

ST. LOUIS AIRPORT COMMISSION

Wednesday, July 1, 2009 - 2:00 P.M.

JoAnne Wayne Conference Room

Members Present: Mr. Bales, Mr. Clark, Ms. Green, Mr. Lipman, Mr. McNutt, Mr. Nash, Ms. Osborn, Mr. Reed, Mr. Sauget, Mr. Sonderegger, Mr. Stelzer, Ms. Teitelbaum and Chairman Hrabko

Members Absent: Mr. Esterline, Mr. Kennedy, Mr. McKinney, Ms. Morrell-Charles

Airport Staff: Brown, Kinsey, Korte, Lea, Mays, Salarano, Slay, Spencer, C. Taylor, J. Taylor, Ware, and Zell

Legal Department: Niemann & Pandolfo

Guests: Marvin Anderson, Stern Brothers; Marilyn Bush, Bank of America; Ollie Dowell, Ollie Dowell & Assoc.; Jeff Eischen, American Marketing Income, LLC; Tim Embree, Mayor's Office; Candice Gordon, Comptroller's Office; Sandra Marks, Marks & Associates; Ivy Neyland-Pinkston, Comptroller's Office; Chuck Reitter, Unison; Steve Rois, Millennium/Milligan; Tom Shepard, Board of Aldermen; Bryan Tournier, Stern Brothers; and Judie Wise, Bookmark-InMotion

News Media: Ken Leiser, St. Louis Post Dispatch; Kevin Killeen, KMOX Radio

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

An announcement was made that a television production featuring Board of Aldermen President Lewis Reed, part of which was filmed at the Airport, would air on CityTV10, the City's public information channel, on July 17, 2009.

1. Approval is requested for the Minutes of the Wednesday, June 3, 2009 Airport Commission Meeting.

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

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

2. OPERATIONS/MAINTENANCE

- A. Award and approval of a Service Agreement to Ackerman & Sons, Inc., d/b/a Runway Services International to provide Runway Rubber Removal Services for the Airport. The Agreement will commence July 1, 2009 and will end October 29, 2009. The total Not-To-Exceed Contract Amount will be \$100,000.00.

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

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

This type of service is routinely performed in-house using chemicals. However, a more thorough cleaning of the runways is periodically required high pressure water.

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

- B. Award and Approval of a Service Agreement to Waste Management of Missouri, Incorporated to provide Trash Removal Services for the Airport. The Agreement will commence September 1, 2009 and will end August 31, 2012. The total Not-To-Exceed Contract Amount will be \$1,000,000.00.

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

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

This Agreement would include the removal of trash and waste, white paper recycling and rubber tire recycling. The amount of this Agreement is \$85,000 less than the amount paid under the previous Agreement.

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

- C. Approval of the First Amendment to the Service Agreement for Frequency Reconfiguration Agreement System Upgrades with Nextel West Corporation, c/o Nextel Communications, Inc.

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

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

Under this First Amendment Nextel would reimburse the Airport up to \$389,144.09 for the re-banding and/or replacement of its radios, which was ordered by the Federal Communications Commission (FCC). The Airport's radio system was upgraded and reprogrammed in-house. Nextel is reimbursing the Airport for the costs of re-banding those radios. Communication between the Airport and St. Louis City, St. Louis County and St. Charles County will be much improved. During the All-Star game, the Airport will be able to communicate with the Missouri State Police, St. Louis County officials, the St. Louis Metropolitan Police Department and the Airport's Canine Patrol.

Chairman Hrabko commented that the Airport will be one of the only organizations in the region to possess this capability and then congratulated the Airport staff for their efforts getting the radios reprogrammed.

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

3. **PROPERTIES**

- A. Award and approval of the Professional Service Agreement to Airport Marketing Income, LLC to provide Airport Revenue Enhancement Services for the Airport. The Agreement will commence on August 1, 2009 and will end on July 31, 2012.

A motion for approval was made by Ms. Teitelbaum and seconded by Mr. Bales.

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

Mr. Salarano acknowledged the presence at the meeting of Mr. Jeff Eischen, co-owner of Airport Marketing Income LLC (“AMI”). Mr. Eischen stated that his company will identify and develop opportunities for the Airport to increase revenue.

AMI is to be paid solely on a commission basis. AMI is to receive 50% of the Gross Revenue that it generates for the Airport. AMI is to identify and develop project plans to the staff of the Airport, which has final approval on all projects. Projects that are approved by the Director may require companion agreements that will be submitted to the Airport Commission for its approval, or that of other bodies as required by the Airport’s governance structure.

