AIRPORT BOARD
AGENDA
6:00 P.M., WEDNESDAY, JANUARY 14, 2015
ALASKA ROOM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES: Regular Monthly Meeting of December 10, 2014

IV. APPROVAL OF AGENDA

V. PUBLIC COMMENTS

VI. UNFINISHED BUSINESS

A. **Proposed Marijuana Ban at Airport**: At the December 2014 Board meeting, the Board approved a motion to ban the possession of marijuana at the Airport terminal and vicinity. The State is finalizing the statute language and the City Attorney has been able to review what it means to the Airport's proposed ban. The language essentially allows for a person to have marijuana on their person (although not smoke publicly). A ban at the Airport would be unconstitutional until such time that the State 'tightens up' the language. Because this appears to be in conflict between what the State law allows and the Federal Law about transport, our attorney thought it would be best to hold on the ban ordinance and simply post signs that notify travelers that it is a federal offense to transport controlled substances, including marijuana, on a commercial air carrier. At this time, we will place signs alerting passengers of the federal law and hold off on the ban until the State tightens their language.

B. **Concession Expansion – Terminal Departure Lounge** (Attachment #1): At the July 9, 2014, Airport Board meeting, the Board elected to concentrate the terminal remodel efforts on the north wing (small air taxi end) of the terminal rather than the more expensive central 'knuckle' portion of the terminal. As we developed the CIP funding plan this winter and identified funding sources, there is still a gap in the funding needs to move this project forward. The Airport has talked with CBJ Engineering to discuss the strategies for City assistance. Staff is continuing forward with the funding plans discussed at the October 22 and November 12, 2014, meetings. In the meantime, Airport project office has taken a second look at the concession expansion that was the focus of terminal remodel discussion prior to July. Rather than a large project, a smaller step in the concession plan could be done while waiting for the north end remodel funds to solidify. It would get the Airport a step closer to the long-term concept, as well as create potential additional revenue.

Attachment #1 memo details the concept as well as pro/cons and estimated costs associated with the proposed concession expansion, and proposes to use terminal renovation project funds. Further discussion will be held at the meeting. Staff endorses this concept and it has the support from Kathy Smith with Alaska Airlines and our food/beverage concessionaire, Jacobsen/Daniels Associates.

Board Motion: *"Approve the use of terminal renovation project funds for food and beverage concession area expansion in the departure lounge which includes the relocation of Alaska Airlines' administration offices to the current 'Juneau Room' and renovate a portion of the former dining room into a new meeting room; as outlined in the January 8, 2015, memo (Attachment #1)."*

VII. NEW BUSINESS

A. **Recent Runway Closure and Friction Devices**: Cold temperatures followed by freezing rain forced the Airport to intermittently close the runway due to nil braking action on January 6 and 7. The crew has dealt with this in the past and they work hard to get the right combination of chemicals, sand and equipment to reopen the runway. However, this was recently compounded with the Airport friction measuring devices breaking down at the same time. We have redundancy on the friction system (three separate friction measuring devices), but one was broken and sent for repairs and the other two failed the evening of January 6. The Airport was able to get one of the units patched and working around the time that the runway was regained. One 'patched' unit is outside our comfort zone to keep the Airport open and operational. The Airport is currently borrowing a friction testing unit from Ketchikan Airport until we can get the other units repaired and/or replaced. Friction measuring equipment is mandatory for certificated airports. The Airport received a quote of $2055 for a new Tapley unit (very basic unit) and will be ordering two devices immediately. Additionally, the Airport is looking at an electronic decelerometer which is priced at $4,500. Most of our current friction equipment is well over 20 years old. The Airport extends its thanks to the Ketchikan Airport for expediting their spare to Juneau for use. Additionally, the State of Alaska was helping to locate a friction device the night of January 6. We appreciate everyone's concern and assistance.

B. **Airport Manager's Report**:

1. <u>Certification Inspection</u>. The Airport had their FAA annual certification inspection with Airport Inspectors David Wahto and Matt Stearns. The week-long inspection went very well. The Letter of Correction contained a few items that the Airport either corrected while the inspectors were here or will be corrected when the runway rehabilitation project is completed. Additionally, there were some recommendations by the inspectors. As always, we appreciate their thoroughness and expertise in making the Airport safe.

2. <u>SREF Relocation Update</u>. The Airport sent further analysis and justification on the costs to relocate the SREF to the FAA in October. On January 9, 2015, FAA Airport's Division Mr. Huffman reported that they were working with FAA Headquarters to give their response. We will provide updates as they are received.

