

AIRPORT BOARD COMMITTEE OF THE WHOLE
AGENDA
2:00 P.M., TUESDAY, JULY 28, 2015
ALASKA ROOM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF AGENDA

IV. UNFINISHED BUSINESS

A. Capital Improvement Plan (CIP) Review (Attachments #1 and #2 note: 2015 projects shadowed in gray were submitted for grant applications): The Airport CIP was last reviewed by the Airport Board at their February 11, 2015, meeting. This is a ‘fluid’ document in that Federal funding and local match sources are constantly reviewed and prioritized. The Airport had several large projects (Snow Removal Equipment Facility (SREF), North End Terminal and Alex Holden Way long-term) that required additional local match totaling \$10.15 million. This unusually high local match was mostly due to ineligible (Federal) portions of the projects. On June 22, the Airport went before the City & Borough of Juneau (CBJ) Assembly Committee of the Whole to request a fall ballot measure for a \$10.15 million General Obligation (GO) Bond before the voters. The Assembly denied the request (at this time).

The GO bond would have been needed for federal fiscal year (FFY) projects in 2016 and 2017. The SREF and Terminal projects have other grant and local match funds already in place. Without the bond funds, the projects will need to be re-evaluated for remaining funding needs and priorities in the CIP schedule. The CIP is carefully crafted in a way that balances the entitlement dollars, discretionary dollars and priorities, so as not to ‘bump’ other project funds.

Two versions (see Attachments #1 and #2) of the updated CIP, labeled NORTHWEST (NW) and NORTHEAST (NE) (SREF highlight in yellow), are based on the location of the SREF. As last approved by the Airport Board, and by approval of the FAA, the Northwest (re)-location would require an additional \$4.2 million (\$1.9 million to repay the FAA/State plus geo-thermal ground loop field), plus \$300,000 redesign. The Northeast location of the SREF was the area approved in the Record of Decision (for the Runway Safety Area project) and only requires an additional \$1.5 million in funding to proceed. The decision to relocate the proposed SREF to the NW area was based on the long-term financial sustainability of the Airport and the best use of land. Last week, the FAA informed the Airport that Federal funding has been programmed (not a guarantee of grant award) for the SREF in 2016. This would mean that the SREF is closer to moving forward and matching funds, whether \$1.5MK or \$4.25M would need to be identified by next Spring. This is important to decide now as the NE and NW apron designs are out for bid and the repayment to FAA would be needed by next Spring if the NW SREF goes forward.

A few other projects (Runway Magnetic Variance to RWY 9/27 and RSA shoulder work) have been updated on the CIP schedule, as well as adjusting funding years to meet expected project needs. Further discussion of CIP and direction of SREF project will occur at the meeting.

The updated CIP as well as specific State and Federal funding requests must be submitted to the City by August 7, 2015.

