

MINUTES of
AIRPORT BOARD MEETING
January 9, 2018
Alaska Room, 6:00 p.m.

I. **CALL TO ORDER:** Chair David Epstein called the meeting to order at 6:00 p.m.

II. **ROLL CALL:**

Members Present:

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

Staff/CBJ Present:

Patty Wahto, Airport Mgr.	Scott Rinkenberger, Airport Superintendent
John Coleman, Airport Business Mgr.	Mary Becker, CBJ Assembly Liaison
Catherine Fritz, Airport Architect	Keith Walker, Fire Department
Trinidad Contreras, CBJ Law	Teresa Bowen, CBJ Law

Public Present:

Mike Wilson, Coastal Helicopters	JC Harris, Juneau Taxi
----------------------------------	------------------------

III. **APPROVAL OF MINUTES:** *Marty Myers moved to approve the minutes of the December 12 meeting as presented. The motion passed by unanimous consent.*

IV. **APPROVAL OF AGENDA:** *Marty Myers moved to approve the agenda as written. The motion passed by unanimous consent.*

V. **PUBLIC COMMENTS:**

A. Trini Contreras, CBJ (City & Borough of Juneau) Law, introduced Teresa Bowen with CBJ Law. He will be filling in on the criminal side while they are looking for a new attorney. Ms. Bowen will be filling in for some of the Airport issues. She was a former City Attorney in Barrow. She has some experience with airports. Ms. Bowen will be able to supplement a lot of the items Mr. Contreras has been working on and get them moving along quicker. The parking fees were introduced and forwarded to the Committee of the Whole in February.

B. JC Harris, Juneau Taxi, said he wanted to bring up some points about why a deal has not been made with the TNC (transportation networking companies – Uber and Lyft) and why the taxi and shuttles are brought in at the end of the year, as they always do, to pay their fees and get their Airport stickers and they are still at the point where they are not. He asked why they were paying and someone else is not paying? They are the ones that are going by the rules daily, going out there, getting calls from the Airport Manager's office saying that people are waiting at the airport and they go in there to get them. They try to cooperate as much as they can, yet they are the only ones paying.

AIRPORT BOARD MEETING

January 9, 2018

Page 2

Every time he has called about it he has been told “We’re working on it.” He understands this is a process, but it has been going since June. They pick up wherever they want, staging in front of the doors at the airport; they go into the Taxi Zone and stage. It is getting a little frustrating. Everyone is blaming cabs; that it is the cabs that are making them pay. He said they are getting a bad rep for what they are not doing. He wondered what the Airport is going to do about it. His point was that the taxis are paying to come to the airport to pick up and drop off and the TNCs are not.

Airport Manager Patty Wahto said the agreements are being worked on. She said when the bill was signed by the Governor, the Airport was originally going through the regulation route, which would have been done by June or July. With the restrictions on the bill that was signed by the Governor, the Airport was not allowed to go through the regulatory route. It has to go backwards and start from ground zero to go into agreements with them. The Airport is finalizing agreements with Uber and we are down to one clause in the agreement to be finalized. Once that has been done, the process will be done with Lyft, too.

Both companies want to work with the Airport. They know that this is the way to work at an airport – to work through an agreement or some regulatory process. If an agreement is not signed, the Airport will be back before the Board and probably the City as that is how the law is written. Through the Airport’s ordinance and through regulation, the Airport is required to collect fees that are fair and reasonable. With that exception through the State law, the Airport would have to go in and say as a City they are exempt from using the Airport or from doing business in the city. She thought that the Airport could not allow the TNCs to do business because they are not paying fair fees, which on a federal level, there has to be a fair and reasonable rate.

Mr. Harris said the legislative session is beginning. Uber has already retained a lobbyist for this session because they know that people are going to ask for things like this. It might be a good idea to ask the City Manager to get Juneau’s lobbyist to get involved more than they were last year to try to get these kind of changes made through the legislative process. Mr. Contreras said the way the law was written was that the international airports owned by the State of Alaska contract directly with the TNCs. During that process, the legislators come into town in Juneau. Juneau is the only city that owns an international airport and we might have been dropped out of the loop. It is on the radar. The City Manager knows about this and the City is working to try to fix some of this. The taxi service is one of the reasons it came about. The problems with it perhaps speared it on.

Mrs. Wahto said that when they first talked with Uber and Lyft, they will be reporting quarterly and the Airport will get some of the back fees. The companies are tracking the rides as there was a perimeter fence set up. This is where they are doing business

(entering the Airport grounds). They know how many patrons they have brought in and picked up.

