AIRPORT BOARD SPECIAL MEETING
AGENDA
8:00 A.M., THURSDAY, APRIL 23, 2020

TELEPHONIC: 907-713-2140 PID: 921757
To Participate: Call 586-0962 and provide name/phone number

I. CALL TO ORDER

II. ROLL CALL

III. NEW BUSINESS

A. **CARES Act Grant (Attachment #1).** Juneau International Airport (JNU) is eligible to receive $21,736,343 in Federal Aviation Administration (FAA) CARES Act funding. This is special funding from the U.S. Treasury General Fund, not the usual Airport grant funds from the *Airport and Airway Trust Fund* (part of the *Airport and Airway Improvement Act of 1982* and *FAA Modernization and Reform Act of 2012*), see FAQs: https://www.faa.gov/airports/cares_act/media/cares-act-airport-grants-faqs.pdf .

The $10b in FAA CARES Act funding, generally, is to assist airports with the economic impacts due to COVID19. The FAQs also touch on the complex calculation for each airport's share. This is specific funding for airports within the $2t CARES Act bill.

JNU has submitted an initial application with the FAA, however, the application must be updated to let the FAA know how the funds will be used. The options outlined below list the possible uses of FAA CARES Act funds. JNU must notify the FAA which option it intends to take as soon as possible; or if no funds will be requested. CARES Act Airports Grant program information is located at: https://www.faa.gov/airports/cares_act/.

Option 1. *The quickest option is to use all of your CARES Act funds for operational expenses, such as payroll, utility bills, or payment of debt service. If this is how you would like to use your airport's CARES Act funds, just sign the attached form and email it to the FAA. The FAA will expedite processing your CARES Act grant; or*

Option 2. *Use CARES Act funding on development or land acquisition projects. Coordinate with the FAA RO/ADO contact to pursue funding for development projects. There are more prerequisites and requirements for construction projects, so this grant will not be issued as quickly; or*

Option 3. *Use some of your CARES Act funding on operational expenses and some on airport development. If you choose this option, you can submit an adjusted OMB SF-424 for the non-construction portion of the CARES Act funds. Coordinate with the FAA RO/ADO contact to purse funding for the development project.*

There are some basic requirement for this grant, including using the funds within four years, requirements for keeping staffing levels to 90% and lawful use of revenues as

outlined under the *Policy and Procedures Concerning the Use of Airport Revenue* https://www.govinfo.gov/content/pkg/FR-1999-02-16/pdf/99-3529.pdf .
Funds are meant to cover some of the airport's expenses and supplement current revenue losses due to COVID; as well as defer imminent increases in rates/fees until the local economy can support the increases (hence up to four years for use of funds). Use of these funds will also protect our Airport Fund Balance and three-month reserves from depletion. The grant is also meant to cover expenses from COVID; i.e., supplies, additional cleaning or staffing. The grant may also be used for an approved capital development (Options 2 and 3). Unexpended grant funds will need to be returned to the FAA at the end of four years. FAA CARES Act funds may not be used to pay for past projects/reimbursements.

Staff supports **Option 3** (a mixed use of operational revenues and capital development) as the best option for JNU. One project that meets criteria for the capital development is the remaining Snow Removal Equipment Facility (SREF) which is **not** eligible for FAA Airport Improvement Program (AIP) funding. In order for a project to be considered for FAA CARES funding, some part of the planning process must be underway; NEPA (environmental) and some magnitude of cost. The remaining phase of the SREF (offices, maintenance bays) meets the criteria. Normally this portion of the SREF would never see federal funds (and would be a waste of federal funding for anything AIP eligible). While we have other projects in our CIP that are not AIP eligible, they are not far enough along in the planning process to be reviewed for eligibility of FAA CARES funding. The use of FAA CARES Act funds for the SREF project would help maximize the use of $21.7M. The FAA has preliminary concurred that the SREF project is eligible for this grant.

Staff has reviewed the cost estimates for final design, bidding and construction of the remaining SREF with the current SREF design consultant. The remaining SREF phase, just under 20,000 square feet (includes maintenance bays, offices/crew quarters/ kitchenette, lighting and signage, welding, lube bays, electrical vaults, etc.), at a total cost of $11,935,000. Rather than a full build-out, other options include a smaller (roughly half) build-out at a cost of $7.8M; or build the full estimated 20,000 sf building shell and as many components for a cost of $6-7M. **See discussions and SREF options on Attachment #1.**

Staff will need to submit the application for the capital improvement on one grant, and the residual operational funds on the other grant as quickly as possible. The capital project will also need to be identified prior to submission for FAA consensus on eligibility. Staff would like the Airport Board to discuss the capital options at the meeting and give direction for the FAA CARES Act grant funding. The Board motion is left blank depending on the option for the SREF project.