V. ADJOURN

Airport Department Projects: CBJ Capital Improvement Plan **NORTHWEST**

#	Project Name	Anticipated Project Cost	Estimated Project Cost by Commitment Year							Source of Funds												
			2015	2016	2017	2018	2019	2020	TBD	FEDERAL			STATE		LOCAL							
										AIP Entitlements	AIP Discretionary	Other Federal Funding Sources ¹	State DOT Matching Funds	State Legislative Grant	2012 General Obligation Bond	Other Unidentified Funds	Passenger Facility Charge (PFC) ²	Future Passenger Facility Charge (PFC)	Ballot Measure Sales Tax	M & O Budget	Local Capital Budget ³	
1	Replace Passenger Boarding Bridge	\$497,400	\$497,400							\$466,313			\$15,544									\$15,544
2	Purchase ADA Passenger Ramp	\$63,000	\$63,000							\$59,063			\$1,969									\$1,969
3	26 MALSR (FAA F&E Project)	\$3,500,000	\$3,500,000									\$3,406,250		\$93,750								
4	Replace ARFF Vehicle	\$906,667	\$906,667							\$850,000			\$28,333									\$28,333
5	Design ARFF Building Mod & Permits	\$426,667	\$426,667							\$400,000			\$13,333									\$13,333
**6	RSA Ph II b (Ph10) Design NE/NW Areas & So Fence	\$868,025	\$868,025							\$824,624			\$21,701					\$21,701				
7	Short Term Repairs for Alex Holden Way	\$65,000	\$65,000																	\$65,000		
8	Concessions Expansion, Office Relocation, Meeting Room	\$454,000	\$454,000														\$454,000					
9	Replace Shop Roof	\$300,000		\$300,000																\$300,000		
10	Upgrade Radio Reception in Terminal	\$100,000		\$100,000								\$100,000										
11	Redesign SREF Building for NW Site	\$300,000		\$300,000												\$300,000						
12	Construct ARFF Building Modification	\$1,800,000		\$1,800,000							\$1,687,500		\$56,250									\$56,250
13	RSA (Ph 11) Construct NE/NW Areas & NW Utilities	\$9,786,667		\$9,786,667						\$943,750	\$8,231,250		\$305,833			\$305,834						
14	Design Taxiway A and E-1 Rehab	\$1,500,000		\$1,500,000						\$1,406,250			\$46,875			\$26,563						
15	Magnetic Variance RWY 9/27	\$500,000		\$250,000	\$250,000					\$250,000												
											\$250,000											
16	Construct SREF Building & Geo Loopfield NW AREA	\$28,773,333		\$24,581,583	\$4,191,750						\$15,500,000		\$656,392	\$3,000,000		\$2,325,191			\$3,100,000			
											\$4,191,750											
	SREFF Building/Site Repay to FAA/State	\$1,893,118														\$1,893,118						
17	RSA Ph III North Shoulder Grade Spec				TBD						TBD											
18	Exit Lane Improvements	\$450,000			\$450,000							\$450,000										

Airport Department Projects: CBJ Capital Improvement Plan **NORTHWEST**

#	Project Name	Anticipated Project Cost	Estimated Project Cost by Commitment Year							Source of Funds													
			2015	2016	2017	2018	2019	2020	TBD	FEDERAL			STATE		LOCAL								
										AIP Entitlements	AIP Discretionary	Other Federal Funding Sources ¹	State DOT Matching Funds	State Legislative Grant	2012 General Obligation Bond	Other Unidentified Funds	Passenger Facility Charge (PFC) ²	Future Passenger Facility Charge (PFC)	Ballot Measure Sales Tax	M & O Budget	Local Capital Budget ³		
19	Passenger Terminal Parking Lot Repairs	\$100,000			\$100,000																	\$100,000	
20	Elevator/Misc. Terminal ADA Improvements ⁴	\$900,000			\$900,000									\$800,000									\$100,000
21	Old Dining Room Reconfiguration	\$50,000			\$50,000																\$50,000		
22	First Floor Restroom Renovation	\$65,000			\$65,000																\$65,000		
23	Replace Terminal Building (North Wing) and East vestibule (MPF)	\$14,050,000			\$14,050,000					\$2,600,000			\$86,667		\$6,900,000	\$3,750,000	\$663,333					\$50,000	
24	NE Development Area Infrastructure	\$4,000,000				\$4,000,000								\$4,000,000									
25	Design SREF Sand and Chemical Storage	\$600,000				\$600,000					\$562,500		\$18,750			\$18,750							
26	Construct Taxiway A and E-1 Rehab	\$15,000,000				\$15,000,000				\$2,600,000	\$11,462,500		\$468,750									\$468,750	
27	Passenger Terminal Parking Lot Rehab	\$3,000,000					\$3,000,000															TBD	
28	Replace Trash Compactors and Pads	\$100,000					\$100,000														\$100,000		
29	Tenant Space Reconfiguration (2nd Floor North)	\$50,000					\$50,000														\$50,000		
30	Replace Snow Removal Equipment	\$5,000,000					\$5,000,000			\$2,600,000	\$2,087,500		\$156,250			\$156,250							
31	SREF Building Phase 3 Sand and Chemical Storage	\$10,000,000						\$10,000,000		\$2,600,000	\$6,775,000		\$312,500									\$312,500	

