

ATTACHMENT #5

July 27, 2015

CBJ Airport Board of Directors
Juneau International Airport
1873 Shell Simmons Dr.
Juneau, AK 99801

Dear Directors,

In advance of your Committee of the Whole meeting scheduled for July 28th to discuss the airport's Capital Improvement Program (CIP), we would like to share some input as tenants and users.

Specifically, we would like to register concerns with the planned replacement of the Airfield Shop roof, approved at the June 10th Board meeting at a not-to-exceed amount of \$300,000, or \$57 per square foot. While we don't dispute the necessity to maintain Airport assets, we believe the not-to-exceed amount proposed is excessive and to ensure the lowest cost any proposed repairs should be bid, not sole sourced.

The Airfield Shop will be vacated upon completion of the new SREF. While alternative private uses may be allowed once vacant, it is not clear if a market exists for a building of this type without through-the-fence access, especially given the new stricter application of aviation-only use rules for airport facilities. To spend \$300,000 with no forthcoming succeeding tenant may render the investment stranded.

Of greater concern is that the planned project would not be reimbursable, leaving discretionary unrestricted operating monies as the only funding source. These are precious dollars, generated by rates and fees and have historically been reserved for operating uses. Given the flagging state and city budgets, and the absence of a funding plan for the North terminal, these limited operating funds should be closely guarded.

Along those lines, we are also concerned that should the Airport decide to relocate the SREF from the Northeast quadrant to the Northwest quadrant the airport will be required to reimburse the FAA for upwards of \$2 million. While the location of the SREF in the Northwest quadrant would be in the best long term interests of the Airport, it is not prudent to enter into an agreement to reimburse the FAA until tenants are recruited at rates which would generate revenue to offset those reimbursements. If such tenants never materialize, the airport and its existing tenants and users will be on the hook for those monies, a considerable sum. Until a Northeast area tenant is secured, we believe it prudent to either delay the relocation of the SREF, and/or retain all excess operating revenues including all funds other than the minimum necessary to repair the Airfield Shop roof.

Finally, should the board decide to proceed with any work on the Airfield Shop roof using operating dollars, we urge you to broaden the range of options to address its condition including lower cost repairs or an alternative reconstruction such as a new shed-style roof atop the existing structure. Any project should be put out to competitive bid and not sole-sourced to a single contractor.

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We appreciate your consideration of our input, and look forward to working with you to keep Juneau cost competitive.

Sincerely,



Kent Craford, Alaska Seaplanes



Mike Wilson, Coastal Helicopters



Craig Jennison, NorthStar Trekking




Tim McDonnell, Temsco Helicopters



Ron Swanson, Tenant & Former Airport Board Chair



Butch Laughlin, Tenant & Former Airport Board Member



Doug Rountree, RED Leasing, LLC & R & L Leasing, Inc.



Ed Kiesel, Ward Air, Inc.

cc: Patricia A. de La Bruere, CBJ Airport Manager
Debbie White, CBJ Assembly Member & Airport Board Liaison