

MINUTES of
AIRPORT BOARD MEETING
May 9, 2012
Alaska Room, 7:00 p.m.

I. **CALL TO ORDER:** Chair Jerry Godkin called the meeting to order at 7:00p.m.

II. **ROLL CALL:**

Members Present:

Pete Carlson	David Epstein	Ron Swanson
Tamara Cook	Jerry Godkin	Steve Zimmerman

Member Absent:

Butch Laughlin

Staff/CBJ Present:

Jeannie Johnson, Airport Manager (via phone)	John Coleman, Airport Business Mgr.
Patty deLaBruere, Deputy Airport Manager	Keith Walker, CCF/R
Catherine Fritz, Airport Architect	

Public Present:

Keith Giles, Rozwick Giles	Mike Smith, Glacier Restaurant
Tony Yorba, Jensen Yorba Lott	

III. **APPROVAL OF MINUTES:** *Steve Zimmerman moved, David Epstein seconded, the approval of the regular monthly meeting minutes of April 11, 2012. The motion passed by unanimous consent.*

IV. **APPROVAL OF AGENDA:** *Steve Zimmerman moved, David Epstein seconded, to approve the agenda. The motion passed by unanimous consent.*

V. **PUBLIC COMMENTS:** None.

VI. **UNFINISHED BUSINESS:**

A. **New Sound System:** Airport Architect Catherine Fritz said that staff has reviewed various sound systems and wanted to have a hands-on demonstration of one. Keith Giles put together a system for a demonstration. Mr. Giles said the system has a limit of four live microphones at one time. Microphones can be set up to time out in the future.

VII. **NEW BUSINESS:**

A. **Revised Request for 1% CBJ Sales Tax** (Attachment #1): Airport Architect Catherine Fritz said she and Tony Yorba with Jensen Yorba Lott discussed the Phase II planning with some thoughts about where to go for a sales tax measure. Ms. Fritz said the next phase of the terminal renovation is also tied to the Snow Removal Equipment Facility (SREF) building. The current terminal facility was built in many different

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phases. Now as older portions are being replaced, some structural and functional things about the building will dictate which chunks will be renovated if it is not done all at once. The second part of the project is replacement. Overall, the square footage is very close to what the Airport has currently. This project would be new construction and would allow for possibilities for future expansion which is not a part of the old building. A planning workshop was held in January, where staff discussed the big concept and ideas of what area can be added on and renovation of the older portions of the terminal. All of the parking-type improvements were made a lower priority. This resulted in 32,000 square feet of new area for the north end and then about 11,000 square feet of renovation for the restaurant and lounge. It is proposed the cost for this construction would be \$28 million in today's construction dollars. The City thought this amount of money was too large and did not think it could come from sales tax. Staff looked a scaled back terminal renovation and demolition plan. It does not deal with the oldest portions toward the north end, but deals with an area referred to the "knuckle."

Tony Yorba said that in order to implement the plan, there are portions of the building that need to be removed. Areas were identified that could be removed to move forward with Phase II and leave the rest of the building intact for a future project. It follows a line on the back of the existing air traffic control tower down to a beam in the construction office. One of the big goals in the master planning process was to relocate the circulation equipment out of the middle of the building and put it off to the side and this would be accomplished by removing the existing elevator and escalator and then, of course, miscellaneous remodel. Ms. Fritz said the stairway, elevator and escalator, the Maintenance Offices, restrooms, Fjord Flying/Tal Air/Alaska Seaplanes and then half of the construction office will be going. She noted a piece in the middle is a bunker that has the geothermal and this will stay. Upstairs – the FAA equipment room, FAA offices, the office of Jeannie/Pam/Patty, Marc's and John's offices, the kitchen area of ESS – would all be demolished. This would be about a \$9.3 million construction project.

