

Hillsborough County Aviation Authority  
Regular Board Meeting

Thursday, 9:00 a.m.  
June 4, 2020

A Regular Board of the Hillsborough County Aviation Authority was held electronically by means of communication media technology, pursuant to Executive Order Number 20-69 issued by Governor DeSantis on March 20, 2020 and Section 120.54, Florida Statutes.

Mr. Harrod asked that the Board Members and Staff identify themselves before speaking and mute their microphones when not speaking.

Mr. Harrod started the meeting with a roll call of each Board Member.

Members present were: Gary Harrod (attended in person), Robert I. Watkins, General Diehl and Commissioner Lesley "Les" Miller, Jr. (all attended electronically). Mayor Jane Castor was not present during this roll call but a quorum had been reached.

Aviation Authority staff members physically present were Chief Executive Officer Joseph W. Lopano, General Counsel Michael Stephens, Damian Brooke, Chris Minner, John Tiliacos, Al Illustrato, Michael Kamprath, Scott Knight, Paul Ridgeway, James Tarro, Teresa Howell and Violet Cummins.

Authority staff members that appeared electronically were Dan Johnson, Amy Flack, Laurie Noyes, Jeff Siddle, Rebecca Waterman, Ann Davis, Elita McMillon, Cheryl Hawkins, Kristen Schmidt, Guy Brown, Patricia Julian, Nina Mahoney, Emily Nipps, Tara Camp, Carol Cowan, Laura Lemon, John Fiore, Doyle Wiggins, Jordan Biegler, Brian Washburn, Sam Ensell, Marcus Session, John Mallory, Kelly Figley, Roop Johal, Jacob Tyler and Maria Cook.

The Pledge of Allegiance was recited.

General Counsel Stephens discussed the procedural rules for the electronic meeting.

Chairman Harrod then called for a motion to approve the Agenda for the meeting.

Upon motion of Commissioner Miller, seconded by Robert Watkins, the Agenda was unanimously approved by all Board members present in a roll call vote.

Chairman Harrod then moved to Public Comments. He reminded the public that provisions were made for any member of the public desiring to participate in the public comments portion of the meeting to have access to the meeting. Anyone wishing to be heard was instructed on the public notice for this meeting and on the Tampa International Airport website to email the Board Services

Administrator at [publiccomments@tampaairport.com](mailto:publiccomments@tampaairport.com). The deadline for receiving public comments was at 8 a.m. on June 4, 2020. Any comments that were received by that deadline would be read by Legal Affairs. Emailed public comments would be afforded equal consideration as if the public comments were offered in person.

Scott Knight, Authority Assistant General Counsel, then read the Public Comment received from Ann Morrison with Avis Budget Group. She had been given time from Matthew Weber and Kevin Moore with Enterprise Holdings so the Public Comment would be 5 minutes under the Authority's procedural rules.

The letter was written on behalf of Avis Budget Group, Advantage, EZ Rent A Car, Sixt Rent a Car, Enterprise Leasing Company of Florida, LLS and Hertz Corporation.

Mr. Knight read a portion of the letter until it became apparent that the sound from the Boardroom was muted. The Authority IT department resolved the issue. Mayor Castor also announced that she had joined the Board Meeting electronically.

Mr. Knight then started to read the letter from the beginning to ensure that the public comment received the full 5 minute time allotted.

The Rental Car companies asked for further financial assistance due to the impact of the COVID 19 pandemic. They have partnered with the Airport, County and City and have contributed to the Airport in terms of job creation, economic impact and support on major capital improvements. Rental car activity is down 90% versus the previous year. There is no sign that the situation will turn around in the foreseeable future and they are requesting that the Authority provide financial relief. The rental car companies are requesting 6 months of MAG and base rate abatement from April 2020 through September 2020.

That concluded the Public Comments.

Chairman Harrod asked if there were any additions or corrections to the Minutes of the Regular Board Meeting held on May 7, 2020 that need to be read into the record.

General Counsel Stephens stated that there was one abstention from the May 7, 2020 Board Meeting. General Diehl abstained from voting on the authorization of a credit facility with Truist and STI Institutional Government Inc., Resolution No. 2020-67. He also anticipated that there will be one abstention at this meeting.

Chairman Harrod asked if there were any additions or corrections to the Minutes of the Regular Board Meeting held on May 7, 2020.

Upon motion of Robert Watkins, seconded by Commissioner Miller, the Minutes of the Regular Board Meeting held on May 7, 2020 were unanimously approved by all Board Members in a roll call vote.

Mr. Lopano's Management Report was next.

Mr. Lopano started by stating it is a difficult time for the Airport, airlines, RACs and concessionaires. The Enabling Act says that the financial stability of this Airport is a matter of statewide importance and the Authority will take \$1 billion dollars to improve the liquidity over the next 5 years.

Chris Minner began the Management Report with the Performance Assessment Report.

Total traffic for the Airport was down just about 96% from more than 2 million passengers a year ago to about 86,000 this month. International traffic had a 100% reduction because of the restrictions put in place by the Federal government. Total air carrier operations for the month were down 71.5%.

Mr. Minner led a lengthy discussion on what is trending in the marketplace and the difference of the Tampa Bay market as it compares to the State of Florida. He spoke of hotel capacity and that Tampa Bay will host the Super Bowl next year. Both Visit Tampa Bay and Visit St. Pete Clearwater have major ad campaigns that are already in place and ready to launch when the time is right.

Mr. Minner spoke of a company called Sojourn that targets the advertising that is done with online travel agencies like Travelocity and Orbitz. They have contracts with online travel agencies all around the world and they have shared a look at the forward booking curve and relative interest for bookings in the Tampa market and how it compares to the Orlando, Miami and Fort Lauderdale markets.

Mr. Lopano asked Mr. Minner to explain what Spirit and Southwest were doing.

Mr. Minner explained in response to COVID 19, Southwest Airlines has taken a leadership role in reducing their capacity by 50%. They have committed to a 66% load factor threshold to make sure that they keep capacity in their aircraft so people have the opportunity for social distancing. Also, Spirit and Frontier Airlines have announced additional flights that are being brought back to the Tampa market and other markets in the State of Florida.

Al Illustrato was next to present.

He reiterated what Mr. Lopano had shared earlier in the meeting, that almost \$1 billion worth of construction was either being deferred or deleted over the course of the next 5 years. Mr. Illustrato had previously reported that about \$40 million was being deferred and \$150 million was moving forward. After a review of the Capital Program all the way to 2025 and a review of over 200 projects, management is recommending additional deletions and deferrals which includes the development of Airside D. Airside D was supposed to take place during Phase 3 of the Master Plan and called for a 16 gate terminal for domestic and international travel.

There is no significant disruption with Master Plan Phase 2 at this time.

A total of about \$905 million will either be deferred or deleted over the next 5 years and the Authority will move forward with approximately \$422 million. The Airside D construction will be pushed out about 4 years. Deferred projects will be reviewed and evaluated on an ongoing basis and adjustments will be made to the project lineup where there is a critical need for a project or if there is additional capacity for a project due to increased growth in passenger traffic. The Authority will also continue to monitor federal and state funding opportunities.

Management will work with Ricondo next year to develop new passenger and operational forecasts to chart the way for the future. In fiscal year 2022, management will come forward with a more complete Master Plan update.

The deleted or deferred non-Master Plan projects total about \$215.2 million and Airside D is about \$690.6 million, for a total of \$905.9 million that is recommended for deferral or deletion.

This concluded Mr. Lopano's Management Report.

The Chairman then asked if anyone had any items they would like set aside for further consideration on the Consent Agenda. Hearing none, Chairman Harrod called for a motion to approve the items in the Consent Agenda.

Upon motion of Robert Watkins, seconded by General Diehl, the Consent Agenda was unanimously approved by all Board members in a roll call vote.

The following items were contained in the Consent Agenda.

#### Item G1

Amendment No. 2 to Space Rental Agreement, DAL Global Services, LLC, Tampa International Airport, Resolution No. 2020-136; Amendment No. 1 to Space Rental Agreement, Deutsche Lufthansa AG, Tampa International Airport, Resolution No. 2020-137; Amendment No. 4 to Space Rental Agreement, JET Aircraft Maintenance, Inc., Tampa International Airport, Resolution No. 2020-131; Amendment No. 4 to Space Rental Agreement, Triangle Services of Florida, Inc., Tampa International Airport, Resolution No. 2020-138; Amendment No. 2 to Space Rental Agreement, WestJet, Tampa International Airport, Resolution No. 2020-139.

DAL Global Services, LLC (DAL Global) leases office space from the Authority through a Space Rental Agreement (SRA) in support of its ground handling operations at Tampa International Airport. DAL Global entered into its current SRA with the Authority on November 6, 2014 and the term expires September 30, 2020.

