

AIRPORT BOARD
AGENDA
6:00 P.M., TUESDAY, JANUARY 9, 2018
ALASKA ROOM

- I. CALL TO ORDER
- II. ROLL CALL
- III. APPROVAL OF MINUTES: Regular Monthly Meeting of December 12, 2017
- IV. APPROVAL OF AGENDA
- V. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS
- VI. UNFINISHED BUSINESS
- VII. NEW BUSINESS
 - A. **Finance: Capital Improvement Projects (CIP) Update and Passenger Facility Charge (PFC) Consolidation/Amendments (Attachments #1, #2 and #3).** The Airport Board Finance Committee met on January 4, 2018, to review the cash flow for CIP project matches including the use of 2017 Sales Tax and PFCs. Attachment #1 is the CIP spreadsheet with project, years and anticipated funding sources, Attachment #2 is a summary of the projects requiring match to federal grants, and the uses of 2017 Sales Tax Ballot funds as well as disbursement of PFC9 dollars, and Attachment #3 is the CBJ's proposed disbursement of 2017 Sales Tax Ballot funds (coincides with Attachment #2 summary of matches). There were two motions considered/approved by the Finance Committee.

First, was the consideration to close out the old PFC7 and PFC8 collections. Some of these were projects that did not require as much funding/match as projected and one was to omit the land acquisition from PFC 7.

At this time we show the following amounts in the following PFCs that have not been spent (at a minimum):

PFC7 (Land Acquisition) collected 5/1/2005 – 8/31/2008	\$ 966,000 <i>approx.</i>
PFC7 (Part 121 Ramp) collected 5/1/2005 – 8/31/2008	\$ 60,000 <i>approx.</i>
PFC8 (Runway Safety Area-RSA) collected 9/1/2008 – 12/31/2017	\$ 215,000 <i>approx.</i>
Total	\$1,241,000 <i>approx.</i>

The close out of these residual collections would result in approximately \$1,241,000 (plus interest and any unspent encumbered amounts) of PFC7 & PFC8 funds being carried forward into the new PFC Application (PFC9). This would be beneficial to the Capital Improvement Project (CIP) cash flow, and reduce the PFC9 collection period by more than a year. It would also allow matches to Airport Improvement Project (AIP) grants in a timely manner.

As noted, these totals may also have some accrued interest and unspent encumbered amounts that would be added in once the PFCs have been amended and closed out.

The Finance Committee recommended the following:

Board Motion: *“Approve the amendments and close-outs of PFC7 and PFC8 (approximately \$1,241,000 plus accrued interest and unspent encumbered amounts), and carry forward the unexpended collections into PFC9 collections.”*

The second consideration/approval was to amend amounts within PFC9, as well as the projected (earlier) collection end-date. Some project matches will not be needed in PFC9 due to Sales Tax providing match (Float Pond, RSA NE/NW Apron). Other items such as Snow Removal Equipment Facility (SREF) match will need to increase (see Attachment #2). This increase for PFC-eligible matches allows other local funds (2012 Sales Tax and State Legislative Grant) to provide funding for FAA ineligible portions of the SREF (phase 1b). An amendment within the PFC will request the funding changes to specific projects, but not the bottom line. PFC9 is actually projected to decrease at this time. Additionally, the Airport would need to amend the projected collection period end-date of approximately October 2025. The early collection end-date is contingent upon the consolidation and carry forward of funds from PFCs 7 and 8 into PFC9 (earlier motion, above).

Board Motion: *“Approve the projected PFC9 amended amounts, and the collection end-date of PFC9 to October 2025.”*

While both of these actions require FAA amendment and approval, neither of these actions increases or lengthens the collection period, so they do not require airline/public process; they are fairly quick to complete.

B. Food & Beverage Concession Contract. A final draft of the Food & Beverage Concession Agreement is being finalized with Tailwind JNU LLC, to be executed following Board approval. The Agreement is for 10 years with the following concession fees (revenue to the Airport):

Concession Fee: Concessionaire shall pay to the Airport an annual Concession Fee as follows:

1st Contract Year—7% of Gross Sales up to \$1,500,000, then 8% of Gross Sales above \$1,500,000.

2nd Contract Year—8% of Gross Sales.

3rd through 10th Contract Year—8% of Gross Sales up to \$1,500,000, then 9% of Gross Sales above \$1,500,000.

Minimum Annual Guarantee (MAG) The following Minimum Annual Guarantee (MAG) shall apply:

1st Contract Year—\$36,000.

2nd through 10th Contract Year—MAG shall be 75% of the Concession Fee due in each preceding year.

Staff anticipates revenue to the Airport will be \$100K year 1, \$110K year 2, \$120K years 3-10. In accordance with Airport regulation, the Airport Board needs to approve basic terms of the contract including the outlined concession fees, outlined above, and the 10-year agreement.

Board Motion: *“Approve the concession fees outlined above, and a 10-year term for the Food & Beverage Concession Agreement, with Tailwind JNU, LLC.”*

C. Airport Manager’s Report:

1. Airfield Vehicle Inspection Day – Invite. On Friday, January 26, 2018, the airfield crew will be doing a complete vehicle inspection (weather permitting) as they prepare for the annual certification inspection. The crew invites Board members to come out for the inspection and see what they do during the comprehensive inspection.
2. The Airport is scheduled for their annual FAA certification inspection January 29-31, 2018. The Airport always looks at inspections as a learning experience and looks for ways to make the Airport safer and better.
3. The 2018 Juneau Legislative Welcome Reception will be held Wednesday, January 17, 2018, from 5:00 to 6:30 p.m. at Centennial Hall.
4. Martin Klein, Northern Regional Manager for Republic Parking, reported automated transaction usage (stand-alone credit card machine at second booth) in Juneau has been running in the 3-5% range. In looking at the last four months, the usage is trending slightly upwards – approximately 2.5% of the transactions in September vs. 3.9% in December. Those tickets represent roughly 5.3% of the revenue for December. It appears there will be about 350 transactions through that equipment in December.
5. Airport Engineer Report (Attachment #4): We are currently out for recruitment for a full-time Engineer.
6. Airport Architect Report (Attachment #5)

VIII. CORRESPONDENCE:

IX. COMMITTEE REPORTS

A. **Finance Committee:** See VII A. for a report/action on CIP/PFCs at the January 4, 2018, Airport Board Finance Committee Meeting.

B. **Operations Committee:**

X. ASSEMBLY LIAISON

XI. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

XII. BOARD MEMBER COMMENTS

XIII. ANNOUNCEMENTS

XIV. TIME AND PLACE OF NEXT MEETING:

A. Airport Board, 6:00 p.m., January 9, 2018, Alaska Room

XV. EXECUTIVE SESSION: Airport Manager Mid-Year Evaluation

XVI. ADJOURN