

MINUTES of
AIRPORT BOARD SPECIAL MEETING
October 22, 2014
Alaska Room, 5:00 p.m.

I. **CALL TO ORDER:** Chair Jerry Godkin called the meeting to order at 5:00 p.m.

II. **ROLL CALL:**

Members Present:

David Epstein	Joe Heueisen	Mal Menzies
Jerry Godkin	Robert Mackey	Martin Myers
Dennis Harris		

Staff/CBJ Present:

Patty deLaBruere, Airport Manager	John Coleman, Airport Business Mgr.
Catherine Fritz, Airport Architect	Kevin Lyons, Airport M&O Sup't
Ken Nichols, Airport Engineer	Travis Goddard, Community Dev.

Public Present:

Kathy Smith, Alaska Airlines	Robert Breffeilh, Hangar Owner
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III. **PUBLIC COMMENTS:** Board Chair Jerry Godkin invited the members of the public present to participate by raising their hands. Airport Manager Patricia deLaBruere requested that the discussion be conducted according to the rules of open discussion rather than formal. Mr. Godkin indicated that would be the case. Ms. deLaBruere noted this was Kevin Lyons' last meeting; he will be leaving October 31.

IV. **AIRPORT DEPARTMENT CAPITAL IMPROVEMENT PLAN (CIP):** Ms. deLaBruere said that staff had produced the Capital Improvement Project (CIP) lists as Attachments #1 and #2. The CBJ legislative funding request would go to the Legislature in July, with the projects presented in narrative form, and she wanted to make sure the Airport projects are comprehensively reviewed by the Board and tenants. The City and Federal Aviation Administration (FAA) both need CIP lists from the Airport. She said the FAA-funded projects typically require State and local match of three and one-eight percent each, but the Snow Removal Equipment Facility (SREF) and terminal projects are non-typical: 73% of the SREF project is eligible for FAA funds; public areas in the terminal are eligible, but lease areas are not.

Ms. deLaBruere said that the Airport current project needs are listed in Attachment #2, including the renovation of the north end of the terminal (project #26), which has funding in multiple years. The FAA funded projects are bolded on the attachment. Board Member Dennis Harris asked if any others could be funded by the Airport Improvement Program (AIP). Ms. deLaBruere said yes; for example, the exit lane. But, she said that alternate Department of Homeland Security funding would be pursued so that other AIP funded projects would not have to be bumped, since AIP entitlements are limited to approximately

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\$2.6 million per year. Airport Architect Catherine Fritz said there is a lot of strategy involved in planning the funding. The FAA has their priorities, and AIP funds must be used on those first. AIP funds are not available at the start of the Federal fiscal year in October, but generally the following March or April. Ms. deLaBruere said the FAA funding priorities are not made in the regional office, but at the national headquarter level. She noted the Airport has a good track record with “bridge funds” when a grant award is expected later. The ADA Ramp and Jetbridge were both funded with ‘bridge’ funds in the terminal project, because it is mandated equipment and the Airport will receive a grant.

Ms. deLaBruere said the Airport can start planning the ninth Passenger Facility Charge (PFC) application, and look at what projects will fit well. She said that Kathy Smith, Alaska Airlines, had been positive about paying debt service with PFCs. Airport Engineer Ken Nichols said that can be done, although it has all been pay-as-you-go so far. Ms. Smith said that’s the best way, otherwise the program dictates that you must plan to collect an extra 25%. Ms. Fritz said that we are currently collecting through December 2017 on existing obligations. Ms. deLaBruere said Section 4 of Attachment #1 is the “immediate needs”. There will be more projects identified when the Master Plan is completed in a year and a half. Mr. Nichols said the DEC (Department of Environmental Conservation) storm water permit process may identify required additional capital improvements. Ms. Smith said Alaska Airlines wants to be involved in that process; some requirements at other airports have been more than legally required. She said the process needs to be led by the Airport, rather than letting the requirements dictate the process.

Ms. deLaBruere said the financial plan is outlined in several steps in Attachment #1: Step A is to continue to advocate for FAA Facility and Equipment funding of the MALSR (Medium Intensity Approach Lighting System With Runway Alignment Indicator Lights). Step B consists of requests for State grants and non-AIP federal grants for projects in FY15, 16, and 17. Board Member David Epstein asked what the concern was for radio reception in the terminal (Project #7). Ms. deLaBruere said the building was shielding the signal in some locations, which is a problem when the Juneau Police Department officer is at the checkpoint or other dead zones. Ms. Fritz said the equipment will enhance transmission and reception. Ms. deLaBruere said there may be some funding opportunities through the Transportation Security Administration.

