

MINUTES of
AIRPORT BOARD MEETING
November 14, 2017
Alaska Room, 6:00 p.m.

I. **CALL TO ORDER:** Chair David Epstein called the meeting to order at 6:01 p.m.

II. **ROLL CALL:**

Members Present:

Dennis Bedford	Dennis Harris	Martin Myers*
David Epstein	Joe Heuelsen	Angela Rodell*
Jerry Godkin		

Staff/CBJ Present:

Patty Wahto, Airport Mgr.	Ken Nichols, Airport Engineer*
Marc Cheatham, Dep. Airport Mgr.	Scott Rinkenberger, Airport M&O Sup't
Catherine Fritz, Airport Architect	Keith Walker, Fire Department

Public Present:

Irene Gallion, DOWL	Stephanie Banua, Harris Air
Carl Ramseth, Alaska Seaplanes	Alex McCumbers, KINY

(* via telephone)

III. **APPROVAL OF MINUTES:** *Jerry Godkin moved approval of the minutes of the regular monthly meeting of October 10, 2017. The motion passed by unanimous consent.*

IV. **APPROVAL OF AGENDA:** *Jerry Godkin moved to approve the agenda as presented. The motion passed by unanimous consent.*

V. **PUBLIC COMMENTS:** None.

VI. **UNFINISHED BUSINESS:**

A. **Terminal Renovations** (Attachment #1): Airport Manager Patty Wahto said staff has been meeting with Terminal 135 Operator tenants (Alaska Seaplanes and Harris Air). There is a funding gap for work on the North Terminal, even with the general obligation bond that is out there for the City. The Airport is limited by what can be done on the north end by Federal dollars based on areas that are not leased. Public circulation areas are the only areas that the Federal Aviation Administration (FAA) will participate in for either Airport Improvement Program (AIP) dollars or Passenger Facility Charge (PFC) dollars. Mrs. Wahto said staff is looking for concurrence by the Board that this is a good way to go to start getting design options on this. Airport Architect Catherine Fritz said the Board is aware of the problems in getting the remaining needs of the terminal met. This idea would take the functions of the Part 135 operations (Alaska Seaplanes and Harris Air) and it would locate them into a separate, independent building that will be named the north terminal. That building will be developed by the private operators by their own businesses

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using land that has been set aside for lease purposes. This would take away the tenant lease in the building to having a tenant lease for the land only.

The Airport wants to support the 135 operations and knows there is a close relationship between the 121 operations and the 135's. They are important not only to the community, but to the region in terms of how the Airport serves them. In order to help support the operations while also allowing independent opportunities for the 135 operators themselves, staff came up with several ideas that can provide infrastructure that would help. One would be a physically enclosed connector (called a concourse) that would go from the existing main terminal over to the new terminal. It would be an environmentally enclosed area (kind of like the Airport shopping mall). This concourse could be one story, two, or portions could be one and portions could be two stories. It will depend on the plans and the planned growth for the 135 operators themselves.

Another goal of the project is all of the congestion on the front curb. In trying to address that issue, staff identified a way of taking some of that congestion off of the curb by taking the loading functions and separating them off of the curb, staff thinks that they can create a desirable place where loading and unloading that is directly related to the 135 services could be held more efficiently, safer, and directly responsive to the 135 operations. If they are not served directly from this loading area, they would work through the concourse, thereby reducing the load off of the curb. People will still utilize the parking if they were going to fly out for a couple of days. This area would be for loading/unloading only. Separating these areas would allow the whole north terminal to be closed off for non-operational hours. It would allow the possibility of a gate into the loading zone that could be controlled by the 135 operators. There are a lot of good possibilities for serving the needs of the 135 operators through the Airport terminal building, but also allowing them to have the opportunity to have their own destiny. It would allow them to create their spaces and buildings in a way that serves them best.

The main terminal will be left with the functions that are not Part 135 related. In the current program, the Administrative offices, the Projects office, the TSA (Transportation Security Administration) breakroom, Customs and Board Patrol space, and maintenance needs will be maintained. The idea is to demolish everything from the 1948, 1957 and 1971 additions and then rebuild only the portions that would be related to these functions in a two-story building that would be physically connected through this concourse to the separate building. Staff feels that the concept is close to the \$15 million goal that has been the target. There is still the juggle of AIP-eligible funds. It is currently estimated that 50% will be AIP eligible. If staff is successful in achieving 50% for design, then potentially 50% of the construction costs will be AIP eligible. The AIP-eligible portions are probably the PFC-eligible portions. The funding sources will be Federal and local funds, which is guessed to be 50/50. There is a lot of work to be done, but because this is such a significant change from the direction taken in 2014, staff wanted to share the general direction with the Board. The current operators have weighed in with very positive comments. They have requested a longer-term lease.