A \$7.6 million project would be to leave spaces unfinished – no ceilings, no sheetrock on inside walls, no floor coverings, no electrical, maybe minimal lights for safety. It is hoped to get the structure with sales tax funding and then continue to seek funding in other ways to finish out those spaces over time. Airport Administration would be moved to the current restaurant seating area. An area about the size of a lounge would be the food concession area that the project would be able to build out initially. Later funding would have seating and food that face the airfield. Initially, it would be a wall only. The most desired result is to have the Airport Administration on the airfield side, still have a food area with views of the airfield and have an expanded food and retail section that would bring in more revenue. Board Member David Epstein asked where the FAA communication room would be located. Ms. Fritz said the FAA office and communication room would move into the same size space in the lower level of the tower. No discussions have been held with the FAA as this is just a concept. Board Member Ron Swanson said FAA FSDO is dying to move back into the airport. He

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thought this would be a fairly easy sell to the taxpayers and to the Assembly. The Airport has a willing renter that pays their rent on time. He asked why the Airport was ignoring those people. Airport Manager Jeannie Johnson said no one is ignoring that, except the statement of a willing tenant that pays good money is something that Larry Bauer that manages the Vintage Business Park also knows. Unless Mr. Swanson has talked to Terry Gordon or the properties people, she was not sure that it was as easy as building the space and then FSDO coming over. The Airport would be competing with the private sector, which is not a popular thing amongst the Assembly Members. Staff is pursuing it but she did not think it was likely that it would happen that easily.

Mr. Swanson said that an argument could be made that what they are doing now is interim until space was found at the airport, which is where they normally are located at most airports. The Airport could say it was competing with food service people with the restaurant or gift shops because there is a gift shop at the airport. Ms. Johnson said it is pretty normal to have food service and gift shops at airports. She did not think it was as normal to have FSDO at airports. She said staff is happy to pursue it and work on it.

Ms. Johnson said tonight, if after the presentation, the Board agrees, the Board needs to say, "Yes, it's okay to go downtown and ask for \$10 million worth of sales tax money." That money would include a piece for the SREF and a piece for the terminal. Of the \$40 million that will be available over a five-year time for the one percent sales tax, there is \$100 million worth of requests. No one has put it in writing, but it is pretty clear that the Airport does not have a chance to get across the starting line if it asks for more than \$10 million. This item is scheduled for the ballot in October. In the meantime, if the Airport has a really good, almost signed deal with FSDO, then maybe it could be bumped up. Right now, the Airport is trying to meet a May 30th deadline. The Airport will be able to say that it has really sharpened the pencil and even though more money is needed, the forward momentum needs to keep going. Ms. Johnson said she would make it a point to talk to Terry Gordon next week. If it is a positive conversation, the Airport will try to incorporate that. Mr. Swanson said selling an empty space to the taxpayers would not be nearly as attractive as to sell to the Assembly a half-done deal on a lease.

Mr. Epstein asked if FSDO came back, where would the Airport put them? Ms. Fritz said this was from a scheme that worked out in the January meetings. The idea was that the downstairs could be renovated and only a portion of the square footage is needed. The idea that the new 135 wing could be built in a way to receive a second floor so that there could be an extensive amount of square footage that would be available if a long-term rental with FSDO or another organization that was compatible and worked for the Airport. The difficulty is if the Airport tries to put FSDO into the area where the kitchen, food and ultimately Airport Administration are planned, it will be very difficult to convert the area from an office to a kitchen. They could be moved after a couple of years, but the spaces as they are identified are very important to the terminal now. A

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modest food service area could be lived with for a short time, but it would be very difficult to give up that space to a leased office.

Michael Smith, ESS Chef, asked what period of time Ms. Fritz was talking about for limited food service. Ms. Fritz said that is a difficult question. Until more funding can be secured to build out the spaces, it would have to be limited food. Once funding is received, the area could be completed, a food service scenario could be developed, the retail options can be expanded as well, and the Airport Administration can be moved to the more desirable location. This is a \$28 million project in today's dollars. The \$7 million will keep the momentum moving forward.

The \$7 million will give the Airport the ability to move core facilities such as relocating the escalator and the elevator, new restrooms on the ground floor, relocate FAA under the tower, demolish the 1957 construction areas, and create a new structural system and the shell of the building which would include all of the outside weatherproofing. It would not be useable inside, but would take \$2 million more to make finish the area.