Deutsche Lufthansa AG (Lufthansa) leases office space from the Authority through a SRA in support of its operations at Tampa International Airport. Lufthansa entered into its current SRA with the Authority on May 7, 2015 and the term expires September 30, 2020.

JET Aircraft Maintenance, Inc. (JET) leases office space from the Authority through a SRA in support of its ground handling operations at Tampa International Airport. JET entered into its current SRA with the Authority on October 7, 2010 and the term expires September 30, 2020.

Triangle Services of Florida, Inc. (Triangle) leases office space from the Authority through an SRA in support of its ground handling operations at Tampa International Airport. Triangle entered into its current SRA with the Authority on November 7, 2013 and the term expires September 30, 2020.

WestJet leases office space from the Authority through a Space Rental Agreement (SRA) in support of its operations at Tampa International Airport. WestJet entered into its current SRA with the Authority on November 4, 2010 and the term expires September 30, 2020.

Utilizing Fiscal Year 2020 rates, the SRAs lease ticket counter and ticket counter office space at \$254.20 per square foot, and airside building (ramp operations) space at \$108.94 per square foot. The SRAs provide for an annual rental rate adjustment.

	<b>Ticket Counter, Offices, Other</b>	<b>Airside Building (Ramp Operations)</b>	<b>Total Annual</b>	<b>Total Monthly</b>
DAL Global		820 SF	\$89,330.76	\$7,444.23
Lufthansa	269 SF		\$68,379.80	\$5,698.32
JET		83 SF	\$9,042.00	\$753.50
Triangle		354 SF	\$38,564.76	\$3,213.73
WestJet	133 SF		\$33,808.60	\$2,817.38

These Amendments extend the term of the SRAs for one year, for a final termination date of September 30, 2021, and update certain administrative provisions. All other terms and conditions of the SRAs remain the same.

Additionally, Triangle’s Amendment No. 4 releases 110 SF (Suite 1279) of office space on the Main Terminal Ticketing Level.

Management recommended adoption of Resolution Nos. 2020-136, 2020-137, 2020-131, 2020-138, and 2020-139.

Resolution No. 2020-136 approved and authorized execution of Amendment No. 2 to Space Rental Agreement at Tampa International Airport with DAL Global Services, LLC; and authorized the Chief Executive Officer or his designee to execute all other ancillary documents.

Resolution No. 2020-137 approved and authorized execution of Amendment No. 1 to Space Rental Agreement at Tampa International Airport with Deutsche Lufthansa AG; and authorized the Chief Executive Officer or his designee to execute all other ancillary documents.

Resolution No. 2020-131 approved and authorized execution of Amendment No. 4 to Space Rental Agreement at Tampa International Airport with JET Aircraft Maintenance, Inc.; and authorized the Chief Executive Officer or his designee to execute all other ancillary documents.

Resolution No. 2020-138 approved and authorized execution of Amendment No. 4 to Space Rental Agreement at Tampa International Airport with Triangle Services of Florida, Inc.; and authorized the Chief Executive Officer or his designee to execute all other ancillary documents.

Resolution No. 2020-139 approved and authorized execution of Amendment No. 2 to Space Rental Agreement at Tampa International Airport with WestJet; and authorizes the Chief Executive Officer or his designee to execute all other ancillary documents.

#### Item G2

Amendment No. 4 to North Cargo Building Space Rental Agreement, LGSTX Services, Inc., Tampa International Airport, Resolution No. 2020-150; Amendment No. 1 to North Cargo Building Space Rental Agreement, Quantem Aviation Services, LLC, Tampa International Airport, Resolution No. 2020-140.

On October 5, 2017, the Authority and LGSTX Services, Inc. (LGSTX) entered into a North Cargo Building Space Rental Agreement for Suites I-P and R and other operating space around the Authority's North Cargo Building at Tampa International Airport (Agreement). LGSTX is a ground handler at Tampa International Airport. The Agreement supports LGSTX's ground handler operations. On September 7, 2017, the Authority and Quantem Aviation Services, LLC (Quantem) entered into an Agreement for Suites E and F at Tampa International Airport. Quantem is a ground handler at Tampa International Airport. The Agreement supports Quantem's ground handler operations. Both Agreements terminate September 30, 2020.

These Amendments extend the term of each Agreement for a period of two years to September 30, 2022, increase the O&M Rent, provide the Authority a 60-day written termination, and update certain administration provisions. All other terms and conditions of the Agreements remain unchanged.

Management recommended adoption of Resolution Nos. 2020-150 and 2020-140.

Resolution No. 2020-150 approved and authorized execution of Amendment No. 4 to North Cargo Building Space Rental Agreement at Tampa International Airport with LGSTX Services, Inc.; and authorized the Chief Executive Officer or his designee to execute all other ancillary documents.

Resolution No. 2020-140 approved and authorized execution of Amendment No. 1 to North Cargo Building Space Rental Agreement at Tampa International Airport with Quantem Aviation Services, LLC; and authorized the Chief Executive Officer or his designee to execute all other ancillary documents.

### Item G3

Amendment No. 1 to Operating Agreement for Non-Signatory Passenger Air Carriers, Deutsche Lufthansa AG, Tampa International Airport, Resolution No. 2020-141; Amendment No. 2 to Operating Agreement for Non-Signatory Passenger Air Carriers, Sun Country, Inc. d/b/a Sun Country Airlines, Tampa International Airport, Resolution No. 2020-151; Amendment No. 2 to Operating Agreement for Non-Signatory Passenger Air Carriers, WestJet, Tampa International Airport, Resolution No. 2020-142.

Passenger air carriers providing regularly scheduled service at Tampa International Airport that have not executed an Airline-Airport Use and Lease Agreement with the Authority must have, at a minimum, an Operating Agreement for Non-Signatory Passenger Air Carriers (Agreement) prior to commencing operations.

Deutsche Lufthansa AG entered into an Agreement with the Authority on May 7, 2015 which expires on September 30, 2020.

Sun Country, Inc. d/b/a Sun Country Airlines entered into an Agreement with the Authority on October 5, 2010 which expires on September 30, 2020.

WestJet entered into an Agreement with the Authority on October 5, 2010 which expires on September 30, 2020.

These Amendments extend the term of the Agreements for one year, with a final expiration date of September 30, 2021, and amend certain administrative provisions. All other terms and conditions of the Agreements remain the same.

Management recommended adoption of Resolution Nos. 2020-141, 2020-151 and 2020-142.

Resolution No. 2020-141 approved and authorized execution of Amendment No. 1 to Operating Agreement for Non-Signatory Passenger Air Carriers at Tampa International Airport with Deutsche Lufthansa AG; and authorized the Chief Executive Officer or his designee to execute all other ancillary documents.

Resolution No. 2020-151 approved and authorized execution of Amendment No. 2 to Operating Agreement for Non-Signatory Passenger Air Carriers at Tampa International Airport with Sun Country,

Inc. d/b/a Sun Country Airlines; and authorized the Chief Executive Officer or his designee to execute all other ancillary documents.

Resolution No. 2020-142 approved and authorized execution of Amendment No. 2 to Operating Agreement for Non-Signatory Passenger Air Carriers at Tampa International Airport with WestJet; and authorized the Chief Executive Officer or his designee to execute all other ancillary documents.

#### Item G4

Amendment No. 2 to Operating Agreement for Ground Handlers (Limited Service), DAL Global Services, LLC, Tampa International Airport, Resolution No. 2020-143; Amendment No. 2 to Operating Agreement for Ground Handlers (Limited Service), JET Aircraft Maintenance, Inc., Tampa International Airport, Resolution No. 2020-132.

Ground handling operators providing service at Tampa International Airport must have, at a minimum, a ground handling operating agreement prior to commencing operations.

DAL Global Services, LLC (DAL Global) entered into its current Operating Agreement for Ground Handlers (Limited Service) (Agreement) with the Authority on September 29, 2010 and the term expires September 30, 2020.

JET Aircraft Maintenance, Inc. (JET) entered into its current Agreement with the Authority on September 8, 2010 and the term expires September 30, 2020.

These amendments extend the term of these Agreements one year, for a final termination date of September 30, 2021, and update certain administrative provisions. All other terms and conditions of these Agreements remain the same.

Management recommended adoption of Resolution Nos. 2020-143 and 2020-132.

Resolution No. 2020-143 approved and authorized execution of Amendment No. 2 to Operating Agreement for Ground Handlers (Limited Service) at Tampa International Airport with DAL Global Services, LLC; and authorized the Chief Executive Officer or his designee to execute all other ancillary documents.