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Assuming the Board is supportive of this idea, the next steps will be to hire a design team to work with staff. Ms. Fritz is drafting an RFP (Request for Proposals) to go out for design services in the next week or so to get a design team hired.

Mrs. Wahto said representatives from Harris Air and Alaska Seaplanes are in attendance if there are any questions regarding their thoughts on this process. Board Member Marty Myers said he thought this was a fabulous thinking-out-of-the-box concept for improving the north terminal for Part 135. Most other airports do not have Part 135 operations attached to the terminal. In this way, it would help solve a problem with security in terms of moving that movement area in a different spot. It also allows the tenants to have their own space to make the type of space they want to present for their own business. He thought it made good sense.

Carl Ramseth, General Manager at Alaska Seaplanes, said this has been discussed and they are encouraged by this direction. The owners of Seaplanes could not be in attendance tonight, but on behalf of them, he said they are ready to step up to the plate. They want to make sure that it makes sense both operationally and financially to move forward and make this type of commitment. It needs to allow for growth. He thought this would address those concerns. It will be a lot more convenient for them and for the customers to handle the freight.

Board Member Dennis Harris said he had some concerns. Currently, there is a fairly consistent architectural building now in terms of appearance. It is pretty obvious that there is a design motif/type. He was concerned that the Airport not end up with a concourse that goes to a bunch of butler buildings, that whatever building might be constructed would be consistent with the design of this building and that they would be willing to pay for good architecture. Mr. Ramseth said this had been discussed and the concourse would be a façade that would keep the integrity of what is here. He believed there would be some parameters on part of the buildings that they would hope to build. Mrs. Wahto said the layout of aircraft parking has been discussed. She said to think of it as a clean slate, they can arrange things, move them back further to the north and change the whole layout.

Stephanie Banua, Operations Manager for Harris Air, said Harris Air absolutely loves the concept. It will allow them to grow organically in a way that they are going right now. The opportunity to have a building and have a space to add what they need to run their operations is beneficial not only to them, but to the community, as well. They fully support this concept.

Mrs. Wahto said this is conceptual; staff has some ideas. The next step is to get an RFP for design out and start getting further into the weeds to see how to accomplish this and work with the tenants. Staff is looking for concurrence on this concept as it is quite different than what was originally going to be done with the north terminal. It is to lease property as described in Attachment #1.

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Board Member Dennis Bedford asked if the smaller 135 operators (Gary Thompson, Admiralty Air) had been considered. His biggest concern was if parameters are made on the building to a point that they are simply unaffordable. He wanted to make sure that this will be affordable to the Part 135 operators. Mrs. Wahto said other operators were discussed. Covenants will be put into the leases that will allow for other operators to sublease or if they are small operations, they can operate through an FBO (fixed base operator) or allow them the same area where they could build if they would like to. Staff is not going to build out for a tenant who just wants to be in the airport for four months of the year. This would give them the ability to build out, work with an FBO, or sublease with one of the 135 tenants. *Jerry Godkin moved, seconded by Marty Myers, that the Board concur with pursuing the concept as presented this evening. The motion passed by unanimous consent.*

B. Northwest (NW) Tenants Water/Sewer Utilities Development Update: An Operations meeting was held in September that discussed the ability for 12 tenants (and a possible additional 17) in the northwest development area to connect to the water and sewer. At the October Board meeting, the Board asked staff to go out to the current 12 tenants and see what the likelihood that they would pay the estimated amount for connecting water and sewer, which came up to about \$14,556 per tenant. The letters were sent out. In order for this to go forward, it had to be unanimous. The Airport has received three letters that said they were not interested in the prices. However, the Airport could put in the section that is directly under the taxi lane that goes through there, which will make it a little easier for the current or future tenants to hook up in the future. Marty Myers said as long as the access is made so that damage to the new pavement is not needed for future access, this will work well.

VII. NEW BUSINESS:

A. Snow Removal Equipment Building (SREB) Phase 1b Supplemental Agreement (Attachment #2): Mrs. Wahto said this will be components of the SREB that will not be FAA-eligible. The first phase was 100% FAA-eligible and the FAA participation was at 93.75%. Now, as there will be some money left over from the special Legislative grant and some of the sales tax money, a couple more components (i.e., the maintenance bay) can be done in the next phase. It was suggested that a supplemental agreement be done with the current contractor. Ms. Fritz went through with the Findings of Fact to see if it met the litmus test for what the City might approve for a supplemental agreement. When a supplemental agreement is over \$2 million, it is a sizeable amount, but still within the range for the size of the original project. Ms. Fritz said the supplemental agreement is a process allowed through policy of the Engineering Department in collaboration with the Assembly to allow change orders to be awarded to an existing contractor for work that was not originally in the scope as it went out to bid but for a variety of reasons may be beneficial to the CBJ (City & Borough of Juneau) to consider.

