vehicle Lifts

This item provides for the acceptance of a bid from Reliable Equipment and Lift, Inc. of Lynn Haven, Florida to provide and install five (5), two-post, vehicle lifts, at the Airport's Rental Car Service Facility.

g. Approve FDOT Maintenance Agreement for the Roundabout at the Airport Entrance

This item provides for the Board's approval to execute a Landscape Maintenance Agreement with the Florida Department of Transportation.

Ms. Sims made a motion to approve the Consent Agenda. Mr. McDonald seconded the motion. The vote was taken and the motion passed unanimously.

Business Items:

a. Build Out Airline Ticket Office Space

The space allocated for the American Airlines Ticket Office is located behind the unused ticket counters and is shell space, meaning it only has exterior walls.

Staff asked ZHA to prepare a Task Order for the design, bid/award and construction administration. ZHA has submitted a Task Order for this effort in a not to exceed amount of \$26,000.

The estimate prepared by ZHA for the buildout is approximately \$135,000 with a design and construction schedule of 6 to 8 weeks. Anticipated acceptance date is 4 May 2018.

ZHA will prepare the design and preparation of the construction documents and construction will be completed by the successful bid of one of our previously approved vertical contractors. Based on this schedule Staff and ZHA recommend the Chairman authorize the construction contract and the Board ratify the Chairman's action.

There may be a need to purchase additional equipment for the gate area, loading bridges, ticket counters, curb signage, and infrastructure/technology supplies at an estimated cost of \$15,000, with a contingency.

Mr. Nelson suggested that a meeting to approve the contract was warranted, with concern being the Chairman taking on the responsibility of selecting the contractor.

Following Board discussion, Ms. Sims made a motion to approve a Task Order with ZHA for design, bid/award, and construction management services in an amount not to exceed \$26,000; a Budget Amendment in an amount not to exceed \$150,000; and authorization for the Board Chairman or his designee to execute the appropriate documentation following satisfactory legal review. Mr. Tusa seconded the motion. The vote was taken and the motion passed six to one, with Mr. Nelson voting against it.

b. Baggage Make-up Improvements

The Baggage Make-Up Area is the areas where checked bags are removed from the conveyor system and sorted on carts and taken to the aircraft for departing passengers. The design of the present baggage make up area allows for easy access to three (3) of the four (4) sides of the system through roll down doors. Access to the fourth side is limited due to space constraints.

After discussions with airline staff, it was determined, that in order to make baggage handling more efficient, access to the fourth side of the system needs to be improved. This can be accomplished by installing another roll down door on the fourth side and constructing a concrete cart way along the south side of the building connecting to the ramp.

Staff requested that ZHA prepare a task order for the design, bid/award and construction management of this project. The Task Order has been prepared in a value not to exceed \$25,300.

Based on the preliminary review of the project, the construction cost is estimated to be \$135,000, which includes construction and contingency.

The design and preparation of the construction documents will be prepared by ZHA with the construction portion being completed, via competitive bid, by one of the Airport's previously approved vertical contractors. Based on the tight completion schedule, Staff and ZHA recommend the Chairman authorize the construction contract and the Board would ratify the Chairman's action.

Mr. McDonald made a motion to approve a Task Order with ZHA for design, bid/award, and construction management services in an amount not to exceed \$25,300; a Budget Amendment in an amount not to exceed \$135,000; and authorization for the Board Chairman or his designee to execute the appropriate documentation following satisfactory legal review. Mr. Johnson seconded the motion. The vote was taken and the motion passed unanimously.

c. Authorization to Proceed with Triumph Gulf Coast Applications

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 Deepwater Horizon oil spill.

The Triumph Committee solicited pre – application for potential projects which were forwarded through the Bay County Commission for consideration.

The Airport submitted three (3) projects:

- Project SoHo, an estimated 100,000 sf manufacturing facility with an estimated cost of \$8,500,000
- Project Blue Star, a maintenance repair and overhaul facility with an estimated cost of \$10,600,000
- Crosswind Runway, a 7,500 foot runway at ECP would allow additional access in differing weather conditions at an estimated cost of \$41,000,000

Funding partners for all three projects include the Airport, FDOT and Triumph Gulf Coast, Inc. Space Florida would be a funding partner for Projects SoHo and Blue Star, who provide preferred funding mechanisms and significant tax savings. The FAA would also be included as a funding partner for the Crosswind Runway.