VI. **UNFINISHED BUSINESS:** None.

VII. **NEW BUSINESS:**

A. **Finance: Capital Improvement Projects (CIP) Update and Passenger Facility Charge (PFC) Consolidation/Amendments (Attachments #1, #2 and #3).** Mrs. Wahto said a Finance Committee meeting was held on January 4 regarding the CIP and PFC. A new PFC collection started in January. This was mentioned a couple of months earlier that staff would talk with the FAA (Federal Aviation Administration) and come back to a Finance Committee meeting about taking in some of the PFC7 and 8 collections that were not used. The Airport over-collected on the PFCs and they have also accrued some interest. The meeting was held to discuss what would be done with these old PFC collections. It was staff's and the Finance Committee's recommendation to take these PFCs as outlined and roll them into PFC9, which would mean early collections. Finance Committee Chair Angela Rodell noted that the early collection will shorten PFC9's collection period. It also allows the Airport to more effectively manage the cash flowing combination with the Sales Tax collections that it is entitled to and redirect to the projects that benefit the most from those PFC collections. Mrs. Wahto said the collection period will be shortened by over one year for PFC9.

By taking a few of the items that were in PFC9 (the SREB (snow removal equipment building)), there were components in there that the original PFC used only \$72,000 in PFC collections. By amending that SREB component of PFC9 to include all eligible items – when doing the match, staff planned on using some of the old 2012 sales tax money, as well as the Alaska State Legislative Grant – but by amending PFC9 for this and using the maximum amount, it frees up the monies such as the old Sales Tax and more importantly, the Legislative Grant money and allows the Airport to do more of the non-eligible items that the Airport was looking at doing with the supplemental agreement that was passed last month. This will give the Airport more bang for its buck while funding the FAA-ineligible portions of that part of the SREB. Instead of amending the \$72,750 in PFC #9 for the SREB, the Airport is looking at \$455,000 so it frees up money to do ineligible portions. Mrs. Wahto said Kathy Smith with Alaska Airlines was at the Finance Committee meeting and she had met with her to go over what was being done with PFC9 and the old PFCs. They support this plan.

As the Airport is no longer receiving AIP matching funds from the State, it is requesting 100% of the aviation fuel tax collected at JNU, instead of 60%. The Airport is working with the State lobbyist to collect 100%, because the State cannot have it both ways. Board Member Dennis Harris suggested the Board through the Chair write a letter to our legislative delegation urging them to fight for equity. Mrs. Wahto said this could be done again. Based on the State's economy, the Airport went the route of requesting 100% of the tax that is linked to the Juneau Airport. Board Chair Epstein said there are two

opportunities to consult with the legislative trio directly ... one opportunity is this coming Thursday at the library and then there is the annual welcome to Juneau for the legislators next week. He urged the Board Members to take advantage of these opportunities. *Angela Rodell moved that the Board approve the amendments and closeouts 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 motion passed by unanimous consent.*

Mrs. Wahto said the \$1.241 million is the known bottom line. There may be some accrued interest or other items that are encumbered but may be released so the number is destined to go up, and it may be as much as a few hundred thousand dollars.

In rolling these over into PFC9, it now ends the collection timeframe by a little of a year. The next motion is to make within, but because the bottom line does not change because some of the projects that were in PFC9 are funded with the new Sales Tax for match, some are increasing (SREB), but the bottom line is a decrease. This shaves over a year off. The known date is now October 2025, which does have to be amended. *Angela Rodell moved that the Board approve the projected PFC9 amended amounts, and the collection end-date of PFC9 to October 2025. The motion passed by unanimous consent.*

B. Food & Beverage Concession Contract. The winning proposer for the Food and Beverage Concession was Tailwind JNU, LLC. Tailwind is a national company that has about 25 to 30 airports that they do concessions in. They are based out of North Carolina, but they do set up new businesses wherever they go. Staff is finalizing negotiations with them. There are a couple of items that need to be approved by the Board: the 10-year term and the concession fees outlined below.

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 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.

Mrs. Wahto said she had never seen the Airport just receive the MAG, it has always been the percentage. Board Member Harris was concerned about the controls the Airport has on the quality of service and quality of food. Mrs. Wahto said one of the things staff has

