



AIRPORT COMMISSION

MINUTES

Wednesday, November 6, 2019 - 2:00 P.M.

Lindbergh Conference Room

- Members Present: Mr. Bales, Ms. Davis, Mr. Fitzgerald, Ms. Fowler, Dr. Gaal, Mr. Kling, Dr. Nemanick, Ms. Osborn, Ms. Teitelbaum and Chairperson Hamm-Niebruegge
- Via Telephone: Mr. Cantwell, Mr. Stelzer
- Members Absent: Ms. Green, Mr. Jenkins, Mr. Reed, Mr. Sauget
- Airport Staff: Beckmann, Collins, Conner, Glasener, Gooding, Jones, Kinsey, Klein, Kulinsky, Ramos, Ruth, Ryan, Salarano, Spencer, Stella, Stoffel, Strobel, Strong, Tiemann
- Legal Department: Pandolfo
- Guests: Clarkson Carpenter, Rome West Realty; Don Dunn; Gerry Connolly; Jim Erickson, West News Magazine; Maurice Falls, Board of Aldermen; Alan Hoffman; LaTania Kenner, Comptroller's Office; Jennifer Kuchinski, WSP USA; Jacob Long, Mayor's Office; Tom Nagel, Mayor's Office; Paul Payne, Budget Director; Jameson Ramirez; WEIU Local 1; Lynn Sansone, GEM Transportation; Cara Spencer, Alderwoman; Kathleen Strout, Civic Progress; Kevin Wilson, GEM Transportation; Rita Winters
- Media: Elliott Davis, Fox2
Brandon Geier, First Rule

The Meeting was called to order at 2:05 P.M.

1. **MINUTES**

Approval is requested for the Minutes of the October 2, 2019 Airport Commission meeting.

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

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

2. **OPERATIONS**

- A. Approval of the First Amendment to the Agreement with Zumwalt Corporation to provide the Airport with Overhead Door Services. The Agreement started on

December 1, 2016 and will now end on November 30, 2020. The Not-To-Exceed Contract Amount will be increased by \$74,000 from \$200,000 to \$274,000.

A motion for approval was made by Dr. Gaal and seconded by Dr. Nemanick.

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

This First Amendment extends the current contract by 12 months to cover the maintenance and repair of the manual and electric overhead doors located at the Airport. The increase in the contract amount covers the additional doors added to the contract, including new tug bay doors, doors located on the ramps and the acquisition of the St. Louis Air Cargo Building.

There being no discussion, a vote was taken and the motion carried with Dr. Gaal abstaining.

- B. Approval of the Second Amendment to the Agreement with STL Communications, Inc. to provide the Airport with Phone Maintenance Services. The Agreement started February 1, 2016 and will now end on January 31, 2021. The Not-To-Exceed contract amount will be increased by \$45,415 from \$181,665 to \$227,080.

A motion for approval was made by Dr. Gaal and seconded by Ms. Davis.

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

This Second Amendment extends the current Agreement for 12 months. The Agreement provides for the maintenance for over 400 phones at the Airport. The rates will remain unchanged.

This is no minority participation under this Agreement, as it is uses proprietary hardware and software to maintain the phone systems.

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

3. **PROPERTIES**

- A. Space Permit with ARINC, Inc. (AL-024)

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

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 three-year Space Permit covers space on a rack located in an electrical room on the concourse level of Terminal 2, which will be used to access and perform service on rooftop antenna equipment. The Permit contains a 60-day no-fault cancellation provision for both parties. Annual revenue to the Airport is \$6,600.

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

- B. Airport Operating Agreement with Aviation General Partner, Inc., as General Partner of Jazz Aviation LP (AL-205)

A motion for approval was made by Dr. Nemanick and seconded by Mr. Kling.

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

Jazz Aviation will operate flights for Air Canada. The term of this Airport Operating Agreement will begin on December 1, 2019 and end on June 30, 2021, concurrent with all other Airport Operating Agreements presently in place.