Staff has had discussions with various entities to assist in the development of the formal application including the University of West Florida – Haas Center. Following a meeting with the Haas Center, they provided Staff with a letter outlining the services as well as a cost estimate to develop the formal application. Staff has reviewed the letter and services and recommends the Hass Center be utilized to assist in the development of the formal application.

Following discussion, Vice Chairman Lee made a motion to authorize Staff to proceed with the development and submission of formal application for the three projects identified as Project SoHo, Project Blue Star and the Crosswind Runway and authorization for the Executive Director to engage the University of West Florida – Haas Center to assist in the development of the application in an amount not to exceed \$25,000. Mr. McDonald seconded the motion. The vote was taken and the motion passed unanimously.

d. Authorization to Execute Airport/Airline Use Agreement – Amendment – with Southwest Airlines

On May 17, 2010, the Airport entered into an agreement with the passenger air carriers establishing an interim signatory agreement to operate at the new airport and establish rates and charges the air carriers would pay. These charges were based on the old rates paid at the old airport. At the September 28, 2011 meeting the Board approved adjusted rates and charges based on the business model being negotiated with the air carriers and on March 28, 2012 approved an Airline-Airport Use and Lease Agreement effective from October 1, 2011 through September 30, 2015. In September 2015, the

Board approved a five (5) year Airline-Airport Use and Lease Agreement effective from October 1, 2015 through September 30, 2020.

On February 23, 2018, Southwest Airlines sent a letter advising their intent to Lease an additional gate and associated hold room at ECP. This Amendment would take effect upon execution of the Amendment and continue through the term of the Agreement, September 30, 2020.

Ms. Sims made a motion to approve the Amendment to the Airline-Airport Use and Lease Agreement with Southwest Airlines, Inc. and authorize the Board Chairman to execute all associated documents upon satisfactory legal review. Mr. Tusa seconded the motion. The vote was taken and the motion passed unanimously.

e. Authorization to Execute Airport/Airline Use Agreement (Signatory Agreement) with American Airlines

On May 17, 2010, the Airport entered into an agreement with the passenger air carriers establishing an interim signatory agreement to operate at the new airport and establish rates and charges the air carriers would pay. These charges were based on the old rates paid at the old airport. At the September 28, 2011 meeting the Board approved adjusted rates and charges based on the business model being negotiated with the air carriers and on March 28, 2012 approved an Airline-Airport Use and Lease Agreement effective from October 1, 2011 through September 30, 2015. In September 2015, the Board approved a five (5) year Airline-Airport Use and Lease Agreement effective from October 1, 2015 through September 30, 2020.

The framework of the business deal is to charge two basic rates, one for landing fees and one for terminal rental. This business framework also calls for a revenue sharing program with the airlines after all operating expenses, capital equipment, capital reserve and annual debt service have been paid. The agreement also builds capital reserves and sets aside up to \$2,800,000 over the term of the Agreement prior to any revenue sharing calculation.

The airlines that presently are Signatory to this Agreement are Delta and Southwest. Recently, American Airlines, Inc. advised us they intend to execute the Airline-Airport Use and Lease Agreement and become a signatory air carrier. The Agreement has been provided to American and is expected to be executed in the next 45 days.

Mr. McClellan said that it is expected that American Airlines will bring in new passengers as well as attract passengers from other airports. This is due in part to offering Charlotte as a nonstop destination and competition to Dallas/Fort Worth. Competitive fares may also be a factor.

Mr. Johnson made a motion to approve execution of the Airline-Airport Use and Lease Agreement with American Airlines, Inc. and authorize the Chairman to execute all necessary documents upon satisfactory legal review. Mr. McDonald seconded the motion. The vote was taken and the motion passed unanimously.

f. Authorization to Join the State of Florida 457(b) Deferred Compensation Program

The District currently has a 457 Group Deferred Annuity Policy with Reliastar Life Insurance Company that was adopted in 1999. This plan involves using an insurance agent for any participant activity and lacks investment options. The plan currently has four employees participating and it is not accepting new enrollees.

The State of Florida Division of Treasury offers Special Districts the ability to participate in its IRC 457(b) Deferred Compensation Program by. This Program allows employees to contribute to the plan on a pre-tax basis with self-directed investment. It boasts in excess of \$4 billion in plan assets and offers six investment companies including Nationwide, Empower, VALIC, T. Rowe Price, Charles Schwab, and VOYA.