3. Legislative Reception. A reminder that the annual Legislative Reception will take place on Thursday, January 22, 2015, from 5:00 p.m. to 6:30 p.m. All are invited. Airport staff plans to have a summary of talking points and facts available to Board members prior to attending the event.

4. SkyWest/Delta Visit. SkyWest crew will be bringing an aircraft up January 21-22 (weather permitting) to speak with staff and complete some approaches for their procedures. SkyWest will be flying between Juneau and Seattle for Delta due to JNU's runway rehabilitation work this year. Delta representative will also be in Juneau on January 15 to discuss summer operations and scheduling.

5. Assembly Retreat. The Assembly will hold a half day retreat in Assembly Chambers on January 14 starting at noon. The focus is goal-setting and priorities. Staff hopes to report the results of the retreat at the Board meeting that night.

6. Action Line Guest Spot. Pete Carran is back on-air hosting Action Line. Pete has asked the Airport to be on his program on January 26. Patty deLaBruere and Ken Nichols will be joining Pete to discuss Airport projects.

7. Airport Engineer Report (Attachment #2)

8. Airport Architect Report (Attachment #3)

VIII. CORRESPONDENCE:

IX. COMMITTEE REPORTS

A. **Finance Committee**: TBD. Staff is working on FY15/16 budget updates and projections and tentatively planning to hold a meeting the first part of February.

B. **Operations Committee**:

X. ASSEMBLY LIAISON

XI. PUBLIC COMMENTS

XII. BOARD MEMBER COMMENTS

XIII. ANNOUNCEMENTS

XIV. TIME AND PLACE OF NEXT MEETING:

A. Airport Board, 6:00 p.m., February 11, 2015, Alaska Room

XV. EXECUTIVE SESSION

XVI. ADJOURN

ATTACHMENT #1

MEMO

TO: Patricia deLaBruere
JNU Airport Manager

DATE: January 8, 2015

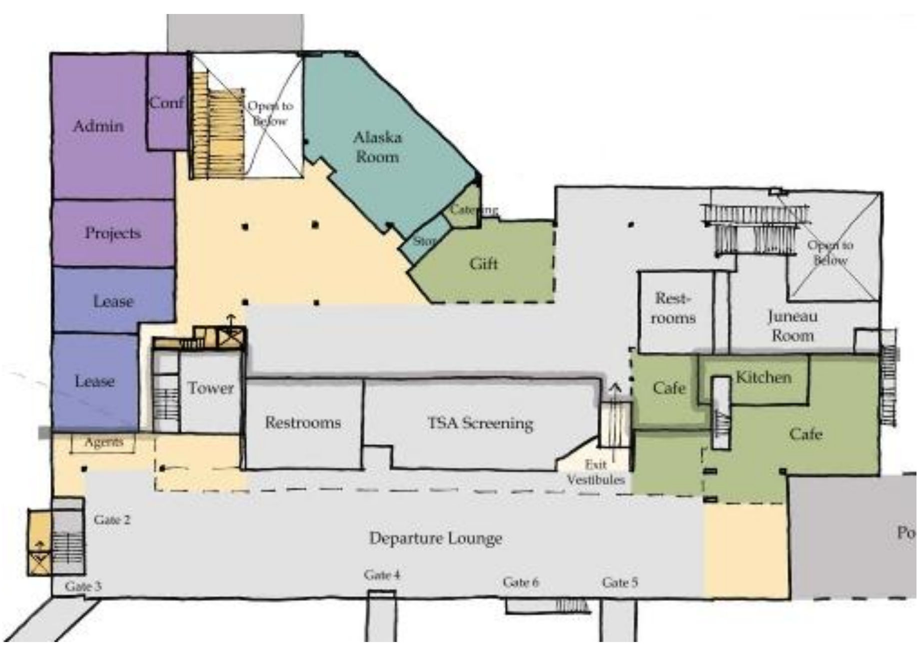
FROM: Catherine Fritz, AIA
JNU Airport Architect

RE: Concession Expansion

The Jacobsen/Daniels Associates (JDA) Food and Beverage Concession began in May 2014, with a new model of “grab & go” foods in both café locations. Bar service in the Departure Lounge opened in July 2014. The concession has been praised by travelers who appreciate the services, and the concessionaire has made continual improvements in their operations and menu.

There have been three primary goals with the current concession contract: 1. Provide high quality food and beverage products at reasonable costs; 2. Efficiently utilize lease areas so as to increase net lease and concession revenues to the Airport; and 3. Collect relevant data to support the analysis and feasibility of developing the Terminal Master Plan’s long-term food and beverage concept.