Ms. Fritz said that \$3 million of the \$10 million request is to provide match funds for Phase I of the SREF. The \$7 million for the terminal would do some critically important things. A kitchen cannot be put in the existing 1957 structure. The kinds of things the terminal renovation needs cannot be done. All of the plans are a part of the 2005 Terminal Master Plan. This is to make the terminal a modern, cost-effective and energy efficient facility. The Airport saved \$125,000 this year using the heat pumps. The energy hog is the old portion of the terminal. When the project is complete, it will be more cost effective to operate, which reflects on the tenants and lets the Airport do more with less. When asked the cost of the demolition cost, it was noted that it would cost \$2 million for the knuckle.

Mr. Yorba said their organization assisted the University in doing exactly the same thing for the Egan Library and a classroom addition. This was also done on the UAS Sitka campus. The area was fully developed when the money was available. This would give the impetus to complete the work. Ms. deLaBruere said that as the old section is removed, it will mean fewer repairs to ruptured pipes and cut down on wasted energy. The costs have been mounting every year. Ms. Johnson said this will be presented in a general manner on the ballot, but the Assembly and Engineering Department will understand the Airport's needs. *Ron Swanson moved, Steve Zimmerman seconded, that the Airport requests that the Assembly include \$10 million in sales tax funding for renovation and construction of airport buildings on the October 2012 ballot measure.*

Airport Manager Jeannie Johnson said she was extremely disappointed that the \$3.1 million in the State capital improvement program did not get a dime. That project was the number one project of the Juneau Assembly, who is the elected officials that represent every resident of CBJ. Therefore, that was the number one project of every resident of

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CBJ. She called the Representatives and the Senator but does not have a good answer why it was not going to the Governor. She was told that the State Library and Museum “sucked all the air out of the room” and got almost \$50 million. She asked the Mayor if the SREF would be on the list again. She was reminded that in this funding cycle that the CBJ has received funding through the State for an emergency generator for Centennial Hall that has been on the wish list since the early 2000’s. Although Mayor Botelho will not be the mayor, he is certain that the Assembly will send it in again. The FAA is giving the Airport \$10 million and a match is needed. This covers 73% of the total costs of the building. An additional \$2 million will be received for the Runway Safety Area. The \$3.1 million match is supported by the new City Manager and the Mayor. They realize this needs to go on the sales tax ballot and that the Airport cannot wait for the money to come in from the sales tax. They offered to give the Airport a loan. No terms have been discussed to date. Mr. Swanson said he thought the match money was a no brainer. *Tam Cook moved to amend the motion by requesting the \$3.1 million to be included in the sales tax measure for the match money for the SREF and that is all that is asked for from this round of sales tax. The amendment died for lack of a second. The original motion passed on a vote of five to one.*

B. Airport Manager’s Report:

1. SREF Funding Update: Ms. Johnson said the SREF funding update was given earlier.
2. Departure Lounge Food and Beverage: Ms. Johnson said Ms. Fritz is working on a simplified revised request for proposal. Ms. Fritz said Purchasing has been in possession of the documents and it is anticipated that it will hit the streets any day. It will be advertised for the minimum three-week advertising period. Proposals will be reviewed and a vendor will be selected that will then go into negotiation for a concession fee. The case work has been purchased and the space is being built out. Construction of the area has halted until a concessionaire is selected so that they can customize a few things. Things are very open so that a successful proposer will sit down with the Airport Manager. If the first person cannot reach agreement on terms, then the second proposer will be visited. The term continues to be the end of 2013.
3. Airport Engineer Report (Attachment #2): Tom Carson was not available as he was in Anchorage attending FAA Conferences.
4. Airport Architect Report (Attachment #3): Airport Architect Catherine Fritz reported that the front entry project is progressing. It is a little behind schedule. The contractor has indicated that he will put in a request to justify additional time to reach substantial completion. The existing building conditions were not totally known until it was torn open and it was found that the building was actually out farther than anticipated. This meant that all of the steel was a little short and the contractor had to cut things, add things and do a lot more welding. Welders are a shortage in this town.