Participants are able to rollover funds from other Pre-Tax Savings Plans, enroll at any time with access to participants' accounts via a dedicated website, and no administrative or maintenance fees or commissions are charged.

The State of Florida handles all reporting requirements, provides District employees information on the plan and investment options, and handles the rollover process for those wishing to move funds from other plans. Additionally, ongoing training opportunities for District Employees is offered with regard to the benefits of participation in the Plan.

Ms. Sims made a motion to authorize the Executive Director or his designee to execute the necessary documents to become a member of the State of Florida IRC 457(b) Deferred Compensation Plan and for the termination of the 457 Group Deferred Annuity Policy with Reliastar Life Insurance Company when current participants are no longer contributing. Vice Chairman Lee seconded the motion. The vote was taken and the motion passed unanimously.

Bay EDA Update:

Ms. Becca Hardin updated the Board on the status of EDA projects and activity. Over the last month there have been three prospect visits, 23 active projects and five hot prospects. Ms. Hardin and Mr. McClellan will attend the MRO Americas Show in April and will meet with representatives for Project Blue Star. Representatives for Project SoHo will be visiting Bay County and the Airport in March. They will discuss their timeline and the desire to accelerate it. In April, Garret Wright will attend the Aircraft Interiors Expo in Germany with Enterprise America. Ms. Hardin also announced that GKN had introduced their General Manager, Preston Mathis, and welcomed their first wave of employees. Bay EDA is consistently trying to recruit new companies to the area and is working with the Bay County Chamber of Commerce to highlight what there is to offer. Discussion took place that there is a need to acquire and approve additional sites at the Airport. Ms. Hardin also informed the Board that Vice Chairman Lee will be the guest speaker at the next Bay EDA Investor meeting.

Moore Communication Group Update:

Ms. Katie Spillman gave a presentation to the Board highlighting the new way they will be reporting numbers and statistics regarding advertising. In the last month, ECP has received great exposure and many compliments from digital ads, newspaper ads and the Super Bowl commercials.

Executive Director Report:

Mr. McClellan introduced Ms. Leslie Overmier. Sheltair Manager, Mike Lerma, has been promoted to Regional Vice President and Ms. Overmier will be the interim. Sheltair is currently projecting their new hangar to be completed in September. The hangar space has been accounted for quickly and they may need to consider building another hangar. Ms. Overmier also reminded the Board that Wings of Freedom will be taking place for the next few days, showing vintage aircraft.

Mr. McClellan informed the Board that the Exit Lane is 98% complete. GAC has completed the construction and Tyco is working to finish the technology portion. Once everything is certified by TSA, it will move forward as an automated exit lane.

The FEMA project work for the storm drainage held up well with the recent rainfall, with only one area of erosion that will need further assessment.

Mr. McClellan addressed the Board about the sand pile between West Bay Parkway and Johnny Reaver Road, saying that efforts are being made to improve its appearance, as well as utilize it in upcoming projects until it is gone. Several of the upcoming projects will utilize the sand as part of the construction process.

Mr. McClellan announced that DeTect has asked to continue their partnership with ECP by participating in the Airport Cooperative Research Program (ACRP). By working with DeTect in the past, ECP has received very positive attention for being the only airport in the United States with drone and bird detection radar.

Mr. McClellan advised the Board that the last few weeks have been extremely busy and he would have his performance evaluation to them as soon as possible.

Mr. McClellan informed the Board that Staff is currently researching ways to expand the Terminal for future growth at ECP. The plans that have been approved in this meeting are a temporary fix and the Board will be presented with expansion options for discussion at an upcoming meeting.

Other Business:

Ms. Sandy Sims introduced Mr. Verdell Hawkins. Mr. Hawkins is the new Economic Development Manager for Gulf Power and Ms. Sims invited him to the Board meeting to get him acquainted with the current and future happenings of the Airport.

Mr. Jay Tusa announced that the Walton County Board of Commissioners approved a reallocation of funds in the amount of \$75,000 to be used in marketing the arrival of American Airlines. Those advertising efforts will begin rolling out in March.

Public Comments:

There were no public comments.

Adjournment:

The meeting was adjourned at approximately 10:00 a.m.

Talisa Price, Executive Secretary

Russ Mathis, Chairman