

**AIRPORT COMMISSION**

**MINUTES**

**Wednesday, May 1, 2019 - 2:00 P.M.  
Lindbergh Conference Room**

Members Present: Mr. Bales, Ms. Davis, Mr. Fitzgerald, Ms. Fowler, Dr. Gaal, Mr. Kling, Ms. Osborn, Mr. Sauget, Mr. Stelzer, Ms. Teitelbaum and Chairperson Hamm-Niebruegge

Via Telephone: Mr. Cantwell, Ms. Green, Mr. Reed

Members Absent: Mr. Jenkins, Dr. Nemanick

Vacancy: One

Airport Staff: Bagwell, Beckmann, Black, Conner, Glasener, Gooding, Jones, Kinsey, Klein, Kulinsky, Lea, Ramos, Ruth, Salarano, Spencer, Stella, Stoffel, Stone, Strong, Tiemann

Legal Department: Pandolfo

Guests: Eyasu Asfaw, Best Transportation; Peter Burgis; Larry Chapman, CRG; Gerry Connolly; Nick Corlea, BIAC; Eric Cowan, Bank of America/Merrill Lynch; Maurice Falls, Board of Aldermen; James Garavaglia, Comptroller's Office; Brandon Geier, First Rule; Duane Huesmann, TSA; Toby Martin, BIAC; Ramon Ortega, Siebert, Cisneros, Shank; Greg Otto, Jenkins & Kling; Rebecca Perry-Glickstein, PFM Financial Advisors; Gary Pohrer, Super Park; Jameson Ramirez, SEIU Local 1

Media: Elliott Davis, Fox 2 News

The Meeting was called to order at 2:02 P.M.

1. **MINUTES**

Approval is requested for the Minutes of the April 3, 2019 Airport Commission meeting.

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

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

## 2. ORDINANCES

- A. Draft Ordinance authorizing the Director of Airports of The City of St. Louis to approve and execute the “Consent to Change in Ownership and Control Structure of Bi-National Gateway Terminal LLC” whereby the City consents to the change in ownership of Bi-National Gateway Terminal, LLC (“**Bi-National**”).

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

Mr. Pandolfo provided a PowerPoint presentation entitled *Change in Ownership & Control Bi-National Gateway Terminal, LLC Northern Tract Site* (the “Presentation”), a copy of which is included with the official file), outlining the details of the Ordinance authorizing the City to approve the Change in Ownership & Control of Bi-National Gateway Terminal, LLC (“Bi-National”), as set out in the Executive Summary and Briefing Paper included with the agenda items and recommended approval of the motion.

In February 2019, the City entered into the Second Restated and Amended Lease Agreement AL-094 (“Second Restated Lease AL-094”) with Bi-National for the redevelopment of the Northern Tract site in three phases. Under the terms of the Second Restated Lease AL-094 any change in ownership that results in a change in control is treated as an assignment that requires the City’s approval. In order to secure financing for Phase 1 of the Development Plan, Bi-National is requesting the City’s approval of the change in ownership and control of Bi-National. This Ordinance grants the City’s Director of Airports the authority to approve that request and execute on behalf of the City the “Consent to Change In Ownership and Control Structure of Bi-National Gateway Terminal” substantially in the form as set out in Attachment 1 to the Ordinance. None of the terms or conditions of the Second Restated and Amended Lease AL-094 are being changed.

Mr. Pandolfo then briefed the Commissioners regarding the new ownership and control structure of Bi-National Gateway Terminal as set out in the Briefing Paper and Presentation.

Commissioner Reed entered the proceedings at this time.

After further discussion, a vote was taken and the motion carried with Commissioners Gaal and Kling abstaining.

- B. Draft Ordinance authorizing the Assignment and Assumption of Interest in Dual Customs Agreement and Consent of The City of St. Louis agreement by and between Bi-National Gateway Terminal, LLC (“**Bi-National**” or “**Assignor**”) and Brownsville International Air Cargo, Inc. (“**BIAC**” or “**Assignee**”), and The City of St. Louis (“**City**”) (the “**Consent of Assignment Agreement**”).