Airport Department Projects: CBJ Capital Improvement Plan NORTHWEST

#	Project Name	Anticipated Project Cost	Estimated Project Cost by Commitment Year							Source of Funds												
			2015	2016	2017	2018	2019	2020	TBD	FEDERAL			STATE		LOCAL							
										AIP Entitlements	AIP Discretionary	Other Federal Funding Sources ¹	State DOT Matching Funds	State Legislative Grant	2012 General Obligation Bond	Other Unidentified Funds	Passenger Facility Charge (PFC) ²	Future Passenger Facility Charge (PFC)	Ballot Measure Sales Tax	M & O Budget	Local Capital Budget ³	
32	Design Terminal Renovation Phase 3 (Knuckle)	\$2,000,000							\$2,000,000													
33	Construct Terminal Renovation Phase 3 (Knuckle)	\$23,000,000							\$23,000,000													
34	Design & Reconstruct Alex Holden Way and Utilities	\$2,200,000							\$2,200,000													
35	Parking Garage	\$20,000,000							\$20,000,000													
36	Terminal Area (121) Apron Rehabilitation	\$3,500,000							\$3,500,000													
37	Terminal Area (135) Apron Rehabilitation	\$6,000,000							\$6,000,000													
38	Replace Ramp Lightingt Gates 2-6	\$50,000							\$50,000													
39	Multi-Modal Feasibility Planning	\$10,000							\$10,000													
40	Acquire Wetlands Access Vehicle (w/CCFR)	\$250,000							\$250,000													
41	Civil Air Patrol Hangar Relocation	TBD							TBD													
42	Fish & Wildlife Service Hangar Relocation	TBD							TBD													
43	Executive Parking Lot	\$200,000							\$200,000													
44	Relocate FAA ATCT	\$50,000,000							\$50,000,000													
	TOTAL	\$212,308,877	\$6,780,759	\$38,618,250	\$20,056,750	\$19,600,000	\$8,150,000	\$10,000,000	\$107,210,000	\$15,599,999	\$50,748,000	\$3,956,250	\$2,189,147	\$7,893,750	\$6,900,000	\$10,675,706	\$1,117,333	\$21,701	\$3,100,000	\$680,000	\$1,146,679	

Airport Department Projects: CBJ Capital Improvement Plan **NORTHEAST**

#	Project Name	Anticipated Project Cost	Estimated Project Cost by Commitment Year							Source of Funds											
			2015	2016	2017	2018	2019	2020	TBD	FEDERAL			STATE		LOCAL						
										AIP Entitlements	AIP Discretionary	Other Federal Funding Sources ¹	State DOT Matching Funds	State Legislative Grant	2012 General Obligation Bond	Other Unidentified Funds	Passenger Facility Charge (PFC) ²	Future Passenger Facility Charge (PFC)	Ballot Measure Sales Tax	M & O Budget	Local Capital Budget ³
1	Replace Passenger Boarding Bridge	\$497,400	\$497,400							\$466,313			\$15,544								\$15,544
2	Purchase ADA Passenger Ramp	\$63,000	\$63,000							\$59,063			\$1,969								\$1,969
3	26 MALSR (FAA F&E Project)	\$3,500,000	\$3,500,000									\$3,406,250		\$93,750							
4	Replace ARFF Vehicle	\$906,667	\$906,667							\$850,000			\$28,333								\$28,333
5	Design ARFF Building Mod & Permits	\$426,667	\$426,667							\$400,000			\$13,333								\$13,333
**6	RSA Ph II b (Ph10) Design NE/NW Areas & So Fence	\$868,025	\$868,025							\$824,624			\$21,701				\$21,701				
7	Short Term Repairs for Alex Holden Way	\$65,000	\$65,000																\$65,000		
8	Concessions Expansion, Office Relocation, Meeting Room	\$454,000	\$454,000														\$454,000				
9	Replace Shop Roof	\$300,000		\$300,000															\$300,000		
10	Upgrade Radio Reception in Terminal	\$100,000		\$100,000								\$100,000									
11	Construct ARFF Building Modification	\$1,800,000		\$1,800,000							\$1,687,500		\$56,250								\$56,250
12	RSA (Ph 11) Construct NE/NW Areas & NW Utilities	\$9,786,667		\$9,786,667						\$943,750	\$8,231,250		\$305,833			\$305,834					
13	Design Taxiway A and E-1 Rehab	\$1,500,000		\$1,500,000						\$1,406,250			\$46,875			\$46,875					
14	Magnetic Variance RWY 9/27	\$500,000		\$250,000	\$250,000					\$250,000											
											\$250,000										
15	Construct SREF Building NE AREA	\$26,000,000		\$23,706,250	\$2,293,750						\$15,500,000		\$593,125	\$3,000,000		\$1,513,125			\$3,100,000		
											\$2,293,750										
16	RSA Ph III North Shoulder Grade Spec				TBD						TBD										
17	Exit Lane Improvements	\$450,000			\$450,000							\$450,000									
18	Passenger Terminal Parking Lot Repairs	\$100,000			\$100,000																\$100,000
19	Elevator/Misc. Terminal ADA Improvements ⁴	\$900,000			\$900,000									\$800,000							\$100,000

