

AIRPORT BOARD
AGENDA
6:00 P.M., TUESDAY, JULY 10, 2018
ALASKA ROOM

- I. CALL TO ORDER
- II. ROLL CALL
- III. APPROVAL OF MINUTES: Regular Monthly Meeting of June 12, 2018
- IV. APPROVAL OF AGENDA
- V. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS
- VI. INTRODUCTION OF MIKE GREENE. Mike Greene has been hired on as our new Airport Architect/Engineer II. He will be starting July 9, 2018. Mike brings a wealth of knowledge on capital improvement projects and project management.
- VII. INTRODUCTION OF NEW/RETURNING AIRPORT BOARD MEMBERS
- VIII. ELECTION OF OFFICERS
- IX. COMMITTEE APPOINTMENTS:
 - A. Finance Committee
 - B. Operations Committee
- X. UNFINISHED BUSINESS
 - A. **'Kendler Way' Road Naming (Attachment #1).** At the June 12, 2018, Airport Board meeting, the Board passed a motion to name the new road going to the Snow Removal Equipment Facility (SREF) and continuing down the northwest access toward the Float Pond 'Kendler Way'. Staff needed to vet this name with the City's road names for duplication and confirm through the Kendler family and through the City Law Department that the name could be used. Kendler Way meets all the City & Borough of Juneau (CBJ) requirements. Sandy (Kendler) Spickler also wrote an email in support of naming the access road after her grandparents Joe Kendler, Sr. and Mathilda Kendler who owned/operated the dairy farm located where much of the Juneau Airport is currently located. Additionally, her father, Joe Kendler, Jr. was a pilot/Captain for Alaska Coastal Airlines and Alaska Airlines (see attached email). Kendler Way will be the official name on the City road system.
 - B. **Terminal Reconstruction Phase II (Attachments #2, #3 and #4).** On June 12, 2018, the Airport held another terminal planning meeting with tenants and public to discuss the conceptual design of the terminal, to-date, as well as concerns from a couple of tenants. An update was provided to the Airport Board the same day. At the meeting, the north terminal tenants agreed to work collaboratively on a design for the north end.

On June 13, 2018, Airport staff followed up with an email to the Part 135 terminal tenants requesting that they submit their ‘collaborative’ plan by June 27, 2018. The Airport received a joint letter, see Attachment #2, from Harris Air, Island Air Express and Ward Air (HIW), in short, recommending use of the 2012 General Obligation bond for a ‘big box’ terminal plan, requesting the Airport disallow private lease development north of the terminal and requesting that the Airport incorporate only essential ‘knuckle’ improvements to the north end/or as funding allows. The letter requested ‘reasonable amount of like space to the existing 135 tenants’ and some additional space for future or additional expansion; as well as consistent aesthetics to the existing (newer) terminal.

The Airport also received conceptual renderings from Alaska Seaplanes with a narrative, see Attachment #3, of concept needs including (in short): high public movement-to-leasable space ratio, adequate waiting area and leasable area (allowing for growth and new operators), and a solution for current freight drop-off/curb congestion.

The Airport explored both of these concepts and determined that the 135 carrier needs as well as the essential components of the ‘knuckle’ (elevators, escalators, stairs, bathrooms, mechanical, heating, emergency generator and all offices) must be addressed.

The Airport took an in-depth look at Option 2 (presented by consultants McCool Carlson Green, June 12, 2018 – see Attachment #4). This conceptual design meets the common request of the tenants for the north terminal space (to provide ‘like’ space for passengers). It accomplishes the following:

- Provides ‘like’ passenger services space for current 135 operations
- Provides space to the north for private lease lot development for freight
- Provides development opportunity for freight drop-off away from curb
- Provides space for all current office tenants/entities within terminal
- Addresses structural issues and deficiencies of current terminal building
- Provides the ‘best bang for the buck’ funding (Airport Improvement Program (AIP), Passenger Facility Charge (PFC), General Obligation (GO) bond)
- Expands the geothermal heat pump system to whole terminal
- Provides efficient terminal (heating, cooling, utilities); lowers operating costs
- Allows for consistent aesthetics of whole terminal