The long-term concept, illustrated below, was reviewed by the Airport Board in Summer 2014. It calls for a consolidated food and beverage operation on the second floor of the terminal, in the general location of the current Alaska Room. Both the secure and non-secure sides would be served from a single kitchen with the assistance of a secure pass-thru feature. The kitchen would be designed to allow limited cooking, but the café would not include restaurant-style table service.



Excerpt from Terminal Master Plan, June 2014

There are many unknowns about the potential success of this scheme. This is a new model for JNU Airport, and there are unique aspects of JNU’s operations such as seasonal peaks and related closure of the TSA checkpoint during low activity that create challenges for profitable concessions. To minimize the risks to potential long-term concessionaires, it is essential that the Airport gather as much data as possible about food and beverage services on the secure side. JDA understands and supports this concern, and has been creatively working with JNU to share ideas about cost effective offerings.

ATTACHMENT #1

The current spaces do not provide prep-kitchen facilities to allow on-site food preparation. Expansion could allow greater menu variety and make more efficient use of concession staff (e.g., the ability to prepare grab and go foods on-site during slow operational times rather than purchasing all foods). Expansion could also allow a larger bar in the Departure Lounge so that full alcohol service could be offered (currently only bottled beer and wine are sold), as well as clearly separating the bar from the non-alcohol area.

Expansion of the café and bar in the Departure Lounge involves three project components: 1. Relocating Alaska Airlines' administrative offices to the current Juneau Room; 2. Expanding the café and bar into the southwest corner of the Departure Lounge; and 3. Remodeling a portion of the former dining room into a new (Juneau) meeting room.

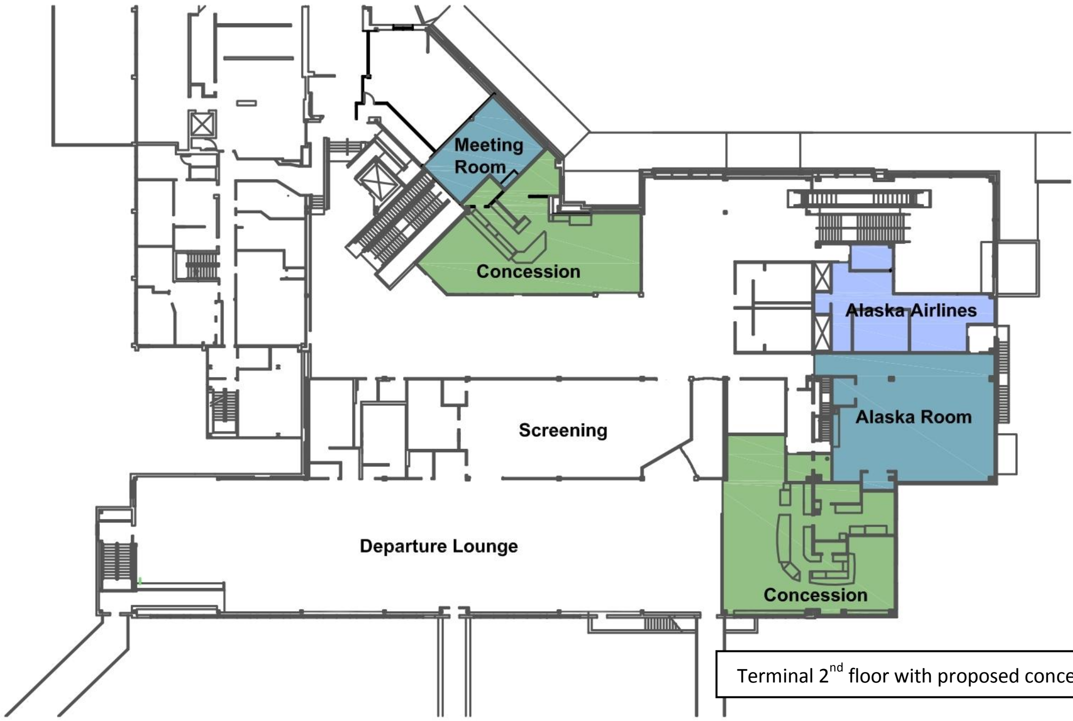
1. Renovation of the Juneau Room (to Alaska Airlines' offices) can be done with Airport staff and small construction contracts that do not require bid periods. The estimated project completion time for this work is 30 days from Notice to Proceed.