Resolution No. 2020-132 approved and authorized execution of Amendment No. 2 to Operating Agreement for Ground Handlers (Limited Service) at Tampa International Airport with JET Aircraft Maintenance, Inc.; and authorized the Chief Executive Officer or his designee to execute all other ancillary documents.



## Item G5

Amendment No. 1 to Operating Agreement for Ground Handlers, Global Aviation Services, GAS, LLC, Tampa International Airport, Resolution No. 2020-133; Amendment No. 2 to Operating Agreement for Ground Handlers, ISS Facility Services, Inc., Tampa International Airport, Resolution No. 2020-144; Amendment No. 1 to Operating Agreement for Ground Handlers, LGSTX Services, Inc., Tampa International Airport, Resolution No. 2020-134; Amendment No. 2 to Operating Agreement for Ground Handlers, Quantem Aviation Services, LLC, Tampa International Airport, Resolution No. 2020-145; Amendment No. 1 to Operating Agreement for Ground Handlers, Textron Ground Support Equipment Inc., Tampa International Airport, Resolution No. 2020-146.

Ground handling operators providing service at Tampa International Airport must have, at a minimum, a ground handling operating agreement prior to commencing operations.

Global Aviation Services, GAS, LLC (GAS) entered into its current Operating Agreement for Ground Handlers (Agreement) with the Authority on March 2, 2017 and the term expires September 30, 2020. ISS Facility Services, Inc. (ISS) entered into its current Agreement with the Authority on March 1, 2018 and the term expires September 30, 2020.

LGSTX Services, Inc. (LGSTX) entered into its current Agreement with the Authority on February 1, 2018 and the term expires September 30, 2020.

Quantem Aviation Services, LLC (Quantem) entered into its current Agreement with the Authority on August 3, 2017 and the term expires September 30, 2020.

Textron Ground Support Equipment Inc. (Textron) entered into its current Agreement with the Authority on June 7, 2018 and the term expires September 30, 2020.

These amendments extend the term of these Agreements one year, for a final termination date of September 30, 2021, and update certain administrative provisions. All other terms and conditions of these Agreements remain the same.

Management recommended adoption of Resolution Nos. 2020-133, 2020-144, 2020-134, 2020-145, and 2020-146.

Resolution No. 2020-133 approved and authorized execution of Amendment No. 1 to Operating Agreement for Ground Handlers at Tampa International Airport with Global Aviation Services, GAS, LLC; and authorized the Chief Executive Officer or his designee to execute all other ancillary documents.

Resolution No. 2020-144 approved and authorized execution of Amendment No. 2 to Operating Agreement for Ground Handlers at Tampa International Airport with ISS Facility Services, Inc.; and authorized the Chief Executive Officer or his designee to execute all other ancillary documents.

Resolution No. 2020-134 approved and authorized execution of Amendment No. 1 to Operating Agreement for Ground Handlers at Tampa International Airport with LGSTX Services, Inc.; and authorized the Chief Executive Officer or his designee to execute all other ancillary documents.

Resolution No. 2020-145 approved and authorized execution of Amendment No. 2 to Operating Agreement for Ground Handlers at Tampa International Airport with Quantem Aviation Services, LLC; and authorized the Chief Executive Officer or his designee to execute all other ancillary documents.

Resolution No. 2020-146 approved and authorized execution of Amendment No. 1 to Operating Agreement for Ground Handlers at Tampa International Airport with Textron Ground Support Equipment Inc.; and authorized the Chief Executive Officer or his designee to execute all other ancillary documents.

#### Item G6

Ground Lease Agreement, Sarasota Avionics, Inc., Peter O. Knight Airport, Resolution No. 2020-135.

Sarasota Avionics, Inc. (SAI) has provided full-service avionics, installation and repair service throughout Florida for more than 30 years. SAI operates five FAA-certified repair stations and is the exclusive Cirrus Service Center for the Tampa area. SAI desires to construct a new hangar at Peter O. Knight Airport to house their growing avionics and maintenance operation.

Under this Ground Lease Agreement (Agreement), SAI will lease approximately 1.1 acres at Peter O. Knight Airport for the construction, operation and maintenance of a hangar to conduct an aircraft maintenance and avionics sales and service business and related ancillary uses. SAI will invest approximately \$1,100,000.00 to build the hangar which will have a minimum square footage of 12,000 square feet. SAI has 120 days to satisfy contingencies which include Authority approval of all airspace requirements, variances, plans, specifications and receipt of all permits, verification of available utilities to the premises, and geotechnical and environmental studies. SAI will provide all improvements to support the hangar including, but not limited to, drives, parking areas, sidewalks, landscaping, utility connections, truck docks, aircraft apron, and taxilanes. The Authority will provide a taxilane from Taxiway G.

The Agreement is effective upon Board signature and expires on the 30th anniversary of the commencement date at which time the hangar reverts to the Authority. The Agreement provides the opportunity for SAI to enter into a new lease for the ground and hangar at the end of the initial term at fair market value. Ground rent under the Agreement is established by fair market appraisal at \$0.30 per square foot of land for the first year of the Agreement and will increase annually per the

Consumer Price Index. The annual Ground rent for the first year of the Agreement will be \$14,374.80 with monthly payments of \$1,197.90, plus applicable taxes.

Management recommended adoption of Resolution No 2020-135.

Resolution No. 2020-135 approved and authorized execution of Ground Lease Agreement at Peter O. Knight Airport with Sarasota Avionics, Inc.; and authorized the Chief Executive Officer or his designee to execute all other ancillary documents.

#### Item G7

Renewal of Contract for State Legislative Consulting Services, GrayRobinson, P.A., Tampa International Airport.

On October 4, 2018, the Board awarded a Contract for State Legislative Consulting Services (Contract) to GrayRobinson, P.A. for one-year, with three, one-year renewal options at the discretion of the Board, in a not-to-exceed amount of \$423,000, including the renewal options. This Contract provides consulting services related to state governmental affairs, including serving as a liaison for the Authority with key state legislators, legislative staff and executive agencies, identifying grant funding and appropriation sources, and advocating on behalf of the Authority on specific bills and issues of interest and benefit to the Authority.

Authorize the second renewal option of the Contract with GrayRobinson, P.A. for the term of October 4, 2020 through October 3, 2021 at an Annual Fixed Retainer Fee of \$87,000. All other terms and conditions of the Contract will remain the same. One, one-year renewal option of the Contract at the discretion of the Board will remain. The Authority may cancel the Contract with thirty days' written notice.

This item is included in the O&M Budget.

The Chief Executive Officer recommended the Board authorize the renewal of the Contract for State Legislative Consulting Services with GrayRobinson, P.A. and authorized the Chief Executive Officer or his designee to execute all other ancillary documents.

The Board acted on this by motion; no resolution was required.

There were no items in Policies or Rules for Consideration or Action or Committee Reports. Chairman Harrod then moved to Unfinished Business.

## Item J1

Amendment No. 1 to Operating and Capital Budget, Fiscal Year 2020, Tampa International, Peter O. Knight, Plant City and Tampa Executive Airports, Resolution No. 2020-130, presented by Damian Brooke.

In September 2019 the Board approved the Authority's original FY2020 Operating and Capital Budget for projects totaling \$123,572,800. In late November 2019 the Authority was notified by the Federal Aviation Administration (FAA) of a \$6,000,000 Special Discretionary Grant for the Airside A Boarding Bridge Replacement Project, a project previously planned for the FY2021 Capital Budget. This project is for the replacement of the Airside A Passenger Boarding Bridges (PBBs), Pre-Conditioned Air-Air Handler Units (PCA-AHUs) and Ground Power Units (GPUs) at 15 gates. As this is a special discretionary grant for infrastructure projects, the funds are required to be committed by September 2021. As such, it is necessary to amend the FY2020 Operating and Capital Budget.

Approval of this budget amendment would result in an increase of the FY2020 Operating and Capital Budget for the Authority from its current level of \$123,572,800 to \$146,160,400.

This budget amendment will be funded by the FAA Special Discretionary Grant, State grants and either the Authority's Truist short term note, the bond offering scheduled for later this year, or a combination of both.

Management recommended adoption of Resolution No. 2020-130.

Upon motion of Robert Watkins, seconded by Commissioner Miller, Amendment No. 1 to the Operating and Capital Budget, Fiscal Year 2020 was unanimously approval by all Board members in a roll call vote and Resolution No. 2020-130 was adopted.

## Item J2

Amendment One to Revolving Credit Facility, Truist and STI Institutional & Government, Inc., Tampa International Airport, Resolution No. 2020-149, presented by Damian Brooke.