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The other trades are now in there working: electrical, the heat pump has been set, and the ducting is getting ready to be installed next week. Glazers were in measuring the area and all the material will be coming in. This project will be very intense during the next few weeks, but it is expected that the entry will be useable by mid-June. There will continue to be outside siding and a few other things for a few weeks after that.

The gift shop renovation is under way and it is going really great. It is expected that this will be wrapped up by early June.

The bark park has just opened. This is the pet relief station located on the north end. It is a fenced area that is not only a convenience for travelers with pets but it is actually required by the Americans with Disabilities Act for service dogs. It is really nice. Greg Jerue refurbished the fire hydrant and Jeannie Conneen painted it.

The artwork installations have begun. The shoe exhibit is down by the baggage claim. The University art students installed things last week, as well. A performing arts performance will occur next week for Juneau Jazz and Classics – the President's Jazz Combo will be playing down in the departure lounge on May 17 at Noon.

Ms. Fritz said substantial completion for the contract was to occur May 25. She felt it would be met during the first week of June, which extension will need to be requested and justified by the contractor. Things will be finished 30 to 45 days after that. Use of the front entry and curb is expected by early June.

5. Sand Shed Painting: Deputy Airport Manager Patty deLaBruere said that the new Superintendent Steve Ayers has been looking into prices for paint, etc. Hopefully more information will be available by the next meeting.

VIII. CORRESPONDENCE:

A. **Letter from Environmental Protection Agency** (Attachment #4)

B. **Letter from Consular Office of Japan** (Attachment #5): Ms. Johnson said a call was received that this gentleman was coming to Juneau and he wanted to meet with the Airport. He also met with the Mayor. His main concern was what Juneau would do in an emergency if there were Japanese passengers on a plane. The Airport's emergency response plan was discussed and she assured him that more than likely it would be the Red Cross that would be calling. He made sure that Ms. Johnson knew that the Airport could call his office for that kind of thing. This gentleman traveled to Juneau from Anchorage and he is new to his job. He was making visits throughout the state.

C. **E-mail from Sarah Day, Juneau Empire** (Attachment #6)

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IX. **COMMITTEE REPORTS:**

A. **Wildlife Hazards Working Group:** Group Chair Steve Zimmerman said the group is tentatively planning to have a meeting on June 14 at 6:00 p.m.

B. **Finance Committee:** None.

C. **Operations Committee:** None.

X. **ASSEMBLY LIAISON COMMENTS:** None.

XI. **PUBLIC COMMENTS:** None.

XII. **BOARD MEMBER COMMENTS:** Ron Swanson stated that he had received some complaints about the badging office hours (especially in the Spring time) and he hoped that Airport management looks at increased personnel or increased hours for the badging office in the Spring. Mr. Swanson noted that John Coleman has been a great help in taking care of problems that arise.

XIII. **ANNOUNCEMENTS:**

A. Ms. deLaBruere said the **Airport's budget presentation for the Assembly Finance Committee** will be on May 16, 2012, in the Assembly Chambers at 5:30 p.m. Staff typically presents the budget to the Finance Committee. The Assembly welcomes the Finance Chair and the Board Chair to the table. Everyone is welcome to attend the meeting to see the presentation.

B. **Jerry Mahle Retirement BBQ**, Friday, May 18, 11:30AM, Field Maintenance Shop

C. **U.S. Marine Jazz Band Combo** will be performing May 17th from Noon to 1PM in the baggage claim area. This is part of Juneau Jazz and Classics free lunch hour concert program.

XIV. **TIME AND PLACE OF NEXT MEETING:** The next regular Airport Board meeting will be held on June 13, 2012, at 7:00 p.m. in the Alaska Room.

XV. **ADJOURN:** *Steve Zimmerman moved, David Epstein seconded, to adjourn. The meeting adjourned by unanimous consent at 8:07 p.m.*