Ms. Osborn requested a short list of the types of projects that AMI might be considering.

Mr. Eischen explained that there could be two-week welcoming programs for major events in the St. Louis area. Also, naming rights of certain assets within the Airport, i.e. parking facilities or concourses, could be considered. The public address system could be used to play music and short advertisements.

Ms. Teitelbaum inquired whether each of the projects performed by this business would be brought before the Airport Commission for approval. Mr. Salarano explained that per a resolution passed by the Airport Commission, if an agreement pertaining to a project is under \$10,000, it would not need Airport Commission approval. Chairman Hrabko further explained that certain agreements pertaining to a project may require ordinance approval if, for example, it is a long-term agreement.

Ms. Osborn also asked for information regarding the DBE firm chosen for this project. Discussion followed by Mr. Reed and Ms. Green as to the size and ownership of the minority firm participating in this Agreement.

Chairman Hrabko clarified the terms DBE (Disadvantaged Business Enterprise) and MBE (Minority Business Enterprise). MBE is a local initiative in the City of St. Louis for the participation of minorities in City contracts. MBE does not have the same requirements as a DBE, which is required in any federal contract. In this particular case there is no federal involvement, so this Agreement has an MBE participation goal. Airport Marketing Income, LLC can negotiate with whichever certified company it feels is best qualified to be its minority partner.

Mr. McNutt inquired about the number of airports AMI is currently serving and the length of time this firm has been in operation. Mr. Eischen responded that there are currently eight other airports using AMI's services and that the company has been in business for six years.

Mr. Lipman asked whether this service was let for bid and the method by which AMI was selected. Mr. Salarano explained that the Airport requested from the Selection Committee that a sole source procurement process be utilized. The Selection Committee agreed with the Airport that AMI had particular and unique experience at airports providing these types of services.

Mr. Stelzer inquired about the naming rights program as to which parts of the Airport would be involved, the amount of income that could be generated in such a program and whether there were any current plans being developed along those lines.

Mr. Salarano stated that there were no current plans to award naming rights of Airport facilities. Before doing so, this type of transaction would have to be negotiated and brought before the Airport Commission for approval.

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

B. Lease Agreement with Union Electric Company d/b/a Ameren UE (AL-399)

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

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 Lease Agreement is for the substation located at the Airport and would provide revenue of \$2,150.60 per year for three years.

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

C. Display Advertising Restated and Amended Concession Agreement with Clear Channel Outdoor (AL-22)

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

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

This Agreement would grant the right to design, operate and sell display advertising concessions. This Amended Agreement extends the current Agreement by six years. During years one through three the minimum annual guarantee would be \$600,000 per year. For years four through six, the minimum annual guarantee would be increased to \$700,000 per year.

Mr. McNutt inquired about the extent of the advertising and the placement of additional advertising in the future. Mr. Salarano advised that it would be the display boards and banners throughout the terminals, and the advertising displays would be changed periodically over the term of the agreement.

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

D. Space Permit with United Services Organization (AL-432)

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

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

This Space Permit is for the USO which would cover the locations in the Main Terminal and East Terminal, as well as office space, for a rental fee of \$1.00 per year.

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

6. **OTHER BUSINESS**

Sandra Marks of Marks & Associates made a brief presentation reporting on the work that her firm has been performing for the Airport in the absence of a Director of the DBE office.

The DBE office certifies firms as Disadvantaged Business Enterprises (DBE), Minority Business Enterprises (MBE) and Women Business Enterprises (WBE); monitors city-funded projects for compliance, provides training programs and performs outreach activities to reach the businesses out in the community.

Marks & Associates has been assisting the DBE staff in setting up the technology to maintain information on certified firms in a database for easier retrieval and in order to provide the newly-hired Director of the DBE office a means to readily access the information. It also assisted the DBE office in developing quality control systems to ascertain that a sufficient number of certified firms are available in all necessary categories.

Following questions and comments from Commission members, Chairman Hrabko thanked Ms. Marks for her assistance to the Airport and for the ideas she has brought to the DBE office.

7. **NEXT MEETING**

Wednesday, August 5, 2009 at 2:00 p.m.

8. **ADJOURNMENT**

There being no further business, the meeting adjourned at 2:56 p.m.