Effective as of May 11, 2020 the Authority established a Revolving Credit Facility with Truist Bank and STI Institutional & Government, Inc., with a maximum commitment amount of \$100,000,000, pursuant to a Revolving Credit Agreement and related taxable and tax-exempt revolving credit notes. This Revolving Credit Facility replaced an existing credit facility with SunTrust Bank.

Staff proposes to amend the Revolving Credit Facility: (i) to increase the credit line amount to the sum of \$200,000,000 for a twelve-month period, after which it will revert back to \$100,000,000 (subject to future amendments) and (ii) provide that for advances which cause the aggregate amount under both the taxable and tax exempt notes to exceed \$100,000,000, the interest rate on the incremental

portion of such advance, and additional advances above that threshold, shall be subject to a floor of 1.21% for advances under the taxable note and 0.96% for advances under the tax exempt note.

Truist and STI Institutional & Government, Inc. have agreed in principle to the requested changes. All other terms of the Revolving Credit Facility remain unchanged. The estimated loan modification fees from Truist and STI Institutional & Government, Inc. for amending the Revolving Credit Facility will not exceed \$100,000, and the estimated fees for their counsel will not exceed \$17,500.

This item is included in the Capital and O&M Budgets.

Management recommended adoption of Resolution No. 2020-149.

Upon motion of Commissioner Miller, seconded by Robert Watkins, Amendment One to increase the principal amount not to exceed at any one time of \$200,000,000 in the aggregate for the Revolving Credit Facility at Tampa International Airport with Truist and STI Institutional & Government, Inc. was unanimously approved by 4 Board members (General Diehl abstained from the vote as he is a member of the Community Advisory Committee for Truist); and the Chief Executive Officer or his designee was authorized to execute all other ancillary documents by adoption of Resolution No. 2020-129.

### Item J3

Part 2 Supplemental Contract B for Design-Build Services, Main Terminal Curbside Expansion, New Energy Plant and Related Work, HCAA Project Nos. 8200 18, 8205 18, 8900 18, 8230 18 and 8240 19, Hensel Phelps Construction Co., Tampa International Airport, Resolution No. 2020-116, presented by AI Illustrato.

The Main Terminal Curbside Expansion, New Energy Plant and Related Work Program (Program) is a Master Plan Phase 2 Project. This Program includes expansion of the curbsides incorporating new elevated and at-grade lanes and vertical circulation buildings for both the Blue and Red sides, renovations to portions of the Main Terminal transfer level and Authority offices, construction of a new Central Utility Plant, concessions loading dock, FAA parking lot and demolition of the Administration Building.

<u>Date</u>	<u>Award</u>	<u>Amount</u>
June 7, 2018	Part 1 Design-Build Contract (Board approved)	\$25,262,708.00
June 6, 2019	Part 2 Design-Build Services Contract (Board approved)	\$31,535,723.00
June 6, 2019	Amendment No. 1 to Part 1 Design-Build Contract (Board approved)	\$4,031,477.00
October 10, 2019	Amendment No. 2 to Part 1 Design-Build Contract (CEO approved)	\$800,000.00
November 7, 2019	Part 2 Supplemental Contract A for Design Build Services (Board approved)	\$119,492,571.00
January 23, 2020	Change Order No. 1 ODP to Part 2 Design-Build Services Contract (CEO approved)	(\$8,000,000.00)
March 4, 2020	Change Order No. 2 to Part 2 Design-Build Services Contract (CEO approved)	\$12,873.85
April 13, 2020	Change Order No. 3 ODP to Part 2 Design-Build Services Contract (CEO approved)	(\$7,500,000.00)
May 18, 2020	Change Order No. 4 to Part 2 Design-Build Services Contract (CEO approved)	(\$1,202,863.00)

This Part 2 Supplemental Contract B for Design-Build Services provides for replacement of the ceilings for both the Red and Blue Side Arrival and Departure drives.

The maximum purchase authorization for this Part 2 Supplemental Contract B for Design-Build Services will be \$10,099,289, bringing the total combined Program Contract amount to date to \$174,531,778.85.

This Part 2 Supplemental Contract B for Design-Build Services will incorporate a W/MBE participation of at least 16.8% for design and 13% for construction.

Per Authority Policy P410, staff may authorize use of the Owner's Direct Purchase Program with respect to construction materials and supplies, if appropriate.

This item is included in the Capital Budget.

Management recommended adoption of Resolution No. 2020-116.

Upon motion of Robert Watkins, seconded by Commissioner Miler, Part 2 Supplemental Contract B for Design-Build Services, Main Terminal Curbside Expansion, New Energy Plant and Related Work, HCAA Project Nos. 8200 18, 8205 18, 8900 18, 8230 18 and 8240 19 at Tampa International Airport with Hensel Phelps Construction Co. was unanimously approved by all Board members in a roll call vote; staff was authorized to use Owner's Direct Purchase Program, if appropriate; and the Chief

Executive Officer or his designee was authorized to execute all other ancillary documents by adoption of Resolution No. 2020-116.

#### Item J4

Contract for Continuing General Consulting Services, RS&H, Inc., Tampa International, Peter O. Knight, Tampa Executive, and Plant City Airports, Resolution No. 2020-118, presented by Al Illustrato.

On May 7, 2020, the Board approved negotiations with the number one ranked firm RS&H, Inc. for continuing general consulting services. This Contract for Continuing General Consulting Services (Contract) is intended to provide comprehensive, continuing general consulting services consistent with all Federal, State and local regulations to include, but not be limited to, design services for projects in which the estimated construction cost of the individual project does not exceed \$2 million and for study activity if the fee for services for the individual study does not exceed \$200,000. Pending the Governor's signature on legislation passed this session, these amounts will increase to \$4 million and \$500,000 on July 1, 2020. In addition, O&M related services may be required.

The proposed scope of work under this Contract will include design professional and consultant services for CIP and O&M projects.

The term of this Contract is for the period of June 4, 2020 through June 3, 2025, with a maximum purchase authorization amount of \$16,500,000.

A D/W/MBE expectancy of at least 12% of the dollar amount earned on this Contract was prescribed. A D/W/MBE goal of at least 12% will be incorporated into this Contract.

This item is included in the Capital and O&M Budgets.

Management recommended adoption of Resolution No. 2020-118.

Upon motion of Commissioner Miller, seconded by Robert Watkins, the Contract for Continuing General Consulting Services at Tampa International, Peter O. Knight, Tampa Executive, and Plant City Airports with RS&H, Inc. was unanimously approved by all Board members in a roll call vote; and the Chief Executive Officer or his designee was authorized to execute all other ancillary documents by adoption of Resolution No. 2020-118.

#### Item J5

Part 1 Contract for Design-Build Services, Monorail System Decommissioning and Moving Walkway Installation, HCAA Project No. 8315 20, Manhattan Construction Company, Tampa International Airport, Resolution No. 2020-148, presented by Al Illustrato.

The monorail system at Tampa International Airport (Airport), which occupies sections of Levels 4 and 5 of the Short Term Parking Garage (STPG) and Level 7 of the Long Term Parking Garage (LTPG), was installed in 1991 to provide conveyance between the LTPG and the Main Terminal.

Now entering its 28th year of service, the monorail system has reached the end of its useful life. The Authority desires to decommission and remove the monorail system and install moving walkways.

This Project will install moving walkways on the east and west sides of Level 4 in the LTPG, aligned with the existing LTPG elevator cores. Each side will have northbound and southbound moving walkways. Access to the Main Terminal from Level 4 in the LTPG will be across the new pedestrian bridge.

In addition, this Project will remove all portions of the existing monorail system, maintenance facility, guideway, equipment and other apparatus associated with the monorail system infrastructure. This will increase the number of parking spaces in both the STPG and the LTPG.

On October 30, 2019, a Request for Qualifications entitled Monorail System Decommissioning and Moving Walkway Installation at Tampa International Airport was issued.

On March 5, 2020, the Board approved negotiations with the number one ranked firm, Manhattan Construction Company.

This item awards the Part 1 Contract for Design-Build Services to Manhattan Construction Company for design of the Project in the maximum purchase authorization of \$2,288,048.00 for basic services and reimbursable expenses.

This Part 1 Contract for Design-Build Services will commence on June 4, 2020. Substantial completion of the Project is anticipated in Winter 2022.

A W/MBE goal of at least 17% of the dollar amount earned on the contract for the design phase of the Project was prescribed. This Part 1 Contract for Design-Build Services will incorporate a W/MBE participation of at least 23.2% of the dollar amount earned on the design phase of the Project.

This item is included in the Capital Budget.

Management recommended adoption of Resolution No. 2020-148.

