

## ST. LOUIS AIRPORT COMMISSION

**Wednesday, September 3, 2008 - 2:00 P.M.  
JoAnne Wayne Conference Room**

Members Present: Mr. Bales, Mr. Esterline, Mr. McKinney, Mr. McNutt, Ms. Morrell-Charles, Mr. Nash, Ms. Osborn, Mr. Reed, Mr. Saracino, Mr. Sauget, Mr. Sonderegger, Mr. Schembre, Mr. Vaccaro and Chairman Hrabko

Members Absent: Mr. Lipman, Ms. Green and Ms. Young

Airport Staff: Bill, Bradley, Kinsey, Kopinski, Lea, Mason, Mays, Putnam, Salarano, Singer, Slay, Spencer, Thomas, Verret, Ware, Waddle and Zell

Legal Department: Niemann & Pandolfo

Guests: Lorenzo Boyd, Stifel Nicolaus; Jim Brown, Brown & Associates; Marilyn Bush, Bank of America; Tom Cole, Teamsters Local 618; Tim Embree, Mayor's Office; Audrey Jones, PCA; Ivy Neyland-Pinkston, Comptroller's Office; Laura Timm, Enterprise; Kathy Unwin, Brown & Associates; Mike Walker, Enterprise; and Judie Wise, Bookmark-Inmotion

News Media: Ken Leiser, St. Louis Post Dispatch; Kevin Killeen, KMOX; and Adam Arrington, KWMV

The Meeting was called to order at 2:09 P.M.

1. Approval is requested for the Minutes of the Wednesday, August 6, 2008 Airport Commission Meeting.

A motion for approval was made by Mr. Saracino and seconded by Mr. Reed and the motion carried unanimously.

### 2. ORDINANCES

Approval is requested for the following item:

- A) Draft Ordinance authorizing a public work and improvement program ("Building & Environ Projects-Security Systems") at the Airport consisting of a capital improvement project for the design, purchase, installation, and renovation of security related systems and equipment including, without limitation, closed circuit television cameras, screening and detection equipment, surveillance hardware and software, access control equipment, fencing, and all necessary

improvements to the related gate areas, terminal complexes, and associated Airport structures and environs. The total estimated cost for the Building & Environ Projects-Security Systems is \$2,500,000 and the initial appropriation is in the amount of \$1,500,000 from the Airport Development Fund.

A motion for approval was made by Mr. Vaccaro and seconded by Mr. Schembre.

Ms. Kopinski provided the details of the Draft Ordinance and recommended approval.

Mr. Nash asked if the word “without limitation” would apply to the equipment. Mr. Slay responded by saying that next year the Airport will submit a 2009 Grant Application to the Department of Homeland Security requesting \$1 million for a pilot perimeter surveillance program, and the Airport would like to have the authority to accept that \$1 million.

Chairman Hrabko asked Mr. Slay if the total program was \$2.5 million and Mr. Slay responded by saying that the security camera portion was \$1.5 million, and the Airport would be going after another \$1 million next year. Mr. Slay explained that the dollar cap of this ordinance is \$2.5 million.

Chairman Hrabko stated that the Airport is very excited about this program because the Transportation Security Administration (TSA) worked very closely with Mr. Slay and Chief Mason in acquiring this grant. The Airport is very happy to receive this 100% grant from the Department of Homeland Security.

Mr. McNutt asked what the turnaround time would be to get the check from the TSA. Ms. Kopinski indicated that, based on her experience with the Federal Aviation Administration (FAA), the turnaround is usually very quick, within a week or two. The TSA might be a little bit longer, but that it should be less than 30 days.

After further discussion, a vote was taken and the motion carried unanimously.

### **3. PROPERTIES**

Approval is requested for the following items:

- A) First Amendment to the Airline Operating Agreements and Terminal Building Space Permits.

A motion for approval was made by Mr. Vaccaro and seconded by Mr. Nash.

Ms. Kopinski provided the details of the items and recommended approval. After further discussion a vote was taken and the motion carried unanimously.

- B) First Amendment to the On-Airport Passenger Vehicle Rental Concession Agreements with Vanguard Car Rental USA d/b/a Alamo and National Rent-A-Car (AL-248); Avis Rent-A-Car System, Inc. (AL-249); Budget Rent-A-Car System,

Inc. (AL-250); Missouri Rental and Leasing, Inc. d/b/a Dollar Rent-A-Car (AL-253); Enterprise Leasing Co. of St. Louis d/b/a Enterprise Rent-A-Car (AL-252); and, the Hertz Corporation (AL-254).

A motion for approval was made by Mr. Nash and seconded by Mr. Saracino.

Ms. Kopinski provided the details of the Agreements and recommended approval.

Chairman Hrabko stated that the area in which the rental car counters are located is part of the Airport Experience Program, and, at this point, the Airport cannot tell the rental car companies where their counters are going to be moved so maintaining and extending the current agreements is necessary.