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The litmus test consists of seven items as contained in Attachment #2. The Airport weighed the contractor's ability to continue to be on the site working for the Airport against the idea of bidding, which may result in the same contractor and/or same subcontractors. The idea is to add the wash bay and a maintenance bay to this building. This would insert these two components into the project and because it uses so much of the same components, it creates a bidding advantage for the current contractor. Even working on the airport with his people is a bidding advantage. The findings lay out if there is more public benefit to proceed with the existing contractor and negotiate a price or is it better for the public benefit to go out to bid. Her recommendation is that it is in the public interest to award the supplement agreement to the existing contractor team and proceed with it as a change order. If the Board agrees with this, it will go to the Public Works Committee next and then ultimately before the Assembly for approval. An approval has been received from the City Manager's Office to begin negotiations with the contractor to see if it was a good idea with them. Staff is recommending a supplemental agreement for up to \$2.6 million. *Jerry Godkin moved the approval of the Public Interest Finding, and Supplement Agreement with F&W Construction for Juneau International Airport's Snow Removal Equipment Building Phase 1b, and forward to the Assembly Public Works & Facilities Committee and CBJ Assembly for final approval. The motion passed by unanimous consent. Dennis Harris moved the Supplement Agreement for Phase 1b of the Snow Removal Equipment Building will have a not to exceed amount of \$2.6 million. The motion passed by unanimous consent.*

B. Vice Chair Nomination: *Angela Rodell moved that due to special circumstances that Jerry Godkin be appointed as the Airport Board Vice Chair. Chair Epstein said this motion comes from Mr. Heueisen's desire to step down from the position of Vice Chair for the remainder of his term. One of the reasons is that in Mr. Epstein's absence, Mr. Heueisen would be running the meeting, which Mr. Heueisen did not feel comfortable with. He thought this was a timely motion. Mr. Heueisen concurred with the motion. He said his voice has kind of gone south and he did not see that there will be improvement in the near future. He said he plans to fill out his term (middle of next summer), but talk less. Chair Epstein thanked Mr. Heueisen for his service as Vice Chair. The motion passed by unanimous consent.*

C. Airport Manager's Report:

1. Airport Assembly Liaison: In October, the Mayor assigned new committee and liaison members. Mary Becker has been assigned as the new Airport Board liaison. The Airport thanks Loren Jones for his service in the past. Ms. Becker was not in attendance as most of the Assembly Members and City Manager and staff are at the Alaska Municipal League up north. She was sorry to miss her first meeting.
2. Airport Engineer Position: Ken Nichols has notified the Airport that he will be assuming a full-time Airport Engineer position at Payne Field in Everett. They made

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him an offer he could not refuse. He will begin that position on January 8. With concurrence of Payne Field and Ken, he will continue to do some things for the Airport on a part-time basis, especially for capital improvement projects. He and Catherine have a terrific rapport with the FAA.

Recruitment for a full-time Engineer will be put out. Ken will help on a part-time basis beyond January 8. Mr. Harris asked if the Airport will be able to recruit at a salary level that will allow the Airport to have good applicants. Mrs. Wahto said the Airport is still trying to go through the route of having its own Personnel Plan, which has not moved forward from the Law Department.

3. Airport Engineer Report (Attachment #3). Airport Engineer Ken Nichols reported that he is excited about the new position, but has mixed feelings about not being here to implement some of the things that have been talked about and moving forward with the capital improvement program at Juneau. He said he has worked with a lot of great people and will certainly miss interacting with them on a daily basis. He is also excited for the opportunity to continue working part-time to see some of the projects move forward. Over the past five years, a solid capital improvement program has been developed. He hoped that the Airport can find someone suitable for the task. He will certainly be available to help with the transition.

Construction is finishing up for the season on the Runway Safety Area 2b project. The only things remaining are seeding (making sure the grass grows in the spring) and some sealing on the joints of the asphalt. This is a small punch list and he is excited it will be an easy close out project. Secon did a good job on finalizing all of the things that needed to be done. He has turned over the storm water permit sampling to the Airfield crew. He will continue to keep up the SWPPP (Storm Water Pollution Prevention Plan) recordkeeping and transition that to someone else as well as time goes on.

He hoped to move things forward on the float pond improvement. The critical item is that the valve is a six-month lead time. It is important that the project goes out to bid in the spring so that things can be ordered before the next construction season when the pond closes in the fall of 2018. Chair Epstein congratulated Mr. Nichols on his new situation.

