

## **ST. LOUIS AIRPORT COMMISSION**

**Wednesday, December 2, 2009 - 2:00 P.M.**

**JoAnne Wayne Conference Room**

Members Present: Mr. Bales, Mr. Clark, Mr. Esterline, Ms. Green, Mr. Kennedy, Mr. Lipman, Mr. McKinney, Mr. McNutt, Ms. Morrell-Charles, Mr. Nash, Ms. Osborn, Mr. Reed, Mr. Sauget, Mr. Stelzer, Ms. Teitelbaum and Chairman Hrabko

Members Absent: Mr. Sonderegger

Airport Staff: Beckman, Brown, Kinsey, Kopinski, Lea, Linton, Mason, Mays, Salarano, Slay, Spencer, Taylor, Waddle, Ware and Zell

Legal Department: Pandolfo & Stone

Guests: Clarence Bourne, Loop Capital; Kara Bowlin, Mayor's Office; Allie Bradley; Rich Bradley, President, Board of Public Service; Candice Gordon, Comptroller's Office; Rhonda Hamm-Niebruegge, American Airlines; Ivy Neyland-Pinkston, Comptroller's Office; Chuck Reitter, Unison; Steve Salvaggio, Mayor's Office; Tom Shepard, Board of Aldermen; Francis Slay, Mayor, City of St. Louis; Dorothy Spates, Ollie Dowell & Assoc.; and Judie Wise, Bookmark-InMotion

News Media: Kevin Killeen, KMOX Radio

The Meeting was called to order at 2:10 p.m.

Chairman Hrabko introduced Mayor Francis Slay, who thanked the Airport Commissioners for their service. Mayor Slay then acknowledged Chairman Hrabko's upcoming retirement and thanked him for his service to the Airport and introduced Rhonda Hamm-Niebruegge, who will become the Airport Director in January, 2010.

1. Approval is requested for the Minutes of the Wednesday, November 4, 2009 Airport Commission Meeting.

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

There being no discussion, a vote was taken and the motion carried unanimously.

The agenda was changed at this point, with the Roadway Sign Presentation being moved to the Other Business portion of the agenda.

2. **ORDINANCES**

- A. Draft Ordinance authorizing the Director of Airports and the Comptroller to enter into and execute on behalf of the City the Development Agreement AL-479 between the City and Aero St. Louis, LLC (“Aero”), substantially in the form set out in Attachment 1. The Development Agreement AL-479 grants to Aero the exclusive right to develop, in phases, approximately 75.99 acres at the Airport, commonly referred to as the “Northern Tract”.

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

Mario Pandolfo and Rob Salarano were recognized for their efforts in getting this Agreement organized. Five years of negotiations went into completion of this project.

Mr. Salarano provided the details of the Ordinance as set out in the Executive Summary included with the agenda item and recommended approval of the motion.

Aero St. Louis, LLC is granted the rights to development of the northern tract site for aeronautical and non-aeronautical uses as approved by the Airport Director. This developer has vast experience in developing properties throughout the United States.

Ms. Teitelbaum inquired as to the reason for the amount of time between the Request for Qualifications and Proposals and the completion of the negotiations. Mr. Salarano explained that the changing economic conditions and the complexity of the transaction played a major role.

Chairman Hrabko explained that the China Hub initiative also caused a time delay as we had to renegotiate the call options under the Development Agreement and the Prototype Lease Agreement.

Ms. Teitelbaum asked what the purpose was for up to two (2) year delay between the Effective Date of the Development Agreement and the Commencement Date. Mr. Salarano explained that the Developer has up to two years from the Effective Date to deliver its Commencement Date Notice to the City that the Developer is ready to proceed with the development of the Premises. The Commencement Date must be within two years of the Effective Date. This potential two-year delay was agreed to by the City in recognition of the current economic conditions and the need for the Developer to have reasonable time to line up potential tenants.

Mr. Stelzer asked if we have any prospective tenants. Mr. Salarano explained that the Developer could not market the site until it had an agreement with the Airport.

Mr. Kennedy asked if the Privilege Fee of One Million Five Hundred Thousand Dollars (\$1.5 million), which is due and payable to the City at the Commencement Date, is refundable if the Developer is unable or unwilling to meet the benchmarks of the Development Agreement. Mr.

Salarano explained the Privilege Fee is non-refundable and is not discounted nor offset for any reason.

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

- B. Draft Ordinance authorizing the City to enter into a grant agreement substantially as set out in Exhibit A offered by the Missouri Highways and Transportation Commission (the “Highways Commission”) to reimburse the City for expenses relating to the development of air service improvements, including marketing strategy development for air service promotion and related undertakings (the “Project’). The Grant Agreement obligates the Highways Commission to reimburse the City up to Eight Hundred Twenty-Three Thousand Five Hundred Dollars (\$823,500) for direct costs associated with the Project.

A motion for approval was made by Mr. Reed and seconded by Mr. Stelzer.