Mr. Vaccaro asked who the one company was that did not extend its lease and how it would affect the Airport Experience project. Ms. Kopinski indicated that it was Thrifty Car Rental. There was a deadline given for the rental car companies to return signed amendments in order to be presented for approval at today's meeting but, realistically, there is still time for Thrifty to sign an amendment since its agreement does not end until December 31, 2008. If Thrifty does not sign its amendment, its agreement ends December 31, 2008. Thrifty's failure to sign will have no affect on the Airport Experience Project.

Mr. Sonderegger asked if the Airport anticipated having these counters in the Airport, and Chairman Hrabko answered that the conceptual plan shows that the rental car offices would go over to the garage, but the Airport is not to that point yet with the final designs.

After further discussion, a vote was taken and the motion carried unanimously.

- C) Lease Agreement with the Kinloch Fire Protection District of St. Louis County a/k/a Fire Protection District of Kinloch (AL-164).

A motion for approval was made by Mr. Vaccaro and seconded by Mr. Nash.

Ms. Kopinski provided the details of the Lease Agreement and recommended approval.

After further discussion, a vote was taken and the motion carried unanimously.

- D) Ninth Amendment to Indenture of Lease with Lambert Field Fueling Facilities Corporation (AL-160).

A motion for approval was made by Mr. Esterline and seconded by Mr. Schembre.

Ms. Verret provided the details of the item and requested approval.

After further discussion, a vote was taken and the motion carried unanimously.

- E) Termination of Use and Lease Agreements with Sabreliner Corporation.

- F) Lease Agreement with McDonnell Douglas Corporation (MDC) (AL-205).
- G) Lease Agreement with Airport Terminal Services, Inc. (AL-542).

Chairman Hrabko combined Agenda Items E, F and G, requesting a single motion for approval, stating these all relate to a very complicated transaction that was put together with McDonnell Douglas, Sabreliner and Airport Terminal Services for the leasing of Airport property.

A motion for approval was made by Mr. Saracino and seconded by Mr. Vaccaro.

Ms. Verret provided the details of the Agreements and recommended approval.

Mr. Esterline asked for a clarification as to why McDonnell Douglas Corporation (MDC) is the lessee since it was acquired by Boeing. Ms. Verret explained that MDC is a wholly owned subsidiary of Boeing, and Boeing requested that the lease agreement be in the name of MDC and not Boeing.

Mr. Nash asked if that affected liability. Ms. Verret explained even though the lease agreement is in the name of MDC, the Airport is protected with all of the usual liability insurance requirements and other typical protections. MDC is an actual entity with assets and not just a shell company of Boeing.

Mr. Sauget asked what the estimated value was of the improvements that MDC is going to be making on the leased premises. Ms. Verret indicated that the initial investment will be over \$2 million, however, the Airport anticipates that MDC will be making additional improvements to the leased premises during the term of the lease agreement.

Mr. McNutt asked if there was a pre-payment penalty for Sabreliner to get out of the Sabreliner Agreements. Ms. Verret explained that there is no pre-payment penalty, and that the Airport is agreeing to an early termination of the Sabreliner Agreements so that the City of St. Louis and MDC can enter into a new long term lease agreement for the leased premises with MDC. The Sabreliner Agreements were to expire on October 31, 2011.

Mr. McNutt inquired as to what MDC was going to put on the property, and Ms. Verret indicated that MDC would be building additional manufacturing buildings and office space, but it has not given the Airport the specific details on its plans.

Mr. Schembre asked if MDC was going to build a new facility on the property, would the Airport have any restrictions on the amount of square footage that would be required. Ms. Verret indicated that the Airport has minimum standards as to construction on the property, but typically there is no minimum square footage on the amount of space that it is to build. The Airport anticipates that over the term of the lease, MDC is likely to undertake additional developments on the property. In the lease agreement, the Airport does have some restrictions and requirements on how much MDC is to build and a time period to build it.

Chairman Hrabko stated that this was a very complex transaction and the Airport has been working on it for about four years. He complimented the staff for a great job of negotiating this and getting it completed.

After further discussion, a vote was taken and the motion carried unanimously.

4. **AIRPORT DIRECTOR'S OFFICE**

Approval is requested for the following item:

- A) Award and approval of a Professional Service Agreement to James P. Brown d/b/a Brown & Associates to provide Government & Public Relations Services for the Airport and the City of St. Louis. The Agreement will commence on November 1, 2008 and will end on October 31, 2011. The Not-To-Exceed Contract Amount is \$1,065,000.

A motion for approval was made by Mr. Nash and seconded by Mr. McNutt.

Mr. Slay provided the details of the Agreement and recommended approval.