Airport Department Projects: CBJ Capital Improvement Plan **NORTHEAST**

#	Project Name	Anticipated Project Cost	Estimated Project Cost by Commitment Year							Source of Funds											
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22	Replace Terminal Building (North Wing) and East vestibule (MPF)	\$14,050,000			\$14,050,000					\$2,600,000			\$86,667		\$6,900,000	\$3,750,000	\$663,333				\$50,000
23	NE Development Area Infrastructure	\$1,000,000				\$1,000,000								\$1,000,000							
24	Design SREF Sand and Chemical Storage	\$600,000				\$600,000					\$562,500		\$18,750			\$18,750					
25	SREF BLDG Site Paving	\$1,000,000				\$1,000,000					\$937,500		\$31,250					\$31,250			
26	Construct Taxiway A and E-1 Rehab	\$15,000,000				\$15,000,000				\$2,600,000	\$11,462,500		\$468,750								\$468,750
27	Passenger Terminal Parking Lot Rehab	\$3,000,000					\$3,000,000														TBD
28	Replace Trash Compactors and Pads	\$100,000					\$100,000													\$100,000	
29	Tenant Space Reconfiguration (2nd Floor North)	\$50,000					\$50,000													\$50,000	
30	Replace Snow Removal Equipment	\$5,000,000					\$5,000,000			\$2,600,000	\$2,087,500		\$156,250			\$156,250					
31	SREF Building Phase 3 Sand and Chemical Storage	\$10,000,000						\$10,000,000		\$2,600,000	\$6,775,000		\$312,500								\$312,500

Airport Department Projects: CBJ Capital Improvement Plan **NORTHEAST**

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38	Replace Ramp Lighting Gates 2-6	\$50,000							\$50,000													
39	Multi-Modal Feasibility Planning	\$10,000							\$10,000													
40	Acquire Wetlands Access Vehicle (w/CCFR)	\$250,000							\$250,000													
41	Civil Air Patrol Hangar Relocation	TBD							TBD													
42	Fish & Wildlife Service Hangar Relocation	TBD							TBD													
43	Executive Parking Lot	\$200,000							\$200,000													
44	Relocate FAA ATCT	\$50,000,000							\$50,000,000													
	TOTAL	\$205,342,426	\$6,780,759	\$37,442,917	\$18,158,750	\$17,600,000	\$8,150,000	\$10,000,000	\$107,210,000	\$15,599,999	\$49,787,500	\$3,956,250	\$2,157,130	\$4,893,750	\$6,900,000	\$7,690,834	\$1,117,333	\$52,951	\$3,100,000	\$680,000	\$1,146,679	

¹FAA:Facilities & Equipment, Transporation Security Administration, Homeland Security, Federal Economic Development Agency, etc.