AIRPORT BOARD MEETING

January 9, 2018

Page 5

looked at is the timing they are open. This will certainly be a little bit scaled back in winter operations, but more heavily on the departure lounge side than the non-security side. He said the hours, except Saturday as the loads are lighter, as well as having heavier summer operations. Board Member Harris asked what capabilities the Airport has for poor performance. Chair Epstein said what is before the Board is the fees and terms. Mrs. Wahto said if the Board wishes to look at the whole contract, staff can bring that forward. Staff is trying to move this forward to allow them to have a contract in place and allow them to apply for a liquor license. There are mechanisms in place for major changes. Tailwind provided a sample of menus that seemed very doable, with the exception of items for grilling. There are looking at providing a level of what the clientele wants. *Jerry Godkin moved to approve the concession fees outlined above and a 10-year term for the Food and Beverage Concession Agreement, with Tailwind JNU, LLC. The motion passed by unanimous consent.* Chair Epstein said some on the Board want the assurance that if something goes awry that there is a mechanism to address that. He cannot imagine any contract that does not address that. Trini Contreras said he had seen the contract. There are two termination clauses: one that is mutual and a for-cause. He can pull the language and forward it to the Board.

C. Airport Manager's Report:

1. Airfield Vehicle Inspection Date – Invite. This is done prior to the annual certification inspection. Mrs. Wahto said Airport Superintendent Scott Rinkenberger invites people out on January 26, 2018 at 9:00 a.m. (weather permitting). This will be held at the airfield shop.
2. FAA Annual Certification Inspection. The annual certification inspection is scheduled to begin January 29. This will cover everything on the airfield, including ARFF (Airport Rescue/Fire Fighting) services, and records – everything that is part of the Airport's 139 certification.
3. 2018 Juneau Legislative Welcome Reception. The annual reception will be held Wednesday, January 17, 2018, from 5:00 to 6:30 p.m. Katie Kachel, the City's D.C. lobbyist, will be in town that week. A meeting will be held with her on Friday, just prior to her departure.
4. Republic Parking Automated Transaction Usage. The Regional Manager Martin Klein provided data on the unmanned booth. He said this usage on that booth is steadily increasing and included 350 transactions in December.
5. Airport Engineer Report (Attachment #4): Mrs. Wahto reported she spoke with Ken Nichols earlier in the day and will not be calling in for this meeting. He has transitioned into the Part-time Engineer position as of February 8. He began working at Paine Field. AECOM is finalizing staff comments and changes. They are updating that, as well as the financial analysis. Steve Horton has had a medical emergency and

AIRPORT BOARD MEETING

January 9, 2018

Page 6

they are trying to finalize some of that with the partner working on the analysis. She hoped it would be out before the next Board meeting, which would allow the public to review it, as well as send pertinent parts to the FAA.

The Airport was unable to do any of the storm water pollution permitting requirements in November. Staff did do the sampling in December and January.

It is expected to have the float pond improvements done during the 2018/2019 winter shut down period. The bid documents should be out in April/May so that project can start in the winter and hopefully re-open in late March/April 2019.

Taxiway A Rehabilitation Planning and Taxiway C, D, E Runway Incursion Mitigation report was circulated in December, with the comments due to the consultant on January 9. They will move forward with those concerns and make sure they are well documents. Staff expects bid documents out by the end of 2018 so they can start in the spring of 2019. This will be a two-year project, with preparation in 2019 and main construction in 2020.

The Airport Engineer is posted on the City website. The pay range is stuck within the confines of the CBJ pay scales.

6. Airport Architect Report (Attachment #5): Airport Architect Catherine Fritz reported the SREB (Snow Removal Equipment Building) has had a lot of construction crew out there every day and they are working very hard to have substantial completion next week. The design consultants and contractors team will meet tomorrow regarding expectations for substantial completion. She hoped the Board will have a chance to see the building in February.

Staff is working on the scoping document for the SREB 1B, which will be the wash bay and a little bit of the maintenance bay area. It will not include the second maintenance bay as there is not enough money.

The plan for demolition of the terminal includes all pre-1984 parts of the terminal – a 1948, 1957 and 1971 constructed portions of the terminal. It will leave the tower. This will free up the land that is in the zone for construction by the Part 135 operators. It will establish lease lots for the current tenants – Alaska Seaplanes and Harris Air and provide space for future air carriers should they be interested in constructing their own building. The Airport wants to provide infrastructure to support those efforts. The infrastructure will likely provide an improvement of the intersection that branches Shell Simmons to Yandukin in a way that will allow for safer and clearer access in and out for this area, provide drop-off zones for people needing the services of those regional carriers, and provide an in-door concourse that will connect the privately built buildings to the main terminal. There will be sewer

and water services that will be aligned with the Airport's "subdivision" (lease lines) development. This is the scope of the work the Airport is trying to hire a design team. It is expected the demolition will be done in pieces.