Mr. Esterline stated that for the ten years that he has known Mr. Brown, he has always done a wonderful job for this Airport, and that he supported Mr. Brown continuing to provide services for the Airport.

Ms. Osborn inquired about the composition of Mr. Brown's working group. Mr. Slay indicated that Mr. Brown has met his minority and women's business enterprise goals.

Mr. Sauget asked how many dollars the Airport obtains through Mr. Brown's efforts for grants and if he was involved in the entitlements too. Mr. Slay stated that entitlements are grants based on enplanements. Mr. Brown helps the Airport obtain discretionary money from the FAA. Mr. Brown recently coordinated a meeting that was very important to the Airport in trying to obtain funding for an explosive detection system for the Airport. Mr. Brown set up a meeting with Senator McCaskill and the Mayor when he was up in Washington, and with representatives of the Department of Homeland Security that led to the Department of Homeland Security consultants helping the Airport with a 30% design concept.

Chairman Hrabko stated that Mr. Brown also assists the Airport, through Rodney Boyd, with State legislation. This past session, the Airport was successful in having an Aviation Trust Fund for the State of Missouri expanded to include monies for air service development grants.

Mr. Sonderegger questioned how Mr. Brown's representation of the Airport was affected by him also representing the Atlanta and Tucson airports. Mr. Slay responded that because of FAA procedures in awarding grants, Mr. Brown's work for other airports has not adversely affected the Airport. Regarding federal legislative matters, the Airport has found it very helpful for Mr. Brown to be representing a number of airports.

After further discussion, a vote was taken and the motion carried unanimously.

5. **AIRPORT POLICE DEPARTMENT**

Approval is requested for the following item:

- A) Award and approval of a Professional Service Agreement to Whelan Security Company to provide Security Guard Services at the Airport. The Agreement will commence November 1, 2008 and will end on October 31, 2011. The Not-To-Exceed Contract Amount is \$21,000,000.

A motion for approval was made by Mr. Vaccaro and seconded by Mr. Saracino.

Colonel Mason provided the details of the Agreement and recommended approval.

Mr. Schembre inquired about a matter from the last meeting in which Ms. Green asked a question pertaining to a problem with some back pay, and whether or not that matter was taken care of. Colonel Mason stated that that involved the failed payment of wages on the part of Whelan's sub-contractor, the minority business enterprise company. Checks were cut the next day by Whelan Security, making those payments to the employees of its sub-contractor that had not been paid by Whelan's sub-contractor.

Mr. Reed asked if this security services contract was typically a three year contract and what procedures are in place to assure that this situation with the sub-contractor will not be repeated. Colonel Mason indicated that the security contract is typically a three year contract. Whelan has a new minority business partner, A-1 Security, which met with him and Jack Thomas yesterday, and they have developed a growth pattern for A-1 Security to meet its obligations. Mr. Salarano explained that an Affidavit of Payment is required in the payment section of this Agreement, and that payments will be monitored very closely with the living wage people in Jack Thomas' office.

Ms. Morrell-Charles asked if that should be a part of a standard operating procedure so that if that were to happen again there would be something written to assure how we would deal with continuing with the contract for the next three years. Colonel Mason explained that under this Agreement, if the minority sub-contractor is not making payments to its employees, then the prime contractor is responsible and must resolve the problem. It is up to the prime contractor to step up with a remedy for any difficulties in this area. In the case discussed at the last Commission meeting, Whelan, the prime contractor, decided that it would go ahead and pay the sub-contractor employees directly rather than wait for its sub-contractor to do so, even though Whelan had already paid its sub-contractor and was not obligated to do so under the terms of Whelan's agreement with its sub-contractor.

After further discussion, a vote was taken and the motion carried unanimously .

6. **OTHER BUSINESS**

Jim Brown was introduced by Chairman Hrabko.

Before making his presentation, Mr. Brown addressed the matter Mr. Sonderegger raised previously in the discussion on Agenda Item 4 A) as to Mr. Brown representing Atlanta's Hartsfield Airport and Tucson's Airport in addition to St. Louis. Mr. Brown stated that when he first began representing St. Louis, he put in place a policy that his firm would not represent more than one airport in each FAA region. Typically, the FAA allocates grant funds by region. Following that, the initial decisions for awarding grants to airports in each region are then made by the FAA officials at the regional level. For Lambert, that is the Central region, which is based in Kansas City, Missouri. It is very rare that a grant request for Atlanta or Tucson would conflict with St. Louis because each of those airports is in different regions than St. Louis. Atlanta is in the Southeast region and Tucson is in the Southwest region.

Mr. Brown then made a presentation outlining his achievements and accomplishments during the time that he has represented the Airport and responded to questions from Commission members.

7. **NEXT MEETING**

Wednesday, October 1, 2008 at 2:00 P.M.

8. **ADJOURNMENT**

There being no further business, the meeting adjourned at 3:00 p.m.