The Airport believes we have met the needs (above) in Option 2 by incorporating the input from tenants and the public. Although we have not met with the Federal Aviation Administration (FAA) yet, the Airport has analyzed Option 2 space with respect to AIP eligibility criteria. We estimate that approximately 70% of the space in this option will be eligible for federal funds (AIP, PFCs); we are in the ballpark for affording this project at a total cost of approximately \$20M. This concept also utilizes realignment of the Capital Improvement Plan (CIP) to maximize use of AIP entitlements and approved PFCs. The Airport recommends Airport Board concurrence to proceed with “Option 2” concept, as shown, and send the funding plan to the Airport Board Finance Committee for review. The design concept will then be refined with continued review and opportunity for input.

Simultaneously, constructability issues such as demolition phases, maintaining operations throughout construction will be addressed.

Board Motion: *“Move to concur with Concept Option 2 Terminal Reconstruction Phase II, and direct staff to move forward with design documents, and forward the proposed funding plan and Capital Improvement Plan to the Airport Board Finance Committee.”*

XI. NEW BUSINESS

A. Snow Removal Equipment Facilities (SREF) – Sand/Chemical Building and Fueling Station. The Airport is working with the FAA on a possible earlier funding solution for the SREF sand/chemical/fueling project. This project is scheduled for design in our current year (Federal Fiscal Year (FFY) 2018) AIP entitlement funds, and construction slated for 2021. A couple of recent events may provide an opportunity to move this project earlier on the Airport Capital Improvement Project (CIP) list and provide strategic funding advantages.

First, as detailed below in the Manager’s Report, the current sand/chemical building will be written up for serious safety deficiencies per the State of Alaska – Occupational Safety & Health (AKOSH) inspection during their June 20-21, 2018 surprise inspection.

Second, Congress approved the 2018 Omnibus spending package for \$1B that will provide additional discretionary funds with a priority to small (and non-hub) airports. As a small hub, JNU is listed as a priority airport. In order to qualify for these funds, projects need to be ready to construct and must also follow the National Plan of Integrated Airport Systems (NPIAS) for priority basis. The Snow Removal Equipment Facilities (SREF) Sand/Chemical/Fueling construction project is an estimated \$10.3M project scheduled for 2021. By moving this higher priority project to FFY2018, it would free-up 2021 AIP funding (entitlements) and allow those funds to be used on the terminal project (lower priority; not discretionary eligible) that year. This would be a win-win. There is no guarantee for this special grant, but the Airport must meet the tight timeline to be considered. Additionally, the Board will need to approve the update to the CIP which shows the SREF Sand/Chemical/Fueling project in FFY2018. See SREF Board Motion #1 below.

The Airport has not yet received the FY18 AIP grant funds for the design of the SREF Sand/Chemical/Fueling project (total design cost estimated at \$565,000). The Airport is trying to fast-track the design contract so that we can bid the project in August and meet the deadline for FAA project consideration. The Airport has a solution for this temporary cash flow problem that will use \$255,000 in local funding (2012 Sales Tax) currently ready to use in the SREF account; plus \$310,000 in Airport Revolving Capital Reserve Account funding already appropriated but requiring a transfer into the SREF project. Both of these will be reimbursed once the FAA grant is received (with the exception of \$35,312 of local match requirement from Sales Tax). See SREF Board Motion #2 below.

In order to expedite this process, the Airport recommends that the Board pre-approve the anticipated FAA AIP (entitlement) design grant in the amount of \$529,688 so that once

that grant is received it may be immediately forwarded to the Assembly for appropriation. See SREF Board Motion #3 below.

SREF Board Motion #1: *“Approve the Snow Removal Equipment Facility Sand/Chemical/Fueling construction project from FFY 2021 to FFY 2018 on the Airport’s Capital Improvement Plan and apply for the special FAA funding.”*

SREF Board Motion #2: *“Approve the transfer of \$310,000 from Airport Revolving Capital Reserve Account for partial forward-funding of the SREF Sand/Chemical building and Fueling Station Design Grant, and once the grant is received, transfer the funds back to the Airport Revolving Capital Reserve Account.”*

SREF Board Motion #3: *“Approve the anticipated FAA AIP FY18 SREF Sand/Chemical building and Fueling Station Design Grant in the amount of \$529,688, local match provided by previously appropriated Sales Tax, and forward on to the Assembly for appropriation.”*

B. Passenger Facility Charge #9 Appropriation and Reimbursements to Airport Fund Balance and Airport Revolving Capital Reserve Accounts (Attachment #5).