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

- C. First Amendment to the Automated Teller Machine Concession Agreement with Bank of America (AL-361)

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

Mr. Salarano provided the details of the First Amendment to the Automated Teller Machine Concession Agreement 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 is for ATM machines located pre-security in both Terminal 1 and Terminal 2. It extends the Agreement for one year. The annual revenue to the Airport will remain a fixed rental fee of \$24,000, plus 65% of all foreign transaction fees.

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

Commissioner Fowler entered the proceedings at this time.

OTHER BUSINESS

- A. Airport Working Group update on the status of the process of exploring a public/private partnership for the lease management operation and development of the Airport by Paul Payne, Chairman of the Airport Working Group (No vote required)

Mr. Payne, City Budget Director and Chairman of the Working Group, addressed the Commissioners. He provided two handouts to the Commissioners. One is a recap of the process to date, and the other is a Press Release regarding the responses received to the Request for Qualifications. These handouts will be kept as part of the official record of these proceedings.

Mr. Payne advised that the Working Group has entered the 14th month of the anticipated 18-24 month process. He then outlined the topics the Working Group has discussed thus far.

- a) Airport Due Diligence: gathering all operational and financial information for the Airport.
- b) Community Outreach & Communications: resident interviews, phone calls, passenger questionnaires and community meetings.
- c) Negotiations with airlines: the approval of the airlines is necessary for the deal to go through.
- d) Market Exploration: analyses of capital expenditure requirements and financial modeling, as well as drafting the Request for Qualifications.
- e) Determination of Existing Debt: All current debt of the Airport, which includes potential bond refundings.
- f) Legal & Compliance: addressing legal questions pertaining to the process and responding to Sunshine requests. Additionally, a program to support Airport employees should the privatization occur.

The Request for Qualifications was released on October 4, 2019 and as of the November 1, 2019 deadline, there were 18 responses received. The Working Group will now review those responses and evaluate them, with an anticipated completion date of 45-60 days. If any of those companies are deemed qualified, a Request for Proposals would be issued in December of 2019.

There are three primary objectives to the privatization program: 1) an improved airport, 2) substantial proceeds to the City and 3) economic development for the surrounding communities. The Request for Proposals will be evaluated on how a proposer envisions achieving those three objectives.

As to the City's intentions with regard to any potential proceeds, Mr. Payne has advised the City not to discuss these matters until such time as proposals have been received and the City has a better sense of what amount might be realized.

In response to questions regarding the financing of this endeavor by a group that is pro-privatization, Mr. Payne advised that the City will base its decision on whether the three primary objectives can be met. Mr. Payne also pointed out that both the Comptroller and the Board of

Aldermen have engaged their own respective financial consultants to review the process along with the Working Group and Advisory Team.

In response to questions regarding how the Advisory Team is compensated, Mr. Payne explained that the Advisory Team will be reimbursed through a percentage of the proceeds, regardless of what that amount may be.

A discussion took place regarding the various private vs. public use restrictions that apply to certain unimproved surplus parcels owned by the City at the Airport because either tax-favored bonds or FAA grant money was used to acquire the parcels. A portion of the debt for the restricted land will be paid off in the next five-seven years. Many of the parcels that do not have restrictions on them are not contiguous, so would be harder to develop.

The Commissioners inquired whether they could review the documents the City used to ascertain whether seeking privatization was beneficial. Mr. Payne advised that the financial modeling would not be released publicly as it could be detrimental to any upcoming negotiations.

Questions regarding the Fly314.com website were discussed, in that there was a notation on the website that privatization would be brought before the Airport Commission as an agenda item. It was pointed out that this is an erroneous statement as the Commissioners will not have a vote on whether privatization will be pursued. Mr. Payne stated that he would review this matter and have it removed from the website.

Additionally, there is a notation on the website that the Working Group and the Advisory consultants would appear before the Commission every 60 days with updates. Commissioners pointed out that this has not happened and then requested that it take place in the future. They requested clarification from the Mayor's Office as to whether the Airport Commission has any involvement with the privatization of the Airport. The Chairperson advised that she would relay their concerns to the Mayor.