²PFC Collections Through Application 8 (Approx. December 2017)

³Local Capital Budget from Several Budget Sources * \$50K in FY 17 for East Entrance vestibule possible Marine Passenger Fees

⁴Legislative Appropriation Requested for \$800K for elevator

Combination of Geo loopfield project and SREF building plus the \$1.844.577 refund to FAA

** Federal portion figured at 95% for FY15 per H.R 235/P.L. 113-235 continuing grant from multi-year projects receiving funding in FFY2011 (RSA)

ATTACHMENT #3

JNU Snow Removal Equipment Facility (SREF).

Budget and Funding Summary

NORTHEAST DEVELOPMENT AREA

Updated July 25, 2015

The FAA has approved 73% of the project eligible for the Airport Improvement Program (AIP) grant funding. The remaining 23% of the project must be paid for from funding sources outside of FAA.

Building Construction Cost* (per May 2013 est \$20,075,100 + 3 yrs' 2.25% inflation) =	\$ 21,400,000
Building Construction Admin, Inspection, permits, etc. =	\$ 4,000,000
Building Construction Contingency =	\$ 600,000

TOTAL BUILDING PROJECT COST = \$26 million (site completion, elect to site not included)

FAA project eligibility = 73% of \$26,000,000 = \$18,980,000

FAA in-eligible share = 27% of \$26,000,000 = \$7,020,000

FAA AIP Grant = 93.75% of \$18,980,000 = \$17,793,750

Local & state match to FAA eligible project, each = 3.125% of \$18,980,000 = \$593,125

Funding Shares.

FAA AIP Grant =	\$17,793,750
Local Match to AIP Grant =	\$593,125
State Match to AIP Grant =	\$593,125
Other (non-FAA) funds =	\$7,020,000
Total =	\$26,000,000

Local Funding Required.

Local Match to AIP Grant =	\$593,125
Other (non-FAA) funds =	\$7,020,000
Total =	\$7,613,125

Local Funding In place.

2012 Sales Tax =	\$3,100,000
2013 Alaska Legislative Grant =	\$3,000,000
Funding in Place =	\$6,100,000

Local Funding Needed.

Local Funding Required =	\$7,613,125
Local Funding in Place =	\$6,100,000
Need =	\$1,513,125

* Site finishing (paving), estimated at \$1M, not included in building cost estimate (separate CIP).

ATTACHMENT #4

JNU Snow Removal Equipment Facility (SREF).

Budget and Funding Summary

NORTHWEST DEVELOPMENT AREA

Updated July 27, 2015

The FAA has approved 73% of the project eligible for the Airport Improvement Program (AIP) grant funding. The remaining 23% of the project must be paid for from funding sources outside of FAA.

Building Construction Cost* (per May 2013 est \$20,075,100 + 3 yrs' 2.25% inflation) =	\$21,400,000
Building Construction Admin, Inspection, permits, etc. =	\$ 4,000,000
Building Construction Contingency =	\$ 600,000
Geothermal Loop Field Design & Construction =	\$ 2,777,333

TOTAL BUILDING PROJECT COST = \$28,777,333 (site paving not included)

FAA project eligibility = 73% of \$28,777,333 = \$21,007,453

FAA in-eligible share = 27% of \$28,777,333 = \$7,769,880

FAA AIP Grant = 93.75% of \$21,007,453 = \$19,694,487

Local & state match to FAA eligible project, each = 3.125% of \$21,007,453 = \$656,483

Funding Shares.

FAA AIP Grant =	\$19,694,487
Local Match to AIP Grant =	\$656,483
State Match to AIP Grant =	\$656,483
Other (non-FAA) funds =	\$7,769,880
Total =	\$28,777,333

Local Funding Required.

Local Match to AIP Grant =	\$656,484
Other (non-FAA) funds =	\$7,769,880
Total =	\$8,426,364

Local Funding In place.

2012 Sales Tax =	\$3,100,000
2013 Alaska Legislative Grant =	\$3,000,000
Funding in Place =	\$6,100,000

Local Funding Needed.