Upon motion of Commissioner Miller, seconded by Robert Watkins, Part 1 Contract for Design-Build Services, Monorail System Decommissioning and Moving Walkway Installation, HCAA Project No. 8315 20 at Tampa International Airport with Manhattan Construction Company was unanimously approved by all Board Members in a roll call vote; and the Chief Executive Officer or his designee was authorized to execute all other ancillary documents by Resolution No. 2020-148.



This item concluded Unfinished Business, Chairman Harrod then proceeded to New Business.

Item K1

Construction Contract, Airfield Pavement Rehabilitation – FY 20, HCAA Project No. 6675 20, Ajax Paving Industries of Florida, LLC, Tampa International Airport, Resolution No. 2020-120, presented by Al Illustrato.

This Project includes the rehabilitation of the various existing concrete pavement slabs at Tampa International Airport. The work consists of Portland Cement Concrete (PCC) slab removal and replacement, PCC crack sealing, in-pavement light removal and replacement, and pavement marking. A low bid solicitation was advertised on March 9, 2020.

On May 6, 2020, bids were publicly opened and read aloud as follows:

<u>Company Name</u>	<u>Bid Amount</u>
Ajax Paving Industries of Florida, LLC	\$1,897,945
*David Nelson Construction Co.	\$2,060,650
**Superior Construction Company Southeast, LLC	\$2,087,000
Gosalia Concrete Constructors, Inc.	\$2,225,540
Crisdel Group, Inc.	\$2,689,943

\*David Nelson Construction Co. was deemed non-responsive for failing to provide a Bid Bond and Surety Bond.

\*\*Superior Construction Company Southeast, LLC was deemed non-responsive for failing to meet the prescribed W/MBE Goal and failing to provide sufficient Good Faith Efforts documentation in the alternative.

The lowest responsive and responsible bidder is Ajax Paving Industries of Florida, LLC.

A W/MBE Goal participation rate of 11.9% was prescribed and a W/MBE Goal participation rate of at least 12.1% is incorporated into this Contract.

This item is included in the Capital Budget.

Management recommended adoption of Resolution No. 2020-120.

Upon motion of Robert Watkins, seconded by General Diehl, the Construction Contract for Airfield Pavement Rehabilitation – FY 20, HCAA Project No. 6675 20 at Tampa International Airport with Ajax Paving Industries of Florida, LLC in the amount of \$1,897,945 was unanimously approved by all Board

members in a roll call vote; rejection of bids received from David Nelson Construction Co. and Superior Construction Company Southeast, LLC as non-responsive was approved; and the Chief Executive Officer or his designee was authorized to execute all other ancillary documents by adoption of Resolution No. 2020-120.

#### Item K2

Selection of Continuing Structural Consulting Services, Tampa International, Peter O. Knight, Plant City and Tampa Executive Airports, presented by Al Illustrato.

The continuing structural consultant will provide comprehensive, continuing structural consulting services consistent with all Federal, State and local regulations to include, but not be limited to, projects in which the estimated construction cost of the individual project does not exceed \$2 million and for study activity if the fee for services for the individual study does not exceed \$200,000. Pending the Governor's signature on legislation passed this session, these amounts will increase to \$4 million and \$500,000 on July 1, 2020. In addition, O&M related services will be required.

On February 12, 2020, a Request for Qualifications entitled Continuing Structural Consulting Services at Tampa International, Peter O. Knight, Tampa Executive, and Plant City Airports was issued.

Six responses were received and evaluated by staff.

The order of technical ranking is as follows:

1. Walker Parking Consultants/Engineers, Inc. d/b/a Walker Consultants
2. Graef-USA, Inc.
3. Thornton Tomasetti, Inc.
4. Wiss, Janney, Elstner Associates, Inc.
5. Biller Reinhart Engineering Group, Inc.
6. LBYD, Inc.

A W/MBE expectancy of at least 5% of the dollar amount earned on the Contract was prescribed. A W/MBE goal of at least 5% will be incorporated into the Contract.

The anticipated term of the negotiated Contract is August 6, 2020 through August 5, 2025.

This item is included in the Capital and O&M Budgets.

The Chief Executive Officer recommended ranking the order of firms as listed above.

Upon motion of Commissioner Miller, seconded by Robert Watkins, the firms ranked in order of preference were unanimously approved by all Board members in a roll call vote and staff was authorized to negotiate a contract. No resolution was required.

### Item K3

Selection of Design-Builder, Airside A Boarding Bridges, PCA AHU, and GPU Replacements, HCAA Project No. 8405 20, Tampa International Airport, presented by AI Illustrato.

Airside A opened in 1995 with 14 gates equipped with Passenger Boarding Bridges (PBB), Pre-Conditioned Air Handler Units (PCA AHU) and Ground Power Units (GPU). In 2002, an additional PBB was installed making a total of 15 PBBs at Airside A. The PBBs, PCA AHUs and GPUs are nearing the end of their useful life and are in need of replacement.

On January 29, 2020, a Request for Qualifications entitled Airside A Boarding Bridges, PCA AHU, and GPU Replacements at Tampa International Airport was issued.

Two responses were received and evaluated by staff.

The order of technical ranking is as follows:

1. Manhattan Construction Company
2. Walbridge Aldinger LLC

A DBE goal of at least 17% of the dollar amount earned on the contract for the design phase of the Project was prescribed. A DBE goal of at least 8% of the dollar amount earned on the contract for construction was prescribed. The percentages proposed by both respondents for the amount earned on design will meet or exceed the DBE goal requirements and will be incorporated into the resulting contract. Both responsive respondents assured that they will meet the DBE goal for construction.

This item is included in the Capital Budget.

The Chief Executive Officer recommended ranking the order of firms as listed above.

Upon motion of Robert Watkins, seconded by Commissioner Miller, the firms ranked in order of preference were unanimously approved by all Board members in a roll call vote and staff was authorized to negotiate a contract. No resolution was required.

### Item K4

Selection of Firm and Award of Contract, Janitorial Services, Flagship Airport Services, Inc., Tampa International Airport, Resolution No. 2020-128, presented by AI Illustrato.

On May 7, 2015, the Board awarded a contract for janitorial services for non-terminal facilities at Tampa International Airport, including the Airport Support Facility, Cell Phone Waiting Lot, Central

Warehouse, Federal Inspection Service (FIS) at Air Cargo, FIS at General Aviation, Police Canine Facility and Taxi Holding Area, to Ask Solutions, Inc. dba Ask Janitorial Professionals.

On July 2, 2015, the Board awarded a contract for janitorial services for the terminal facilities at Tampa International Airport, including the Main Terminal, Airside Terminals, Administrative Services Building, and parking garages, to Flagship Airport Services, Inc.

These contracts expire September 30, 2020.

On November 22, 2019, an Invitation to Negotiate (ITN) for Janitorial Services at Tampa International Airport was issued. The ITN combined the terminal and non-terminal facilities into one solicitation and subsequent contract.

On January 29, 2020, eight responses to the ITN were received and evaluated by staff.

In accordance with the ITN, the four highest ranked firms were short listed and invited to participate in interviews. The following firms did not make the short list ranking: General Building Maintenance, Inc., Triangle Services of Florida, Inc., UNISERVE Facilities Services Corporation, and United Maintenance Company, Inc.

After interviews were complete, the following were the four highest ranked firms in order of technical ranking:

1. Flagship Airport Services, Inc.
2. ISS Facility Services, Inc.
3. Sunshine Cleaning Systems, Inc.
4. Service Management Systems, Inc.

Based on the interviews and the final rankings it was recommended negotiating with Flagship Airport Services, Inc.

This item authorizes the execution of a Maintenance Contract for Janitorial Services (Contract) with Flagship Airport Services, Inc. at Tampa International Airport for the period of October 1, 2020 through September 30, 2025 with three, discrete one-year renewal options to be executed at the discretion of the Chief Executive Officer. This Contract includes a schedule of rates for routine public and non-public cleaning, project cleaning, extra work and supplies for each Contract year and the optional renewal years. The following rates have been established for Year 1: Routine public cleaning at \$0.4000 per square foot; Routine non-public cleaning at \$0.0700 per square foot; Project cleaning at \$0.1300 per square foot; Extra work at \$17.90 per hour; and Supplies at \$0.0500 per passenger. The cost for the first year of this Contract is estimated to be \$10,368,528. The rates will increase approximately 2.5% per year through the term of this Contract.

The Authority may cancel this Contract with 60 days written notice.

Additional authorization is requested for the Chief Executive Officer or his designee to adjust the total square footage to be cleaned and to approve extra work as needed. This authorization will also be used to add square footage within the facilities being constructed under the Master Plan program.

A W/MBE expectancy participation rate of at least 20% was prescribed for the ITN. A W/MBE participation rate of 20% will be incorporated into this Contract.

This item is included in the O&M Budget.

Management recommended adoption of Resolution No. 2020-128.