Board Motion: *"Approve the application(s) of the FAA CARES Act funding for the Snow Removal Equipment Facility capital project in the amount of $ ____________, and funding for airport operational expenses in the amount of $____________; for a total of $21 736,343 in FAA CARES Act funding."*

IV. ADJOURN

ATTACHMENT #1

MEMORANDUM

TO: Patty Wahto,
JNU Airport Manager

DATE: April 21, 2020

FROM: Catherine Fritz, AIA
JNU Airport Architect

RE: Planning Summary for New Airfield Maintenance Shop

SCOPE. There is one remaining component to design and construction for JNU's Snow Removal Equipment Facilities (SREF) – the Airfield Maintenance Shop. The Shop is programmed to be approximately 20,000 sf, with spaces that serve two primary functions - Equipment Maintenance and Crew Support, as described in the table below. When constructed, the JNU airfield maintenance program will be fully housed in the SREF.

EQUIPMENT MAINTENANCE		**CREW SUPPORT**	
function	area (sf)	function	area (sf)
AIRFIELD LIGHTING SHOP / STORAGE	634	BREAK ROOM & FIRST AID	310
MAINT CIRCULATION / TEMP MAINT BUILD-OUT	1,914	KITCHENETTE	112
LUBE / OIL	496	MAINT SUPER	173
MECH. OFFICE / MANUALS	175	SNOW DESK & RADIOS	183
PARTS ROOM	429	QUIET ROOM	96
MECH BENCH AREA	428	FIRST AID	87
WELDING	419	RADIO	114
PARTS CLEANING	238	LOCKERS / TOILETS / JAN	2,042
BATTERY	80	CORRIDORS	3,723
TIRE	101	WILDLIFE PATROL	182
TOOL	192	TRAINING & MEETING ROOM	222
GREASE AND LUBE BAY	2,350	WEAPON REPAIR	71
AIRFIELD SIGN REPAIR SHOP	892	TRAINING ROOM	426
MAINT. MEZ / MISC STORAGE	1,017	MAINT. MEZ / MISC STORAGE	1,018
MECH/ELECT: FANS,PUMPS,CONTROLS,FIRE, COMM	862	MECH/ELECT: FANS,PUMPS,CONTROLS,FIRE,	862
TOTAL AREA	**10,227**	**TOTAL AREA**	**9,621**

BUDGET. The project budget is based on a construction cost of $450/sf. and totals approximately $12M for the completed building. This is a preliminary estimate that was developed by reviewing the recent costs of the Snow Removal Equipment Building (SREB) and Sand/Chemical building. The budget assumes similar construction materials to these two existing facilities.

		Estimated Cost
DESIGN and BIDDING		
Consultant services through bidding	6.0%	$540,000
JNU Admin and design support	3.0%	$270,000
CBJ Engineering bidding & printing		$20,000
CONSTRUCTION (20,000 sf x $450/sf)		**$9,000,000**
Construction Contingency	8.0%	$720,000
Consultant, CA, Inspection Services	6.0%	$540,000
Admin, Permits, CA support	5.0%	$450,000
Misc construction not included in bid		$75,000
Equipment, Furnishings, IT		$50,000
Project Contingency	3.0%	$270,000
TOTAL PROJECT COST		**$11,935,000**

ATTACHMENT #1

SCHEDULE. All of the planning work for this project is complete. The environmental clearances were granted in 2016. The design team (led by ECI Architects) has completed Schematic Design for the overall SREF, including this final component. The preliminary schedule assumes that design would not have substantive program changes.

DESIGN & BID PREP	6.1.20 – 1.3.21
BIDDING & AWARD	1.4.21 – 2.28.21
CONSTRUCTION	3.1.21 – 3.18.22

ALTERNATIVE SCOPING TO MEET REDUCED BUDGET. There exists the option of proceeding with less than the full scope of the Airfield Maintenance Shop if full funding is not available.

OPTION 1. CONSTRUCT AS TWO PHASES: Because the program has two primary functions, it is possible to proceed with only one (which is about one-half of the total area) and leave the other for a future phase. This option requires the that airport maintain the old maintenance shop for the component that is delayed. The design would proceed through Design Development for both phases to ensure that the portion that is delayed can be added later without significant changes to the portion that moves ahead first. The design time would be lengthened by approximately four weeks, causing an overall completion to extend to late April 2022. The reduced project budget would be approximately 65% of the full cost, $7.8M.