Local Funding Required =	\$8,426,364
Local Funding in Place =	\$6,100,000

SREF Building Need = \$2,326,364

Repayment to FAA = \$1,893,118

TOTAL SREF PROJECT NEED = \$4,219,482 (+ \$300,000 for redesign on NW site)

* Site finishing (paving), estimated at \$1M, not included in building cost estimate (separate CIP).

ATTACHMENT #5

July 27, 2015

CBJ Airport Board of Directors
Juneau International Airport
1873 Shell Simmons Dr.
Juneau, AK 99801

Dear Directors,

In advance of your Committee of the Whole meeting scheduled for July 28th to discuss the airport's Capital Improvement Program (CIP), we would like to share some input as tenants and users.

Specifically, we would like to register concerns with the planned replacement of the Airfield Shop roof, approved at the June 10th Board meeting at a not-to-exceed amount of \$300,000, or \$57 per square foot. While we don't dispute the necessity to maintain Airport assets, we believe the not-to-exceed amount proposed is excessive and to ensure the lowest cost any proposed repairs should be bid, not sole sourced.

The Airfield Shop will be vacated upon completion of the new SREF. While alternative private uses may be allowed once vacant, it is not clear if a market exists for a building of this type without through-the-fence access, especially given the new stricter application of aviation-only use rules for airport facilities. To spend \$300,000 with no forthcoming succeeding tenant may render the investment stranded.

Of greater concern is that the planned project would not be reimbursable, leaving discretionary unrestricted operating monies as the only funding source. These are precious dollars, generated by rates and fees and have historically been reserved for operating uses. Given the flagging state and city budgets, and the absence of a funding plan for the North terminal, these limited operating funds should be closely guarded.

Along those lines, we are also concerned that should the Airport decide to relocate the SREF from the Northeast quadrant to the Northwest quadrant the airport will be required to reimburse the FAA for upwards of \$2 million. While the location of the SREF in the Northwest quadrant would be in the best long term interests of the Airport, it is not prudent to enter into an agreement to reimburse the FAA until tenants are recruited at rates which would generate revenue to offset those reimbursements. If such tenants never materialize, the airport and its existing tenants and users will be on the hook for those monies, a considerable sum. Until a Northeast area tenant is secured, we believe it prudent to either delay the relocation of the SREF, and/or retain all excess operating revenues including all funds other than the minimum necessary to repair the Airfield Shop roof.

Finally, should the board decide to proceed with any work on the Airfield Shop roof using operating dollars, we urge you to broaden the range of options to address its condition including lower cost repairs or an alternative reconstruction such as a new shed-style roof atop the existing structure. Any project should be put out to competitive bid and not sole-sourced to a single contractor.

ATTACHMENT #5

CBJ Airport Board of Directors

July 27, 2015

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We appreciate your consideration of our input, and look forward to working with you to keep Juneau cost competitive.

Sincerely,

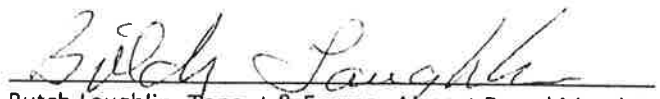


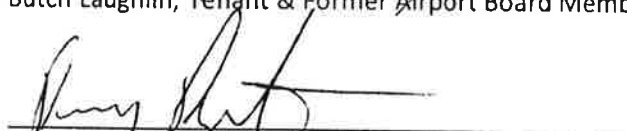
Kent Craford, Alaska Seaplanes

Mike Wilson, Coastal Helicopters

Craig Jennison, NorthStar Trekking

Tim McDonnell, Temsco Helicopters

Ron Swanson, Tenant & Former Airport Board Chair

Butch Laughlin, Tenant & Former Airport Board Member

Doug Rountree, RED Leasing, LLC & R & L Leasing, Inc.

Ed Kiesel, Ward Air, Inc.

cc: Patricia A. de La Bruere, CBJ Airport Manager

Debbie White, CBJ Assembly Member & Airport Board Liaison