Upon motion of Robert Watkins, seconded by Commissioner Miller, Maintenance Contract for Janitorial Services at Tampa International Airport with Flagship Airport Services, Inc. was unanimously approved by all Board members in a roll call vote; the Chief Executive Officer or his designee was authorized to adjust total square footage to be cleaned and approve extra work as needed; and the Chief Executive Officer or his designee was authorized to execute all other ancillary documents by adoption of Resolution No. 2020-128.

#### Item K5

Amendment No. 1 to Master License and Sales Agreement, dormakaba Workforce Solutions LLC, Tampa International Airport, Resolution No. 2020-129, presented by Michael Stephens.

On June 4, 2015, the Board authorized execution of a sole source Master License and Sales Agreement (Agreement) with Kaba Workforce Solutions, LLC for B-COMM® Oracle Time and Labor solution for the term of June 4, 2015 through June 3, 2020 in the maximum purchase authorization amount of \$137,600. B-COMM® Oracle Time and Labor solution is an Oracle validated communication software and hardware solution that allows for the exchange of time collection data between Oracle, the Authority's ERP system, and Kaba's time clocks, PC Web, telephone and mobile devices. On January 1, 2018, Kaba Workforce Solutions, LLC changed its name to dormakaba Workforce Solutions LLC.

The Authority requires continued use of the B-COMM® Oracle Time and Labor solution, including maintenance and support of the software and hardware.

On May 13, 2020, a Notice of Intent to Sole Source with dormakaba Workforce Solutions LLC for the continued use of the B-COMM® Oracle Time and Labor solution was publicly advertised. dormakaba owns the intellectual property rights to the B-COMM® Oracle Time and Labor solution and is the only known source for licensing, maintenance and support of the B-COMM® software and hardware. No responses were received.

Authority Policy P410 authorizes sole source purchases when no other authorized vendor can supply the required equipment, materials, supplies or services.

This Amendment No. 1 to the Agreement authorizes the continued use of the B-COMM® Oracle Time and Labor solution, authorizes an increase of \$52,000 for a maximum purchase authorization amount of \$189,600 under the Agreement, and extends the term of the Agreement through June 3, 2022.

This item is included in the O&M Budget.

Management recommended adoption of Resolution No. 2020-129.

Upon motion of Robert Watkins, seconded by Commissioner Miller, Amendment No. 1 to Master License and Sales Agreement at Tampa International Airport with dormakaba Workforce Solutions LLC was unanimously approved by all Board members in a roll call vote; and the Chief Executive Officer or his designee was authorized to execute all other ancillary documents by adoption of Resolution No. 2020-129.

#### Item K6

Airline Rates and Charges Relief Agreement, Tampa International Airport, Resolution No. 2020-152, presented by Chris Minner.

American Airlines, Inc. (American), Delta Air Lines, Inc. (Delta), Federal Express Corporation (FedEx), Frontier Airlines, Inc. (Frontier), jetBlue Airways Corporation (jetBlue), Southwest Airlines Co. (Southwest), Spirit Airlines, Inc. (Spirit), United Airlines (United), and United Parcel Service Co. (UPS) (collectively, Airlines) operate at Tampa International Airport (Airport) under an Airline-Airport Use and Lease Agreement (AAULA). Under their respective AAULAs, Airlines owe certain fixed and variable fees to Authority.

Airlines have seen a significant disruption to domestic and international air travel, including both passenger and cargo operations, due to the worldwide COVID-19 pandemic. All commercial and passenger air carriers operating at the Airport are experiencing severe reductions in revenue, which are resulting in near-term cashflow challenges for Airlines. Airlines requested the Authority provide relief from the fixed and variable fees due to Authority under the AAULA. Although financial relief programs, including the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), may provide opportunity for financial relief to Airlines, it will take time for Airlines to realize the distribution of any funds.

After conducting industry benchmarking and after careful analysis and consideration, the Authority determined that an Airline Rates and Charges Relief Agreement (Agreement) is the best way to achieve the goals of maintaining the Airport's financial self-sustainability and assisting Airlines in maintaining service at the Airport.

American is a passenger airline currently operating at the Airport under an AAULA. American currently leases fixed space in the Main Terminal and Airside F.

Delta is a passenger airline currently operating at the Airport under an AAULA. Delta currently leases fixed space in the Main Terminal and Airside E.

FedEx is a cargo airline currently operating at the Airport under an AAULA. FedEx currently leases air cargo facilities.

Frontier is a passenger airline currently operating at the Airport under an AAULA. Frontier currently leases fixed space in the Main Terminal and Airside E.

jetBlue is a passenger airline currently operating at the Airport under an AAULA. jetBlue currently leases fixed space in the Main Terminal and Airside A.

Southwest is a passenger airline currently operating at the Airport under an AAULA. Southwest currently leases fixed space in the Main Terminal and Airside C.

Spirit is a passenger airline currently operating at the Airport under an AAULA. Spirit currently leases fixed space in the Main Terminal and Airside A.

United is a passenger airline currently operating at the Airport under an AAULA. United currently leases fixed space in the Main Terminal and Airside A.

UPS is a cargo airline currently operating at the Airport under an AAULA. UPS currently leases air cargo facilities.

This Agreement will be offered to all commercial passenger and cargo air carriers that have a current AAULA, lease space at the Airport, and that are current on their payments at the time of execution of the Agreement.

Under the Agreement, the Authority agrees that it will not exercise its rights under the AAULA to levy on the participating Airlines additional Landing Fees pursuant to the annual settlement following the close of Fiscal Year 2020 or assess participating Airlines Extraordinary Coverage Protection payments for Fiscal Year 2020. Additionally, the Authority agrees that it will not change its current rate setting methodology during the months of October-December 2020.

In return for Authority's promises under the Agreement, Airlines will forego any revenue sharing to which they may have been entitled with regard to sums the Authority received, receives, or may receive in the future under the CARES Act.

Due to the Authority's financial promises under the Agreement, there will be a shortfall in revenues into respective airline cost centers. These shortfalls of revenues will be made up via the use of CARES Act funds and certain Authority unrestricted funds that are not within the Authority's Trust Agreements. This shortfall will not be recaptured from the Airlines.

Due to the Authority maintaining its existing rate setting methodology during the months of October 2020, November 2020, and December 2020, there will be a reduction in revenues into respective airline cost centers which will not be recaptured from the Airlines.

All other terms and conditions of the AAULA will remain the same.

So long as each participating Airline satisfies the requirements of the Agreement, including being current on their financial obligations to the Authority, these Agreements are to be executed by the Chief Executive Officer upon receipt of signature from each Airline.

Due to the timing of the relief being offered and the absence of a July Board meeting, Staff requests that the Board authorize the Chief Executive Officer to execute these Agreements upon receipt of signature from each Airline.

This item will be funded with Authority unrestricted reserves during Fiscal Year 2020, and there will be a reduction in revenue during Fiscal Year 2021.

Management recommended adoption of Resolution No. 2020-152.

Upon motion of Robert Watkins, seconded by General Diehl, execution of Airline Rates and Charges Relief Agreements at Tampa International Airport with participating Airlines by the Chief Executive Officer was unanimously approved by all Board members in a roll call vote; and the Chief Executive Officer or his designee was authorized to execute all other ancillary documents by adoption of Resolution No. 2020-152.

#### Item K7

Concessions Relief Agreements, Tampa International Airport, Resolution No. 2020-153, presented by John Tiliacos.

Concessionaires currently operate Food and Beverage, Retail, Duty Free, Spa Services and Currency Exchange Concessions at Tampa International Airport (Airport) pursuant to separate Lease and Concessions Contracts (Lease). Under their respective Leases, Concessionaires owe certain fixed and variable fees to the Authority each month.

Concessionaires continue to see a significant disruption to business due to the worldwide COVID-19 pandemic. Concessionaires operating at the Airport have experienced severe reductions in revenue,



which have resulted in near-term cash flow challenges. Concessionaires have requested the Authority provide relief from the monthly fixed and variable fees due to Authority under the Lease.

At the May 7, 2020 Authority Board Meeting, eligible Concessionaires executed a 30-day Concessions Rent and Fee Accommodation Agreement.

After conducting industry benchmarking and following further careful analysis and consideration, the Authority determined that a relief agreement for a longer period of time was needed to achieve the goal of maintaining the Airport's financial self-sustainability and assisting Concessionaires in maintaining service at the Airport.

This Concessions Relief Agreement (Agreement) will be offered to all Concessionaires operating Food and Beverage, Retail, Duty Free, Spa Services and Currency Exchange Concessions that have a current Lease and are current on their payments through March 31, 2020. In order to be eligible, each Concessionaire must continue to operate at the Airport.

