

Hillsborough County Aviation Authority
Regular Board Meeting

Thursday, 9:00 a.m.
March 2, 2017

A Regular Board Meeting of the Hillsborough County Aviation Authority was convened in the Boardroom, Main Terminal Building, Level 3 at Tampa International Airport, Tampa, Florida, on Thursday, March 2, 2017.

Members present were: Robert I. Watkins, Gary Harrod, Commissioner Victor Crist and General Chip Diel.

Aviation Authority staff members present were Chief Executive Officer Joseph W. Lopano, General Counsel Michael Stephens, Al Illustrato, Damian Brooke, Chris Minner, John Tiliacos, Janet Zink, Scott Knight, Michael Kamprath, Jeff Siddle, Ed Haines, Elita McMillon, Ann Davis, Beth Zurenko, Violet Cummins, Laurie Noyes, Chief Paul Sireci, Police Officer Jack Schafer, Lloyd Tillmann, Laura Tatem, Teresa Howell, Dominic Macrone, Rob Porter, Marcus Session, Adam Bouchard, Randy Forister, Kari Goetz, Tom Thalheimer, Mitch Thrower, Danny Cooper, Rebecca Waterman, Brett Fay and Kenneth Strickland.

Chairman Watkins welcomed everyone to the Regular Board Meeting of March 2, 2017 and advised that Mayor Buckhorn would not be in attendance. Chairman Watkins advised the audience that anyone wishing to comment on propositions brought before the Board should see Violet Cummins, Board Services Administrator, for a form. He then asked everyone to stand for the Pledge of Allegiance.

Chairman Watkins advised the audience that all members had received a copy of the Agenda prior to the meeting and had a chance to review it in advance. Before proceeding he informed the audience that Mr. Lopano had something to share with the Board.

Mr. Lopano reminded the Board that at the February Board Meeting General Counsel Stephens had advised of the possibility of holding an Attorney-Client Closed Session at the March meeting. Mr. Lopano informed the Board that there would be no need to hold that Closed Session.

Chairman Watkins then called for a motion to approve the Agenda for the Meeting.

Upon motion by Gary Harrod, seconded by General Diehl, the Agenda was unanimously approved by all members present.

Chairman Watkins proceeded to the Public Comments section of the meeting and called Chad Durrance to the podium.

Mr. Chad Durrance introduced himself. Mr. Durrance lives south of the Airport, between Bay and Westshore on San Jose Street. By trade, Mr. Durrance values real estate. He discussed property rights, values and the right to enjoy one's property. He asked the Board to set some type of reasonable limitations on the flight patterns as it affects the residential properties between Westshore and Bay.

This concluded the Public Comments and Chairman Watkins then asked General Counsel Stephens if there were any abstentions that needed to be read into the record. General Counsel Stephens reported no abstentions to be read from the February 2, 2017 Board Meeting and he did not anticipate any from this Meeting.

Chairman Watkins then called for a motion to approve the Minutes of the Regular Authority Board Meeting of February 2, 2017.

Upon motion of Garry Harrod, seconded by Commissioner Crist, the Minutes of the Regular Authority Board Meeting of February 2, 2017 were unanimously approved by all members present.

Chairman Watkins then called upon Mr. Lopano to present his Management Report.

Mr. Lopano asked Damian Brooke, Vice President of Finance, to start the Management Report with the presentation of the National Institute of Government Purchasing Pareto Award.

Mr. Brooke recognized the Authority's Procurement Team for becoming a model procurement organization. On January 16, 2017, the Authority's Procurement Department was awarded the Pareto Award by the National Institute of Government Purchasing. This award is currently held by only three public procurement agencies in North America. The Pareto Award represents the highest honor available to any public procurement organization. There were four separate procurement organizations in 2011 when Mr. Lopano joined the Authority. One of the first changes Mr. Lopano made was to centralize the entire Procurement function into one department under a Director of Procurement, Mr. Edward Haines. Under Mr. Haines' leadership, over the past six years the Department has transformed itself with new staff, new procedures, and an unending commitment to procurement transparency and excellence. Mr. Brooke then recognized the 19 members of the Procurement team.