4. Airport Architect Report (Attachment #4): Airport Architect Catherine Fritz reported that three grant applications were submitted to the FAA, who set up a new deadline for getting environmental determinations and the pre-applications into the office. This year's deadline was the first of November. The Airport is still out to bid on the Gate 2 project. The design of the Terminal Reconstruction Phase 2 is the project that is requesting 50% of the funding for design work from the FAA's AIP

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program. The sand and chemical storage is the third phase of the Snow Removal Equipment Facility (SREF). This is now on the radar with a \$300,000 funding request for design. This is the last component of the SREF on the northwest quadrant. Next year's deadline will be September 1st, with the same date thereafter. Staff will make sure it is all pulled together and the projects are selected a little earlier than in the past.

The SREB is going well. The concrete/masonry work is done. The overhead door people are here and installing the doors. The storm water prevention plan has been closed. The job shacks have been moved to a better location for the next phase of work. The trades are busy, with an average of about 20 workers a day on the job. Staff is negotiating with the current contractor to have firm figures for the first part of December.

The radio coverage project ran into a hiccup. It is not quite done and could require some redesign to get done. It is on hold until the various parties – Police, consultant, engineers, contractor and Airport – can come together to make some decisions and identify some funding. The RFP process will begin right away for the design of the terminal construction.

Mr. Harris said specific to GCI laying new cable, he asked if there is an utilidoor available for additional service cables. Ms. Fritz replied there are empty conduits in some areas. There is not an airport-wide conduit plan. Staff is in the process of developing this so that it can be determined if there are sufficient empty conduits or that have room in them for cable that needs to go to the SREB. Some conduit has been laid, but unfortunately because of the phasing of this project, there is not a continuous route to provide new service yet. GCI's specific interest was to improve their cable within the terminal building. A plan that was approved was to dig a new conduit path kind of where the new 135 terminal will be built. Therefore, staff is helping to identify possibilities of existing conduit path. Nothing suitable that would address the Airport's long term needs has been found. This is a work in progress. Mr. Harris said utiliwalks can be very useful and relatively easy to access because all you have to do is lift up a sidewalk panel at a time. It makes it fairly easy.

VIII. **CORRESPONDENCE**: None.

IX. **COMMITTEE REPORTS**:

A. **Finance Committee**: None.

B. **Operations Committee**: None.

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

XI. **PUBLIC COMMENTS**: None.

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XII. **BOARD MEMBER COMMENTS:**

A. Chair Epstein said Mr. Godkin is likely to Chair the December meeting as he will likely be in Sitka for a public meeting. More will be known later.

The Board is scheduled to conduct the Airport Manager's mid-year evaluation. Between now and then, start thinking about the items you wish to include in that.

B. Dennis Harris said that today is the birthday of Dr. Walter Soboleff – today is Dr. Walter Soboleff day in Alaska. It is an official holiday. Dr. Soboleff was famous for sending little notes to people. He suggested that when people go home this evening, they take a few minutes and send a note to somebody telling them how much they appreciate them – whether a friend, a public servant, someone you saw that did something good – just send them a note.

C. Mr. Heueisen said there is an article in the Sunday paper extolling the virtues of TSA Pre-Check. He asked where the Airport was with this. Deputy Airport Manager Marc Cheatham said he is meeting with Mike K., the new AFSD (Assistant Federal Security Director) for screening for Alaska, on Thursday. They are still getting the numbers. They said they have to meet a certain threshold, which is close to 60%. The Airport is sitting about 40-45%. There is currently a TSA Pre-Check station in Juneau. Getting Pre-Check is not hard to do. If the numbers are not there to support it, they will not put in the infrastructure to do so. Staff continues to talk to TSA. Mr. Heueisen suggested reengineering this from the top down and point it out to the legislators and Washington representatives that Alaska is probably the only state in the union without Pre-Check. Mr. Cheatham said he believed Anchorage has Pre-Check, but as the capitol city, Juneau should have it. He has sent letters and e-mails to the Federal Security Director Brian Cahill and copied Alaska Airlines and Delta Air Lines. The TSA is pulling the numbers and will meet with him on Thursday to discuss this more.

XIII. **ANNOUNCEMENTS:** None.

XIV. **TIME AND PLACE OF NEXT MEETING:** The next regular Airport Board meeting will be held on December 12, 2017, at 6:00 p.m. in the Alaska Room.

XV. **EXECUTIVE SESSION:** None.

XVI. **ADJOURN:** *Dennis Harris moved to adjourn. The meeting adjourned by unanimous consent at 7:05 p.m.*