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

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

This Ordinance authorizes the City to approve the Consent of Assignment Agreement that will authorize Bi-National to assign back to BIAC all rights and obligations in the Dual Customs Agreement AL-353, dated January 9, 2015 (“Dual Customs Agreement”).

In January 2015, the City entered into an Agreement with BIAC that memorialized the cooperative efforts between BIAC and the City to obtain approval for, establish, and develop a Dual Customs Cargo Facility at the Airport.

In March 2017, BIAC requested that its interests in the Dual Customs Agreement be assigned to Bi-National and the City agreed to the assignment.

With the contemplated change in ownership and control of Bi-National Gateway Terminal, LLC under the Second Restated and Amended Lease AL-094, which provides for the redevelopment of the Northern Tract site, BIAC is requesting the City’s approval to assign the Dual Customs Agreement back to BIAC.

After further discussion, a vote was taken and the motion carried with Commissioners Gaal and Kling abstaining.

- C. Draft Ordinance authorizing the issuance by the City of St. Louis of its Airport Revenue Refunding Bonds, Series 2019, in an aggregate principal amount not to exceed One Hundred Million Dollars (\$100,000,000), and authorizing and directing the issuance of Series 2019 Project Bonds in an aggregate principal amount not to exceed Thirty-Five Million Dollars (\$35,000,000).

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

Mr. Strong provided the details of the Ordinance as set out in the Executive Summary included with the agenda items and recommended approval of the motion. He then introduced Mr. Garavaglia, Deputy Comptroller.

Mr. Garavaglia introduced the Comptroller’s Financial Consultant, Mr. Ramon Ortega, who then addressed the Commission regarding the refunding of Airport bonds and the issuance of new Airport Project Bonds.

The Airport Revenue Refunding Bonds (“Series 2019 Bonds”) are being issued to refund a portion of the Airport Revenue Refunding Bonds, Series 2009A, in a principal amount of approximately \$93,000,000. The City anticipates realizing approximately 28% savings on the bonds, or roughly \$25 million in net present value savings.

The Airport also intends to issue new Airport Project Bonds in an amount of approximately \$24 million, to make funds available for airfield runway improvements, cooling towers and HVAC equipment, new phone system, parking lot resurfacing, parking garage improvements and an emergency operation center, and other projects.

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

### 3. **OPERATIONS**

- A. First Amendment to the Service Agreement with Scodeller Construction, Inc. to provide Joint & Crack Sealing Services at the Airport. The Agreement commenced on November 1, 2016 and will now expire on October 31, 2020. This First Amendment extends the term of the Agreement by 12 months and increases the total Contract Not-To-Exceed Amount by \$211,875 from \$586,875 to \$798,750.

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

Mr. Stella 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.

This First Amendment to the Service Agreement provides for the upkeep and preventive maintenance on the roadways and runways.

The First Amendment extends the term of the Agreement 12 months and increases the not-to-exceed amount by \$211,875. While the rates in this First Amendment remain the same as the Year 3 rates of the current Agreement, additional funds were added to the total not-to-exceed amount to cover maintenance responsibilities for the St. Louis Air Cargo Building, which the Airport recently began maintaining.

Following a discussion regarding the WBE/MBE goals vs. actual percentages, Ms. Bagwell of the Airport's BDD Office, explained that much of the work performed under this contract is specialized and there are very few opportunities for WBE/MBE participation. Mr. Stella then advised that efforts to obtain qualified WBE/MBE firms would increase during this extension period.

There followed another discussion regarding whether the Airport could require that the duties performed under contracts must be performed by local workers. Mr. Pandolfo stated that the method by which to procure goods and services is set by the City of St. Louis and the Airport is bound by the City's procedures. When this Agreement initially was released for bid in 2016 a local bidder, using local workers, bid almost twice as high as Scodeller.