Under this Agreement, the Authority agrees that it will not exercise its rights under the Lease to bill for either Premises Rent or Minimum Annual Privilege Fees incurred by the Concessionaires for the months of April, May and June 2020. The shortfall in funds shall be made up via the use of certain unrestricted funds held by the Authority outside of its various Trust Agreements, including, without limitation, CARES Act funds (Temporary Concessions Cost Center Relief Funds).

Monthly, beginning May 1, 2021, and continuing through April 2022, the Temporary Concessions Cost Center Relief Funds will be recovered in equal installments through a repayment by each Concessionaire. Concessionaires will continue to pay a Percentage Fee, which will be used to reduce the balance of Temporary Concessions Cost Center Relief Funds applied by the Authority.

Due to the timing of the relief being offered and the absence of a July Board meeting, Staff requests that the Board authorize the Chief Executive Officer to execute these Agreements upon receipt of signature from each Concessionaire.

This item will be funded with Authority restricted reserves during Fiscal Year 2020.

Management recommended adoption of Resolution No. 2020-153.

Upon motion of Robert Watkins, seconded by Commissioner Miller, execution of Concessions Relief Agreements at Tampa International Airport with participating Concessionaires by the Chief Executive Officer was unanimously approved by all Board members in a roll call vote; and the Chief Executive Officer or his designee was authorized to execute all other ancillary documents by adoption of Resolution No. 2020-153.

## Item K8

Rental Car Relief Agreements, Tampa International Airport, Resolution No. 2020-154, presented by John Tiliacos.

Rental Car Concessionaires currently operate at Tampa International Airport (Airport) pursuant to separate Lease and Concessions Contracts (Lease). Under their respective Leases, Rental Car Concessionaires owe certain fixed and variable fees to the Authority each month.

Rental Car Concessionaires continue to see a significant disruption to business due to the worldwide COVID-19 pandemic. Rental Car Concessionaires operating at the Airport have experienced severe reductions in revenue, which have resulted in near-term cash flow challenges. Rental Car Concessionaires have requested the Authority provide relief from the monthly fixed and variable fees due to Authority under the Lease.

At the May 7, 2020 Authority Board Meeting, eligible Rental Car Concessionaires executed a 30-day Rental Car Rent and Fee Accommodation Agreement.

After conducting industry benchmarking and following further careful analysis and consideration, the Authority determined that a relief agreement for a longer period of time was needed to achieve the goal of maintaining the Airport's financial self-sustainability and assisting Rental Car Concessionaires in maintaining service at the Airport.

This Rental Car Relief Agreement (Agreement) will be offered to all Rental Car Concessionaires that have a current Lease and that are current on their payments through March 31, 2020. In order to be eligible, each Rental Car Concessionaire must continue to operate at the Airport.

Under this Agreement, the Authority agrees that it will not exercise its rights under the Lease to bill for Ground Rent or Minimum Annual Privilege Fees incurred by the Rental Car Concessionaires for the months of April, May, and June 2020. The shortfall in funds will be made up via the use of certain unrestricted funds held by the Authority outside of its various Trust Agreements, including, without limitation, CARES Act funds (Temporary RAC Relief Funds).

Monthly, beginning May 1, 2021, and continuing through April 2022, the Temporary RAC Relief Funds transferred will be recovered in equal installments through a repayment by each Rental Car Concessionaire. Rental Car Concessionaires will continue to pay a Percentage Fee, which will be used to reduce the balance of Temporary RAC Relief Funds applied by the Authority.

Due to the timing of the relief being offered and the absence of a July Board meeting, Staff requests that the Board authorize the Chief Executive Officer to execute these Agreements upon receipt of signature from each Concessionaire.

This item will be funded with Authority unrestricted reserves during Fiscal Year 2020.

Management recommended adoption of Resolution No. 2020-154.

Upon motion of Robert Watkins, seconded by General Diehl, execution of Rental Car Relief Agreements at Tampa International Airport with participating Rental Car Concessionaires by the Chief Executive Officer was unanimously approved by Board members in a roll call vote; and the Chief Executive Officer or his designee was authorized to execute all other ancillary documents by adoption of Resolution No. 2020-154.

This item concluded New Business and Chairman Harrod proceeded to Staff Reports.

Al Illustrato began his Staff Report by thanking the essential team members that keep the Airport in operation.

Hensel Phelps is doing a good job on the interior and exterior of the SkyCenter development. There has been a lot of work on the new atrium. JE Dunn, who works on behalf of developer VanTrust Real Estate, is continuing with the steel framing. There is work being done on the bridge foundation and Cone & Graham is continuing with the roadway widening work. The Authority will soon be getting 100% design and the estimate for the red side curbs. The loading dock and long term garage offices are being reviewed for a guaranteed maximum price contract and will be brought for the Board's consideration to the August or September Board Meeting. Construction of the existing curbside ceilings will start immediately.

The current budget remains at a little over \$374.4 million for committed costs and a little over \$151.8 million in costs to date.

This concluded the Staff Report.

Before adjourning the meeting, Mr. Stephens requested an Attorney-Client Closed Session be held at the August 6, 2020 Board Meeting to discuss pending litigation and to seek the Board's direction in terms of settlement and strategy.

Chairman Harrod reminded everyone that there will be no Board meeting in July and the next Board meeting will take place on August 6, 2020. With no further business to be brought before the Board Chairman Harrod adjourned the meeting.

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Gary W. Harrod, Chairman

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Jane Castor, Secretary



**APPOINTED OFFICERS (continued)**

- A copy of the form must be provided immediately to the other members of the agency.
- The form must be read publicly at the next meeting after the form is filed.

IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION AT THE MEETING:

- You must disclose orally the nature of your conflict in the measure before participating.
- You must complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who must incorporate the form in the minutes. A copy of the form must be provided immediately to the other members of the agency, and the form must be read publicly at the next meeting after the form is filed.

**DISCLOSURE OF LOCAL OFFICER'S INTEREST**

I, ARTHUR F. DIEHL, III, hereby disclose that on JUNE 4, 20 20 :

(a) A measure came or will come before my agency which (check one or more)

- inured to my special private gain or loss;
- inured to the special gain or loss of my business associate, \_\_\_\_\_ ;
- inured to the special gain or loss of my relative, \_\_\_\_\_ ;
- inured to the special gain or loss of Truist \_\_\_\_\_, by whom I am retained; or
- inured to the special gain or loss of \_\_\_\_\_, which is the parent subsidiary, or sibling organization or subsidiary of a principal which has retained me.

(b) The measure before my agency and the nature of my conflicting interest in the measure is as follows:

I abstain from voting on the attached Amendment One to Revolving Credit Facility, Truist and STI Institutional & Government, Inc., Tampa International Airport, Resolution No. 2020-149 because I am a member of the Community Advisory Board for Truist.

If disclosure of specific information would violate confidentiality or privilege pursuant to law or rules governing attorneys, a public officer, who is also an attorney, may comply with the disclosure requirements of this section by disclosing the nature of the interest in such a way as to provide the public with notice of the conflict.

JUNE 4, 2020

Date Filed



Signature

NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED \$10,000.



June 1, 2020

**VIA ELECTRONIC MAIL**

Mr. Gary W. Harrod  
Chairman  
Harrod Properties, Inc.  
5550 W. Executive Drive  
Suite 550  
Tampa, FL 33609

Mr. Robert I. Watkins  
Vice Chairman  
Robert Watkins & Company  
610 S. Boulevard  
Suite 100  
Tampa, FL 33606

Brig. General Chip Diehl  
Treasurer  
4100 George J. Bean Parkway  
Tampa, FL 33607

Mayor Jane Castor  
Secretary  
306 E. Jackson St.  
Tampa, FL 33602

Commissioner Lesley "Les" Miller, Jr.  
Assistant Secretary/Assistant Treasurer  
601 E. Kennedy  
Tampa, FL 33602

Mr. Joseph Lopano  
Chief Executive Officer  
Hillsborough County Aviation  
Authority  
P.O. Box 22287  
Tampa, FL 33622-2287

***Re: Rent and MAG Abatement Under Lease and Concession Contracts***

Dear Hillsborough County Aviation Authority:

We write this letter on behalf of the undersigned rent-a-car companies ("RACs") that serve Tampa International Airport ("Airport"). We appreciate the Airport's commitment to work with the RACs in light of the continued unprecedented impact from the COVID-19 pandemic. As you know, certain rent and MAG deferral has previously been offered by the Airport. However, the extent of the severe financial impact has only grown, and it is necessary that we further illustrate our need for true financial assistance during this crisis.