The Commissioners then questioned how the matter with Travis Brown was being handled. Mr. Payne advised that while he would not go into details, the Commission could be assured that it is being addressed.

Mr. Payne advised that he would return to update the Commissioners in early 2020.

- B. Briefing regarding possible impact on Airport Ground Transportation Revenue from Transportation Network Companies ("TNCs") (No vote required)

A handout entitled "STL Airport Commission Ground Transportation Activity" was distributed to the Commissioners highlighting revenue and enplanements through September 2019. This handout will be kept as part of the official record of these proceedings.

Previously, all information pertaining to revenue received from Transportation Network Companies was provided to the Commissioners in an Executive Session. That policy recently changed and that revenue may now be included in public updates on Ground Transportation Activity at the Airport.

Percentages shown are versus September 2018.

1st Quarter of FY19: Overall increase in revenue of 4.2%

Year to Date 2019: Overall increase in revenue of 3.8%

Total Enplanements: 2.3% increase (1.7% originating; 4.2% connecting)

TNC Revenues: All TNCs pay \$3 for each pick-up and \$3 for each drop-off at the Airport.

Uber: 39,125 pick-ups for a total of \$117,375.
39,857 drop-offs, for a total of \$119,571.

38% increase in pickups; 27.7% increase in drop-offs

Lyft: 13,482 pick-ups for a total of \$40,446.
13,392 drop-offs for a total of \$40,176.

48.8% increase in pickups; 35.6% increase in drop-offs

Superpark: 5% increase

Taxicabs: 9.9% decrease

Reserved Taxis: 12.5% decrease

Rental Cars: 5.1% increase
(Excluding Dollar Rental)

Dollar Rental: 1.6% increase

GoBest/Airport Best: 98.3% decrease (GoBest opted not to renew its contract in FY'19)

Overall Revenue From
Ground Transportation: 6.3% increase

C. Update regarding contract extension policy (No vote required)

Pursuant to concerns voiced by the Commissioners regarding the continuation of one-year extensions of service contracts, the Chairperson advised as follows: upon meeting with the Mayor's Office, it was

agreed that, with the exception of service contracts expiring in the next few months, all new service contracts will be bid out with two-year terms. Each new service contract will contain a mutual option for a third year.

Continued - Other

The Terminal 2 Upper Drive was reconfigured from angled parking to four parallel driving lanes, two for passenger loading/unloading and two for through traffic. This will allow up to 40 vehicles to utilize the drop-off area, as opposed to the current configuration, which allows for only 19 cars in the drop-off area.

The Terminal 2 eastbound left turn lanes project, which consists of extending the turn lanes to allow additional space for vehicles turning into the T2 complex, has been completed. Once the striping of the lanes is complete, the new turn lanes will be open for use.

Bids are currently being accepted for the construction of a new entrance into the Terminal 2 garage for eastbound traffic on Lambert International Boulevard. In the spring of 2020, bids will be accepted for construction of a new entrance into the Terminal 2 garage for westbound traffic on Lambert International Boulevard.

With the addition of cargo flights for Amazon, which began in September, cargo at the Airport has increased by 11.1%.

Due to the New Year's Day holiday, the January Airport Commission meeting will be rescheduled for Wednesday, January 8, 2020.

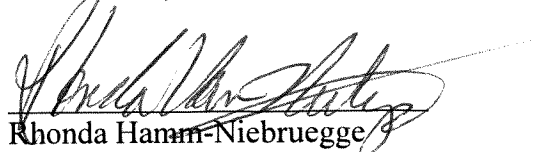
4. **NEXT MEETING**

Wednesday, December 4, 2019 at 2:00 P.M.

5. **ADJOURNMENT**

The meeting adjourned at 3:34 P.M.

The foregoing were approved by the Airport Commission at the meeting held on Wednesday, December 4, 2019.


Rhonda Hanan-Niebruegge
Chairperson

12/5/19
Date