2. Renovation of the Departure Lounge southwest corner will require a public bid period of at least 21 days. This, in turn, means that comprehensive construction documents (plans and specifications) must be prepared. Document preparation will take approximately 30 days. The construction contract will not require approval by the CBJ Assembly.

3. Renovation of a section of the former dining room to serve as a meeting room is a relatively simple project that can be completed by Airport staff and small construction contracts.

1. Renovate Juneau Room for Alaska Airlines' Offices	
Design & CA	$15,000
Permits, Misc	$2,000
Construction	$23,000
Total	**$40,000**
2. Renovate Departure Lounge SW Corner for Food/Bev	
Design & CA	$63,000
Equipment	$22,000
Permits, Misc	$5,000
Construction	$150,000
Total	**$262,000**
3. Renovate Former Dining Area for Meeting Room	
Design & CA	$9,000
Permits, Misc.	$1,000
Construction	$16,000
Total	**$26,000**

The sketch below illustrates usage of second floor spaces in the terminal upon completion of the three components.



Terminal 2nd floor with proposed concession expansion

ATTACHMENT #1

There are two critical questions to consider at this time. The first is, "Should the Food and Beverage Concession space be expanded prior to the larger, long-term Master Plan implementation?"

PROS:

- Expansion would be an incremental step toward the longer term Master Plan of the terminal, providing valuable data about the details of operating on the secure side.
- Expansion would provide an opportunity for on-site food prep, which could increase efficiencies, allow less overhead and result in more profit to the Airport.
- Expansion could provide increased services to travelers in the secure Departure Lounge, which could mean increased sales and concession revenue to the Airport.
- Expansion would allow improved separation between bar and non-alcohol areas making the bar area clearer to the public.

CONS:

- JDA has estimated that expansion is not necessary to realize increased concession revenues in 2015. For the most part, existing facilities provide adequate space to meet current traveler food/beverage demands.

The second question is, "If it is prudent to expand the concession, should the work be accelerated with an aim for completion by May 2015 to serve the coming summer season?"

PROS:

- The data gained from the upcoming 2015 summer season would be very valuable to future implementation of the longer term Master Plan for concessions. JDA's contract currently goes through September 30, 2016, with an additional two-year renewal to 2018. Completing the expansion now will provide four years of summer season data and two full calendar years of data.
- Potential increases in sales and concession fees beyond the 2015 estimates could be immediately expected. It should be noted that without expansion, the possibilities for increased sales and services (and concession fees) beyond the 2015 estimates will be very limited.
- The sooner the expansion is accomplished, the faster the Airport could realize non-airline revenue increases.

CONS:

- The Terminal Renovation Project fund can be used for this work, but this reduces the fund for future projects such as the North Wing Replacement.
- While the proposed funding for this expansion is from the terminal renovation CIP, the Airport must still consider the 'payback value' (how many years to "recover" assuming that concession revenues increase).
- If this is to be completed by the 2015 peak season, the expansion will take a high degree of coordination and teamwork with CBJ Engineering Contracts office to ensure that schedules can be met.

Given the good work that has been completed to date to move the airport terminal and its concessions toward a modern, efficient facility, I recommend that we proceed with the expansion as soon as possible.

ATTACHMENT #2

MEMO

TO: Patricia deLaBruere
Airport Manager

DATE: January 7, 2015

FROM: Ken Nichols, P.E.
Airport Engineer

RE: Engineer's Report

General
In the past month, the projects office worked on several construction and planning projects. Project specific summaries are presented below. The Capital Improvement Program (CIP) was discussed at a meeting with representatives of the Airport Board, Finance Department, and Engineering on December 18, 2014. Items discussed included the airport's highest priorities for state and Federal funding requests, as well as the prospects for funding from various sources.

Airport Sustainability Master Plan
Additional data was supplied to URS to use in preparing the inventory and forecast chapters of the report. I expect the consultant to present information to the Airport Board in a workshop session in February.

RSA Expansion Phase IIA
Several punchlist items by Secon remain. The most notable remaining item is for the contractor to correct the labeling of several lids in the runway safety area. Several unacceptable options have been proposed by the contractor.

Runway 8/26 Rehabilitation
All of the major work items have been completed for Phase 1. The project is currently in winter shutdown. Secon has submitted a schedule that shows work beginning on March 14, 2015, depending on weather conditions. A series of meetings with FAA representatives has been scheduled beginning on January 13, 2015, to discuss temporary operations and construction issues that may come up. Some items from the FAA's certification inspection will be added to the scope of work for this project to correct painting and sign deficiencies noted by the inspection team.