We have been partners with the Airport, County and City for decades and have contributed significantly to the Airport in terms of job creation, economic impact, and support on major capital improvements. Indeed, in 2019 alone we collectively made rental payments, fees and revenue guarantees in an amount totaling approximately \$35 million (exclusive of customer facility

Hillsborough County Aviation Authority  
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charges). In addition, in 2019 the industry employed directly and indirectly hundreds of local jobs not to mention thousands more upstream jobs with auto manufacturers, dealers, suppliers, repair shops, etc. Some of these jobs are created by the approximately \$5 million the RACs pay each year for the RACs' and Airport's O&M providers at the consolidated rental car facility and customer service building. Over the last decade we have supported capital improvement projects totaling hundreds of millions of dollars at the Airport which in turn created several hundred more construction and permanent jobs.

As you can very well appreciate, the COVID-19 pandemic as well as the associated orders from the federal, state, and local governments alike have devastated the entire airport community. Moreover, the travel industry which supports the airport ecosystem was the first to feel the economic harm that has resulted from this crisis. This is particularly true for RACs which are required to submit base rental/facility rental payments as well as Minimum Annual Guarantee ("MAG") rental payments. These payments are predicated on and related to stable, predictable, and healthy airline passenger volumes. Passenger volumes at the Airport and across the country are down significantly – over 90% since the end of March and continuing through May 2020. Likewise, car rental activity at the Airport yesterday was down more than 90% compared to the same day last year.

Unfortunately, there is still no sign that this situation will turn around in the foreseeable future. As a result, we need the Airport's immediate assistance in providing much needed financial relief – specifically six (6) months of MAG and base rent abatement from April 2020 – September 2020. While the federal government has implemented relief packages for several industries impacted by this pandemic, including airlines and airports, the RACs have not specifically been addressed in any legislation enacted to date. Fortunately, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) does provide relief to the Airport and we are further encouraged by guidance issued by the Federal Aviation Administration ("FAA") updated April 2020 ("Guidance") which clearly establishes a path forward for the Airport to provide RACs certain rental relief.

Starting with the Guidance, the FAA makes clear that rent relief is a viable option for an airport to utilize to help stabilize this situation for its tenants. In evaluating such rental relief, the FAA encourages airports to "*consider the business situation of the tenant; the changed circumstances created by the public health emergency; the desirability of having solvent tenants that can resume normal operations when the emergency ends; the availability of other governmental or insurance relief that such entities have or may receive; an appropriate term for such relief; and possible subsequent conditions that, if triggered, would end the abatement.*"

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Each of these factors is evident at the Airport:

1. The RACs depend on certain levels of rental activity at the Airport in order to support their MAG and rent obligations.
2. As a result of the COVID-19 pandemic, those rental levels at the Airport and nationwide are at unprecedented lows and are expected to continue as such for an extended period of time. To make MAG and rent payments during this timeframe is impractical.
3. The RACs make significant financial contributions to the Airport each year and undoubtedly the Airport desires to see the RACs emerge from this crisis on stable financial ground.
4. RACs have not received any governmental relief or otherwise (unlike airlines and airports specifically in the CARES Act).
5. When customer levels resume after the end of the pandemic, the abatement can end.

The Guidance goes further and specifically contemplates MAG and fixed rent abatement for airport tenants – such as the RACs. Car rental concessionaires are among the largest financial contributors to airport landside revenues. The industry's participation in the Airport's portion of the \$10 billion CARES Act relief is critical, fair, and consistent with the Act's goals. Several airport authorities have recognized the impracticability of performance and offered RACs relief from base rent/facility payments and/or MAG payments. These jurisdictions include, but are not limited to:

MCO – 3-Month MAG Abatement;

LAS – 3-Month MAG Abatement;

ATL – 4-Month MAG Abatement;

MIA – 6-Month MAG Abatement (three months with three-month extension option);

DFW – 7-Month MAG Abatement;

DEN – 9 Month MAG Abatement;

BWI – 9-Month MAG Abatement; and

IAH – 9-Month MAG Abatement.



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Likewise, just last week Chicago approved an ordinance authorizing up to three (3) years of rental relief in conjunction with the CARES Act grant funds at ORD and MDW – including rent abatement. This was all accomplished after the Chicago airports engaged in discussions with the RACs on a similar level and gained a firm understanding of the CARES Act goals and funding commitments. Similarly, Orlando just granted the industry three months of MAG abatement after similar discussions regarding the need for relief. We are optimistic the same can happen here.

The negative impact on RAC business at the Airport and the ancillary businesses that support the RAC operations is similar to the effects at the airport authorities listed above. As a result, we respectfully request the Airport abate MAG payments and facility/base rents at the Airport for six months beginning with April 2020. We will continue to pay our respective percentage rents and collect applicable Customer Facility Charges. We understand that this rental relief may require Board authorization. To that end, we are available to assist in gaining such approval as soon as practical.

Please note deferral is not a viable option that provides any true economic relief. With passenger levels at such historic lows, providing rent deferral merely delays the severe economic consequences felt by the RAC industry.

Further, the Guidance recognizes that some airports may have a residual use agreement (or a hybrid use agreement with a residual component such as the Airport). Specifically, the guidance provides that such a use agreement does not prohibit rent abatement:

*“As noted above, where sponsors have residual lease arrangements with aeronautical users, the reduction of rent for certain non-aeronautical entities may shift costs to the aeronautical users such as airlines. Achieving the appropriate balance between these users is a local responsibility that should be managed in consultation with all affected parties. **If rent abatement to non-aeronautical users results in an increase to aeronautical rates, that is not necessarily an impediment from a grant assurance perspective**, but the aeronautical rates must remain reasonable. For any actions that reallocate costs, FAA encourages sponsors to carefully balance and consider the equities between all airport users. Additionally, the sponsor is encouraged to consult with all affected parties before making its decision and reach a consensus where possible.”*  
*(Emphasis added).*

As previously discussed, the federal government announced approximately \$10 billion in grants for airports under the CARES Act. The Airport is programmed to receive over \$81 million in

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CARES grant funds. Therefore, if we were to receive MAG abatement for April 2020 – September 2020 the Airport would still have the majority of its CARES Act grant funds available for its use.

On April 17, 2020, the FAA published updated FAQs related to the use of the CARES Act grant funds. Specifically, the following was published as it relates to the use:

*Q9: How can an airport sponsor use CARES grant funds?*

*A: **An airport owner/sponsor may use these funds for any purpose for which airport revenues may be lawfully used.** CARES grant recipients should follow the FAA's Policy and Procedures Concerning the Use of Airport Revenues ("Revenue Use Policy"), 64 Federal Register 7696 (64 FR 7696), as amended by 78 Federal Register 55330 (78 FR 55330). The Revenue Use Policy document defines permitted and prohibited uses of airport revenue. In addition to the detailed guidance in the Revenue Use Policy, the CARES Act makes clear that the funds may not be used for any purpose not related to the airport. (**Emphasis added**).*

As it relates to those expenses, the following was asked and answered:

*Q-GA6: How will an airport sponsor submit payment requests for CARES Act Airport Grants?*

*A: The FAA will use the existing U.S. Department of Transportation Delphi eInvoicing system for payment requests. Airport sponsors will continue the current practice of submitting underlying payment request documentation. **Examples of documentation include payroll receipts, janitorial contract invoices, and debt service payments.** The FAA will review invoices manually to ensure adequate oversight, but it will process payments quickly.*

Based on the foregoing, the Airport may utilize the CARES Act grant funds to pay expenses (both operating expenses and debt service) that the RACs' rental payments and MAG would have otherwise covered. What's more, by utilizing the CARES Act grant funds to pay for airport expenses that the MAG would have otherwise paid for, there will be no impact to aeronautical rates under the residual use agreement and the airport will still have CARES Act grant funds to utilize for other eligible expenses. Accordingly, because the Airport can use the CARES grant funds for any purpose for which airport revenues may be lawfully used pursuant to the FAA's Revenue Use Policy, the Airport will not incur any loss as a result of this rental relief.

After the conclusion of this six-month rental relief period, we can collectively assess our operations and evaluate the need for further relief. Moreover, if Congress takes any steps to enhance the

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CARES Act funding, the RAC industry will advocate for additional funding to the nation's airports to continue to backstop rent and MAG abatements.

We very much appreciate our partnership over the years. We are optimistic that with these rental relief initiatives at the Airport, the RACs will be able to preserve rental car service at the Airport in the short-term and be ready to emerge stronger than ever when our mutual customers return to the Airport.

Thank you in advance for your support and we respectfully request a response to this critically important request as soon as practical.

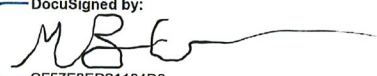
Sincerely,

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David Stark

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Counsel & Regional Director -  
Properties - East Coast

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Shaun Willis

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