OPTION 2. CONSTRUCT A SHELL AND COMPLETE AS MUCH AS POSSIBLE: This option would endeavor to construct the foundation and shell of the entire 20,000 sf area, and finish areas in accordance with user priorities and available funding. The design time would increase by up to ten weeks for this option, in part due to additional cost estimating that would be required. The risk of this option is potentially having many areas that are unusable for an extended period of time until the funding to complete the spaces is found. This option would require that the airport maintain the old maintenance shop because few spaces in the new building would be sufficiently finished to be usable. The project cost for the shell only (including design and construction admin) is estimated at $6-7M. Making areas within the shell usable will depend on the operations priorities and available funding. The design time would be lengthened, but the construction time could be reduced under this option, depending on the amount of areas that could be completed to a usable condition.

It is critical to keep in mind that this scoping information is based on my very preliminary discussions with the design architect, under a very short schedule, and without the beneift of input from the JNU airfield staff. Be assured that if funding becomes available to consider additional work at SREF, JNU staff would work diligently with the consulting team to make the most of this opportunity.

ATTACHMENT #2

Hummingbird Hollow Gifts
1873 Shell Simmons Drive
Juneau Alaska 99801
Kristi Elliott
Tom Gallagher
(907)789 4672

April 22, 2020

As part of the CARES funding it is stated that airport staff widely supports funds be used for both operational revenues as well as capital development. Much like is stated that the FAA is unable to fund the Snow Removal Equipment Facility, the gift shop has also been told that the FAA will not fund a permanent location in the airport. After April of 2021 there is currently no plan in place for a gift shop location in the Juneau International Airport. I would like to encourage the airport staff and board to consider this opportunity to use a portion of the funds to include in the design a permanent location for the gift shop as was in the original airport design plan.

As the board may recall this past summer the gift shop presented testimony regarding concerns of the elimination of the permanent space for a gift shop from the design plan. The board complimented the gift shop as being one of the best gift shops in town. It was the boards recommendation to find a solution for us to remain in business and that the airport provide a gift shop for travelers. Funding from the CARES source is the optimal solution especially since no viable solution has been presented at this time. Once our contract runs out in April of 2021 it is my fear that we will be out of business. The intention of the CARES program is to keep small businesses in business. This opportunity affords that to happen and it is my hope that the airport staff and board see the value in the gift shop and will do what it takes with this funding to make this happen.

Your consideration is greatly appreciated.

Sincerely,
Kristi Elliott
Tom Gallagher

Juneau International Airport
Tenant & Users Group

ATTACHMENT #3

April 22, 2020

Re: CARES funding for the Juneau International Airport

Patty Wahto
Manager
Juneau International Airport (JNU)
Via email

Patty,

We are writing to be express our need for aid from the airport. Tenants of JNU have had and will continue to have their businesses affected by this COVID-19 pandemic. The economy of Juneau is greatly reliant on transportation, whether it is bringing visitors to town, residents travelling for business, or politicians coming to the State Capital to help govern the state.

The Federal Government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act on March 27, 2020. Part of this relief act was $10 Billion in grants for airports. Of that $10 Billion, JNU received a $21,736,343 grant.

In the white paper, “Information for Airport Sponsors Considering COVID-19 Restrictions or Accommodations” issued by the FAA on April 04, 2020. On page 3 of this document they address Rent Abatement.

In this 4 paragraph section there is one paragraph that really applies to our situation. The whole document applies but this paragraph is particularly applicable.

“Sponsors considering such relief are encouraged to consider the business situation of the tenant; the changed circumstances created by the public health emergency; the desirability of having solvent tenants that can resume normal operations when the emergency ends; the availability of other governmental or insurance relief that such entities have or may receive; an appropriate term for such relief; and possible subsequent conditions that, if triggered, would end the abatement. Such a condition could be the receipt of other governmental forms of relief; insurance recovery, if any; or an end to the emergency.”

Due to the current financial situation of the commercial operators who are airport tenants that have and will have their earning season negatively affected by this pandemic we are requesting relief of commercial land and terminal space lease payments for a 12 month period effective July 2020 through June 2021.

Because of the pandemic and the crippling effects on the budgets of many JNU tenants we are requesting the money from the CARES Act grant be used to supplement the Airport budget shortfalls for FY 2020, 2021 and 2022.

Kent Craford Alaska Seaplanes	Holly Johnson Wings Airways	Edward Keisel Ward Air	Gary Thompson Admiralty Air Service
Eric Main Temsco Helicopters	Jason Kulbeth NorthStar Helicopters	Michael Wilson Coastal Helicopters	Tom Williams Ward Air
Kristi Elliott Hummingbird Hollow Gifts	Christopher Wooster Atlantic Aviation	Scott Van Valin Island Air Express	