Michael Stephens, General Counsel, announced that he is this year's Chairperson of the Tampa International Airport Annual Giving Campaign in conjunction with the United Way Suncoast. Mr. Stephens stated that over the past few years through the generosity of our employees, our

airline partners, our concessionaires and our community, the Authority has been able to do amazing things as an organization for some worthy causes and organizations within our community. This year will be the 5th year of the Annual Run on the Runway Event which will be held on April 22nd at 8:00 a.m. Mr. Stephens thanked the Board for their support, as well as the support of Mr. Lopano and the Authority's entire Leadership Team and the partners at Tampa International Airport. He invited everyone to join in this great cause.

Chris Minner, Vice President of Marketing, recognized the team that produced the 2016 Year in Review and each Board Member was provided a copy. Mr. Minner then proceeded with the January Performance Assessment Report. During the month of January more than 1.5 million passengers were served. That number is up 1.7% versus last year due primarily to the College Football National Championship. Internationally, 74,000 passengers were served, which is up 1.4% from last year. The Authority also celebrated the inaugural nonstop flights to San Francisco on United Airlines.

Mr. Minner also reported that Joe Lopano was awarded Joe the Person of Vision Award by Preserve Vision Florida. It was a wonderful evening to reflect on the achievements of Mr. Lopano during his time here in Tampa Bay.

Mr. Lopano called upon Adam Bouchard, Noise Monitoring Officer, to deliver his monthly noise report. The Airport in February handled just over 13,500 jet landings and departures of which 166 deviated from the Airport's voluntary Noise Abatement Program, leaving the Authority with compliance of nearly 99%. Looking specifically at jet landings on Runway 1R for the month of February over the past 10 years, the number of deviations for this past February is a sharp reduction from the previous two years.

Mr. Bouchard provided the Board with an update regarding the letter sent to FAA Administrator, Michael Huerta, and our Congressional Delegation regarding the request that the FAA enhance Air Traffic Controller engagement and dialogue with pilots when pilot's request to deviate from the Airport's Preferential Runway Use Program. The Authority did receive a response on February 21st where the FAA's Vice President of Air Traffic Services, Mr. Glenn Martin, advised that the FAA does not intend to alter or change their existing process by which pilots are notified of the Airport's Preferential Runway Use Program

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 Watkins then called for a motion to approve the items in the Consent Agenda.

Upon motion of Gary Harrod, seconded by General Diehl, the Consent Agenda was unanimously approved by all members present.

The following items were contained in the Consent Agenda.

CONSENT ITEM G1

Amendment No. 5 to Lease Agreement for Operation of Automatic Teller Machines Landside and Airside Buildings, SunTrust Bank, Tampa International Airport, Resolution No. 2017-20.

On January 10, 2002, the Board approved a Lease Agreement for Operation of Automatic Teller Machines Landside and Airside Buildings (Agreement) with SunTrust Bank (SunTrust) to install, operate and maintain Automatic Teller Machines (ATMs) at Tampa International Airport. The initial term of the Agreement was for 2 ½ years, expiring on June 30, 2004.

To remain concurrent with Marriott Hotel Services (Marriott) sublease for a SunTrust branch bank, the Board has previously approved three Amendments to extend the term of the Agreement through June 30, 2017. Marriott recently entered into a new sublease with SunTrust securing the branch bank services for an additional five-year term expiring on June 30, 2022.

This Amendment No. 5 extends the term of the Agreement to June 30, 2022, coinciding with Marriott's recently extended sublease with SunTrust.