Airport employees perform the crack sealing at the Airport in-house. Joint sealing, which allows the concrete to naturally flex while preventing water penetration and prolongs the life of the

concrete panels, is 1) generally considered specialized, 2) subject to FAA specifications and 3) contracted out by most US airports.

At the conclusion of these discussions, a vote was taken and the motion carried with Commissioner Green abstaining and Commissioner Davis voting nay.

Commissioner Teitelbaum left the meeting at this time.

- B. First Amendment to the Service Agreement with Quick Care Oxygen System to provide Service & Equipment for Oxygen Inhalators. The term of the Agreement commenced on October 1, 2016 and will now end on September 30, 2020. The First Amendment extends the term of the Agreement by 12 months and increases the total Contract Not-To-Exceed amount by \$5,750 from \$17,250 to \$23,000.

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

Mr. Stella 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.

This First Amendment extends the current Agreement for 12 months. The services provided are the maintenance and associated equipment of approximately 50 oxygen inhalators used by the Airport Fire Department. The rates for this First Amendment remain the same as the current Agreement.

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

#### 4. **OTHER BUSINESS**

##### Briefing by Marlene Davis, Chairperson of the Transportation & Commerce Committee of the Board of Aldermen

The Community Outreach Committee of the Airport Working Group was tasked with surveying the community regarding Airport privatization. Surveys were issued to the community through either personal interaction or the use of door-hangers. Meetings were held with the general public, and interested groups, in both St. Louis City and St. Louis County. Passengers in both terminals were also surveyed.

Primary topics of concern to the community have been the effect privatization might have on employees currently working at the Airport and the communities surrounding the Airport.

The information gathered from the surveys, door-to-door canvassing and public meetings is currently under review and the findings will be posted on the Fly314.com website when completed.

At this time there has still been no decision made by the City regarding the privatization matter. The City would need the support of the airlines, as well as FAA approval, in order to move forward.

The City also has not determined a specific amount that it would seek, nor does it have any final plans as to what those funds would be spent on if they were obtained. Those decisions would not be made until it is determined whether to go forward with the privatization effort and whether the City would reap significant benefits.

The Business Diversity Development Office held the Fourth Annual Diversity Forum on Friday, April 26, 2019 on the B Concourse. There were approximately 450 attendees. The forum provided an opportunity for minority firms to meet and converse with contractors, businesses and Airport personnel.

Passenger numbers during the first quarter of 2019 showed a 3% increase over 2018. Compared to 2018 numbers, January 2019 showed an increase of 2.4%; February showed an increase of 4.9%; and March showed an increase of 2.1%.

Four lounge areas have been installed near Gate A9 (20 people, plus Power Bar work areas), Gate C9 (8 people, plus Power Bar work areas), the C Concourse entrance (4 people) and in Terminal 1 near the A checkpoint corridor (8 people). Each set of chairs is connected by a side table and contains built-in power outlets.

As the second phase of the Terminal roadway project, construction on the south lanes of Arrivals Drive at Terminal I has been completed and the construction on the north lanes has begun. Additionally, the staircase between Arrivals Drive and Departures Drive will be demolished and rebuilt during this phase. Completion of phase two is expected in approximately 12 weeks.

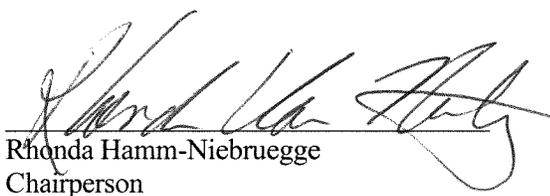
5. **NEXT MEETING**

Wednesday, June 5, 2019 at 2:00 P.M.

6. **ADJOURNMENT**

The meeting adjourned at 3:30 P.M.

The foregoing was approved by the Airport Commission at its meeting on Wednesday, June 5, 2019.

  
Rhonda Hamm-Niebruegge  
Chairperson

Date 6/11/19