The first appropriation of PFC9 funding is \$2,245,538, consisting of \$1,034,681 of unused funds from the PFC7 closeout (Land Acquisition and Part 121 Ramp projects), \$361,000 from PFC9 collections to-date, and \$849,857 of FY19 collections. As shown on Attachment #5, most of the appropriated funding will be used as upcoming Local match on the Sand/Chemical/Fueling project (\$643,700) and Taxiway Rehabilitation project (\$1,081,250), and the remainder, approximately \$448,000, will be used to reimburse Airport Fund Balance and the Airport Revolving Capital Reserve Account (ARCRA) for Local match previously used to forward-fund various Airport CIPs from those sources.

PFC Board Motion 1: *“Approve the appropriation of \$2,245,538 of Passenger Facility Charge #9 collections to Capital Improvement Projects as shown on Attachment #5.”*

PFC Board Motion 2: *“Approve the transfer of \$447,838 from the listed Capital Improvement Projects on Attachment #5 to the Airport Capital Reserve Account in the amount of \$23,438 and Airport Fund Balance in the amount of \$424,400, as indicated.”*

C. Airport Manager’s Report:

1. Tailwind JNU LLC Liquor License. Juneau Airport Food/Beverage concessionaire Tailwind LLC received their liquor licenses for both pre- and post-security locations on June 25, 2018 and sales began a couple of days later. The Airport and Tailwind are happy to be able to provide this additional service to the traveling public and guests.
2. Passenger Boarding Bridge (PBB) Gate 2 Grant. The Airport received the FAA grant in-hand for the Gate 2 PBB on June 27, 2018. The Airport forward funded this project to take advantage of the construction season. When the Board passed the forward funding, they also approved for the transfer of funds back to the Airport Fund

Balance once the grant was received. It is anticipated that this transfer will occur once the grant has been appropriated (which requires two Assembly meetings) in August.

3. State of Alaska - Occupational Safety & Health (AKOSH) Inspection. The Airport had a surprise comprehensive inspection of facilities on June 20 - 21, 2018, by AKOSH. The inspectors found a few minor problems for the Airport to correct, but also found major issues with the Sand/Chemical building that ranged from general deterioration of the building itself, to all electrical components, second level storage access concerns, and personnel hard hat requirements. The Airport had to de-energize (disconnect the electrical service) the 'sand shed' building immediately, cordon off the stairs/second level and require hard-hats for anyone entering the area. The Airport anticipates the official AKOSH letter soon with notices of violation for this. The other items found throughout the airport can be mitigated very quickly for correction. The Airport informed the AKOSH inspectors that a new sand/chemical building was scheduled in our Capital Improvement Program (CIP), which does help mitigate the observed violations. See New Business, Item A, above, regarding possible earlier programming for this project.

4. June 20th Aircraft Incident and Runway Repairs. On, June 20, 2018, a Cessna 441 landed on Runway 26, lost its nose gear upon landing, and damaged the runway with its propellers and nose gear shaft. The Airport is working with Risk Management and the aircraft owner's insurance company to repair the damage. The damage extends over approximately 2,200 feet of the runway with the repairs concentrating on areas deeper than the grooved surface. The Airport is pushing to get the repairs done this season.

5. Airport Engineer Report (Attachment #6)

6. Airport Architect Report (Attachment #7)

XII. CORRESPONDENCE:

XIII. COMMITTEE REPORTS

A. **Finance Committee:**

B. **Operations Committee:**

XIV. ASSEMBLY LIAISON

XV. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

XVI. BOARD MEMBER COMMENTS

XVII. ANNOUNCEMENTS

XVIII. TIME AND PLACE OF NEXT MEETING:

A. Airport Board, 6:00 p.m., August 14, 2018, Alaska Room

XIX. EXECUTIVE SESSION

XX. ADJOURN