A grant (if funded) by the Southeast Alaska Watershed Coalition will do significant clean-up and improvement work in the greenbelt across the way. Board Member Harris asked if any progress has been made to lower-limb the trees in order to better keep an eye on what is going on with the transient population. Chair Epstein asked what the Watershed Coalition's plans are and how it would work with the transient issue. Ms. Fritz said this grant will have five partners – one will be CBJ Community Development and/or Lands – to work collaboratively with the various agencies involved to get clean-up and safety issues addressed. In terms of the grant, it is a multi-faceted effort to make that area an appropriately pleasant place that does not harbor the bad activity that is there now. Mrs. Wahto said staff has been working on Title 49 to be a part of that with changing the setbacks in limbing. She does not know if the Law Department has seen the updated Title 49 yet. One thing was to be able to trim (limbing) close enough to a stream that would be within that setback area for safety reasons. Board Member Harris was concerned because he has had a number of people from the Nugget Mall area that used to walk through that area and will not walk through there now. One person said they used to use the trail system for a 15-minute break until they almost stabbed their toe on a needle. He said that once contaminated needles are around the place, it is horribly dangerous for people and their pets. If it is a place people want to go, then the homeless will not camp there, because they want to look for privacy. As long as the public is walking through there, they won't be there. He was in favor of the project if it encourages people to walk through and makes sure everything is visible. Mrs. Wahto said the Airfield crew has continuously cleaned up this area, including needles. It isn't just the needles; some people use this area for other reasons (assaults). The code needs to get changed.

VIII. **CORRESPONDENCE:** None.

IX. **COMMITTEE REPORTS:**

A. **Finance Committee:** Committee Chair Angela Rodell reported the Finance Committee met on January 4th to review the Capital Improvement Plan and the PFC #7, #8 and #9. Those came before the Board and the Board took action. There was no further action. She said the next Finance Committee will be held in February for the budget.

B. **Operations Committee:** Committee Chair Marty Myers said no meeting was held. He wanted to bring up the use of the pond at a future meeting.

X. **ASSEMBLY LIAISON COMMENTS:** Assembly Liaison Mary Becker said she picks and chooses what she brings to the Board. If they have other things they would like to hear about, let her know and she will bring it to the Board. The Assembly voted to remove the prohibition about building close to eagle's nests because it is not something that has to

AIRPORT BOARD MEETING

January 9, 2018

Page 8

be done. The Lemon Creek Area Plan was adopted and is now a part of the Comprehensive Plan. Travel Juneau, JEDC (Juneau Economic Development Council) and the Juneau Radio Center are going to get together and set up guidelines for the Look Local First campaign. She said that group is working together on a variety of issues, but this is one of the main ones. The Alaska Committee annual meeting will be held January 20. They will be doing a poll later in the spring from people who are coming to and from the legislature to find out what they would like to see improved this time of the year. The Chamber will hold a retreat on January 26.

XI. **PUBLIC COMMENTS:** None.

XII. **BOARD MEMBER COMMENTS:**

A. David Epstein said he likes the cell phone signs that have gone up. He said it is a little confusing as the sign says "Cell Phone Lot" and then there is another one that says "Do Not Enter". Mrs. Wahto said they would take a look at that.

A couple of months ago, there was an IOU to develop a financial impact flyer. Mrs. Wahto said the economic impact study was done. The links are on line. It was felt it would be a waste of money to send out a flyer. This has been put on the Airport's website and mentioned on a few different occasions.

B. Jerry Godkin apologized for missing the Finance Committee meeting.

C. Marty Myers said he will be out of town for the next Board meeting. He would like to call in for the meeting.

D. Dennis Harris said there would be free pizza at the Valley Library. This will be an opportunity to talk to Dennis, Sam and Justin. He thought it was important that they hear from the Board about this unfair State funding and urge them to make the maximum effort. They are going to get everyone hanging on them at the Centennial Hall meeting. He said perhaps the Board could get some feedback from people who do not come to the meetings.

XIII. **ANNOUNCEMENTS:** None.

XIV. **TIME AND PLACE OF NEXT MEETING:** The next regular Airport Board meeting will be held on February 13, 2018, at 6:00 p.m. in the Alaska Room.

XV. **EXECUTIVE SESSION:** *Angela Rodell moved that the Board enter into executive session to discuss a matter, specifically the mid-year evaluation of the Airport Manager, the immediate knowledge of this matter could have a detrimental effect on the Airport Manager and/or the evaluation. The motion passed by unanimous consent. The Board took a five-minute break at 7:17 p.m. and then went into executive session.*

The Board came out of executive session at 8:16 p.m.

AIRPORT BOARD MEETING

January 9, 2018

Page 9

- XVI. **ADJOURN**: *Dennis Harris moved to adjourn. The meeting adjourned by unanimous consent at 8:17 p.m.*