Mr. Harris said he is frustrated with the condition of Alex Holden Way due to ponding and would like the project to be done next summer. Ms. deLaBruere said it was not realistic for next summer because the design work is not done. The financial plan includes funding through a General Obligation (GO) Bond next year. The cost would include utilities, curb, and grade work. Ms. Fritz said the legislative grant request is prioritized by the City. Ms. deLaBruere noted the Assembly would hold a one-day meet-and-greet retreat November 24, and one or two days of financial retreat meetings in January. Board Member Joe Heueisen said the Board can lobby the Assembly. Ms. deLaBruere said they need to be reminded about the cargo road. Mr. Godkin said Airport is already “behind the 8-ball”. Mr. Harris said the committee assignments and liaison appointments have not been settled

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yet, and it's important to pay attention to who gets appointed. Ms. deLaBruere suggested the cargo road go on both the GO bond and the legislative request. She stated the cargo road was submitted on the State Legislative request in July. The City is very much aware about the cargo road state of disrepair. It has been on their list for several years. It was asked if the \$3.5 million was a realistic guess for the repairs. Ms. deLaBruere stated yes, this had been looked at a few years back by City Engineering and they gave the estimate. This has since been increased to account for inflation. Mr. Harris said Ketchikan, Anchorage, and Fairbanks are state-funded, so there is a good equity argument to be made. Ms. Smith said Anchorage and Fairbanks are 100% funded by airlines, and Ketchikan is a city & borough airport.

Board Member Robert Mackey asked what self-finance options are available, since the Airport will be in competition for CBJ funds. Ms. deLaBruere said CIP and maintenance and operations can overlap if planned with tenants. Ms. Smith said Alaska Airlines has always been supportive, even with recent 12% increases, but increases endanger small carriers and the playing field must be fair. Ms. deLaBruere noted non-AIP requests in Step C are the Gate 2 curb (which is a tripping hazard) and the wastewater heat feasibility study. The first floor restroom renovation is the big one in Step D, since it is in really poor shape and will need to be remodeled prior to the north end terminal work. The reconfiguration of the dining area for offices is estimated at \$50,000. Some parking lot repairs are needed to get it in working order, including potholes and lighting issues. Mr. Harris asked if LEDs could be used. Mr. Nichols said they were not included, but expected such suggestions to arise in the sustainable master plan process. Ms. Fritz said that the Step D items are unusual, but showing the \$130,000 of energy savings in the terminal is reinvested can help when asking for City funds. Ms. deLaBruere said the Step E bond package will take a lot of work for the October 2015 vote, and will need a lot of promotion. She said projects like the cargo road would appeal to almost everyone. Mr. Harris said it would be a tough sell as a standalone, and would stand a better chance packaged with other projects. Ms. deLaBruere said funding is not certain on any of the projects, and the question is how to fill known funding gaps. Mr. Mackey thanked staff for putting the list together, and said he understood the Board responsibility; he said he was concerned about the GO bond, but would do the best he can. Mr. Godkin said Board Members must attend Public Works meetings to lobby. Board Member Malcolm Menzies was concerned about explaining the SREF move when asking for legislative funds. Ms. Fritz said the SREF move was a positive long-term revenue element. Staff is also looking at all concession agreements, even small ones, for more revenue opportunity. Ms. Smith said the plan is thoughtful, practical, and elegant. She said typical airports get a lot of revenue from parking. Mr. Heueisen, Mr. Mackey, and Mr. Harris agreed that real estate development at the Airport is hampered by the wetlands.

Dennis Harris moved, David Epstein seconded, to approve the CIP as presented. Dennis Harris moved, Mal Menzies seconded, to amend the previous motion by moving projects 17 and 18 to positions 7 and 8 without changing the funding years. Mr. Menzies suggested doing Alex Holden Way in two phases to get it going. Mr. Nichols said it was a good

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idea. Mr. Mackey moved the question on the amendment. *Motion to amend passed by unanimous consent. The main motion to pass the CIP as amended passed by unanimous consent.*

Mr. Harris asked whether off airport car rental agencies pay fees to the Airport. Ms. deLaBruere said the proposal that has been with Law since 2001 is now ready to move forward. She said the next step is putting it out for public comment. Ms. Smith thanked staff for a well-run airport.

V. **PUBLIC COMMENTS:** None.

VI. **ADJOURN:** *Robert Mackey moved, David Epstein seconded, to adjourn. The meeting adjourned by unanimous consent at 7:03 p.m.*