Air Cargo Hard Stand
Airport safety staff is reviewing the project plans. URS provided an opinion regarding the location of the hardstand for future reference in relation to the long-term master plan. Based on the current operations of cargo handling and ramp use, the current parking position provides only minimum clearances.

Alex Holden Way
Based on review of as-builts and utility plans in the area, a concept level cost estimate has been prepared. I estimate the total project cost to be $2.2 million. The estimate assumed replacement of the pavement section and drainage improvements and does not include replacement of the water and sewer main lines. I will prepare a preliminary design which provides options for phasing and incremental improvements so that some drainage improvements can be made in the coming construction season. At a minimum, the drain lines should be cleaned and refurbished as a maintenance item to alleviate the flooding problems associated with the intersection of Alex Holden Way and Renshaw Way.

Runway 26 MALSR
An omnibus Federal funding bill is now in effect for 2015 programs that includes money for FAA approach lighting improvements. It is not clear whether the funds were allocated for specific projects or a nationwide program. More detail will be provided as this information becomes available.

NE Development Area Apron
This project is in the FAA ACIP. FAA has not confirmed whether discretionary grant funding will be available for the project as listed. The airport has match funds available for this project from PFC 8. In order to move this project forward, an RFP for a design firm should be created and advertised.

ATTACHMENT #3

JUNEAU INTERNATIONAL AIRPORT
ALASKA'S CAPITAL CITY

MEMO

TO: Patricia deLaBruere, JNU Airport Manager

DATE: January 7, 2015

FROM: Catherine Fritz, AIA
JNU Airport Architect

RE: Architect's Report of December 2014 Activity

Airport projects staff developed several design concepts for reorganizing spaces to accommodate concessions expansion on the secure side. The most cost effective solution that supports the continued incremental move toward the long-term concession plan requires relocation of Alaska Airlines' offices from the southwest corner of the building. This will allow the existing wall behind the café to be removed, expanding the space into the southwest corner for a full-service bar and prep kitchen. This project scope and cost is discussed in greater detail in a separate memo.

A capital improvement program (CIP) planning meeting on December 18, 2014, provided valuable information about the upcoming local CIP process. The Airport's CIP list for local funding requests may be modified as specific project funding opportunities arise. Engineering/Public Works Director Rorie Watt suggested that the Airport think strategically about the types of projects and amounts of funding to request from local sales tax funding. As mentioned in the project report of November 2014, the Airfield Maintenance Facility's roof needs replacing. Staff was not aware of this when the CIP list was drafted, so this is a project that we will be incorporating into current project priorities as funding possibilities are presented. The simple form of the building makes the roof replacement straightforward, but the overall size of the roof (approximately 7,000 s.f.) means that the cost exceeds a standard maintenance and operations budget.

Project scoping began in December for the ARFF vehicle replacement and extension of the Glacier Fire Station to accommodate the new equipment. The CBJ Engineering Department is planning roofing and siding replacement projects to the building, as well, with construction scheduled for summer 2015.

Airport projects staff continued working on clean up and limited demolition of the former kitchen and dining areas. A public surplus auction of used equipment is currently underway; bids are due by January 16, 2015.

A solicitation for a new contract for ATM banking machines in the terminal has been drafted and forwarded to CBJ Purchasing for bidding. The tentative schedule calls for the bid opening in February 2014. This will allow a new contract with two ATM machines to be in place for the summer season.

The graphic artist has provided a mock up of the "Welcome to Juneau/Welcome to the Airport" sign that is currently under review. We are awaiting final approval of the graphics before determining the fabrication and installation schedule, and the final costs.

The architectural staff continued design work for interior renovation and ADA upgrade of the first floor restrooms. If the Concessions Expansion project moves forward, the restroom renovation will wait until Fall to assure that the restrooms are not closed during the busy summer season.

Project staff put together a scoping memo for continuing the in-line bag belt system for Delta Air Lines on both the public (check in) side and the secure (bag well) side. Delta was still reviewing the plan, but based on timing, it is doubtful that both of these components could be ready for the 2015 season. The scope requires tying into the current Alaska Airlines belt system behind their counter and removing the employee door (they have a back entry). At this time, the checked baggage for Delta Air Lines' passengers will more than likely operate the same as last summer.

On Hold:

- Replacement of the north wing of the Terminal, pending additional project funding.
- SREF Geothermal field and limited re-design to accommodate new site, pending agreement with FAA on repayment of AIP funds and receipt of FY16 AIP funds.