Ms. Kopinski provided the details of the Ordinance as set out in the Executive Summary included with the agenda items and recommended approval of the motion.

Ms. Kopinski indicated that this is the second year the Airport received this Grant from the Highway and Transportation Commission. While there is a 10% local match due on this Grant, it will be paid from the Operations & Maintenance Fund.

Chairman Hrabko advised the Commission that the money received from these grants are being used for the Airport’s Marketing Plan and travel to air carriers to attract business.

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

- C. Draft Ordinance authorizing a first amendment to Section Four of subsection “Fund 1511 OF THE CITY OF ST. LOUIS AIRPORT ENTERPRISE FUND” of the City’s Annual Operating Budget Ordinance 68337 for the fiscal year beginning July 1, 2009 and ending June 30, 2010, as detailed in Section One and Section Two of the Draft Ordinance. The first amendment reduces the Airport’s Annual Operating Budget for FY 2010 from \$162,305,185 to \$158,551,088 a decrease of \$3,754,097.

A motion for approval was made by Mr. Reed and seconded by Ms. Green.

Ms. Kopinski provided the details of the Ordinance as set out in the Executive Summary included with the agenda items and recommended approval of the motion.

Ms. Kopinski advised the Commission that the safety and security of Airport operations would not be affected by the reduction of the budget. A handout was given to the Commissioners explaining the reductions made. Fifty-one vacant positions were eliminated, overtime curtailed, police uniforms funded from a different source, all copier leases were reviewed, office furniture, computers, vehicles, travel, banking fees, insurance and marketing contracts.

Ms. Osborn asked if these significant cuts in security guards will pose safety or security problems. Mr. Slay explained that at posts where there were multiple guards the number was reduced or cameras were installed for security purposes. In no way was the safety or security of the Airport compromised.

There being no further discussion, a vote was taken and the motion carried unanimously.

3. **OPERATIONS**

- A. Approval of an Agreement for Interior Live Plant Maintenance Services at the Airport with Ambius, Incorporated. The Agreement will commence March 1, 2010 and ends on February 28, 2013. The total Not-To-Exceed Contract Amount will be \$62,496.00.

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

Mr. Slay provided the details of the as set out in the Executive Summary included with the agenda items and recommended approval of the motion.

This Agreement is for the maintenance of the plants on display inside the terminals. This company was the incumbent and has lowered its costs considerably during the term of this Agreement.

There being no further discussion, a vote was taken and the motion carried unanimously.

4. **PROPERTIES**

- A. Cargo City Lease Agreement with Air General, Inc. AL-451

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

Mr. Salarano provided the details of the Lease Agreement as set out in the Executive Summary included with the agenda items and recommended approval of the motion.

This is a three year lease with an annual rental of \$92,332.68. This Company provides cargo handling services for Continental, Delta, Frontier, United and US Airways.

There being no discussion, a vote was taken and the motion carried unanimously.

- B. First Amendment to the Public Service Communications Concession Agreement with Power Station, LLC AL-434

A motion for approval was made by Mr. Reed and seconded by Mr. Stelzer.

Mr. Salarano provided the details of the First Amendment as set out in the Executive Summary included with the agenda items and recommended approval of the motion.

This First Amendment to the Concession Agreement for Public Communication Services Agreement provides for pay phone service in the Airport.

There being no discussion, a vote was taken and the motion carried unanimously.

C. First Amendment to Lease Agreement with the United States Postal Service

A motion for approval was made by Mr. Reed and seconded by Mr. Green.

Mr. Salarano provided the details of the First Amendment to the Lease Agreement as set out in the Executive Summary included with the agenda items and recommended approval of the motion.

This First Amendment extends their current lease for one year. An effort is currently being made to locate a more favorable location within the Airport for the Post Office.

There being no discussion, a vote was taken and the motion carried unanimously.

5. **OTHER BUSINESS**

Mr. Rich Bradley, President of the Board of Public Service, was awarded a plaque for service to the Airport as the Assistant Director in the Engineering Section.

Mr. Mays made a presentation regarding the new signage to be installed at the Airport. All signs along Interstate 70 and the Airport roadways will be replaced. The installation will begin in January, 2010. The signs will be color-coded and the Airport terminals will be renamed. The Main Terminal will be renamed "Terminal 1" and the East Terminal will be renamed "Terminal 2". This project is expected to take six months to complete.

The Regional Business Council, which funds a capital improvement project each year, provided the funds for the new signs.

Chairman Hrabko thanked all the Commissioners for their assistance during his term as Airport Director and then introduced Rhonda Hamm-Niebruegge, the new Airport Director as of January, 2010. Ms. Hamm-Niebruegge gave a brief overview of her experience in the aviation industry and stated that she is looking forward to beginning her career with the Airport.

6. **NEXT MEETING**

Wednesday, January 13, 2010 at 2:00 P.M.

7. **ADJOURNMENT**

There being no further business, the meeting adjourned at 3:02 p.m.