This Amendment No. 5 also provides for an increase in the Minimum Annual Privilege Fee paid by SunTrust from \$305,844 to \$330,000 effective July 1, 2017 with a 3% annual escalator thereafter, for a total of \$1,752,015 over the remaining term of the Agreement; increases the transaction fee charged by SunTrust to its customers for use of the ATMs from \$2.95 to \$3.25; revises the requirements of the Monthly Transaction Report; revises the End of Term Transition requirement; and adds other required administrative provisions.

Management recommended adoption of Resolution No. 2017-20.

Resolution No. 2017-20 approved and authorized execution of Amendment No. 5 to Lease Agreement for Operation of Automatic Teller Machines Landside and Airside Buildings at Tampa International Airport with SunTrust Bank; and authorized the Chief Executive Officer or his designee to execute all other ancillary documents.

CONSENT ITEM G2

Authorization for Expenditure of Federal Forfeiture Funds, Tampa International Airport.

Under provisions of the U.S. Department of Treasury Guide to Equitable Sharing for Foreign Countries and Federal, State and Local Law Enforcement Agencies (Guide), Federal forfeiture funds shared with local law enforcement agencies must be expended for law enforcement purposes.

Authority Standard Procedure S440.14 requires expenditures from Federal forfeiture funds to be made only after approval from Legal Affairs and the Authority Board. Legal Affairs has reviewed this request and agrees with the expenditures.

Authorize the expenditure of Federal forfeiture funds to be used by the Tampa International Airport Police Department in an amount not-to-exceed \$72,041.01 for the purchase of a mobile radio, explosive detection interdiction canine and explosive detection interdiction canine handler course.

This item is included in the Federal Forfeiture Funds Budget.

The Chief Executive Officer recommended the Board authorize the expenditure of Federal forfeiture funds 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.

CONSENT ITEM G3

Ground Services Equipment Facilities Space Rental Agreement, Global Aviation Services, GAS, LLC, Tampa International Airport, Resolution No. 2017-17.

Commencing April 1, 2017, Global Aviation Services, GAS, LLC (GAS) desires to lease space in Suite 2200 of the Authority’s Ground Service Equipment (GSE) Building under a Ground Services Equipment Facilities Space Rental Agreement (Agreement). GAS will provide GSE maintenance support to its Tampa International Airport customers, Sky Chefs and WGA NavStar.

GAS desires to lease 5,120 square feet of warehouse space for a term of April 1, 2017 through September 30, 2018, with one two-year renewal option upon GAS’s request and the consent of the Authority’s Chief Executive Officer or designee. Either party may terminate the Agreement upon 180 days’ notice. The Agreement requires GAS to pay GSE Building Rent, Customized Improvements Rent, and O&M Rent. Payment of the Customized Improvements Rent will continue beyond the termination of the Agreement until a replacement tenant is secured or the balance of Customized Improvements Rent is paid in full, whichever occurs first. GAS must provide payment security in the amount of \$15,585.09, equal to three months’ rent.

FY2017 Rents	Rate	Annual Rent	Monthly Rent
GSE Building Rent	\$9.15	\$46,848.00	\$3,904.00
Customized Improvements Rent	Lump Sum	\$8,989.92	\$749.16
O&M Rent - Phased Increase	\$1.27	\$6,502.40	\$541.87
Total, Plus Applicable Taxes:		\$62,340.32	\$5,195.03

Management recommended adoption of Resolution No. 2017-17.

Resolution No. 2017-17 approved and authorized the execution of the Ground Services Equipment Facilities Space Rental Agreement 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.

CONSENT ITEM G4

Operating Agreement for Ground Handlers, Global Aviation Services, GAS, LLC, Tampa International Airport, Resolution No. 2017-19.

Ground service equipment maintenance providers at Tampa International Airport (Airport) must have, at a minimum, a ground handling operating agreement prior to commencing operations.

Global Aviation Services, GAS, LLC (GAS) desires to perform preventative maintenance and repair on ground service equipment for its customers at the Airport for a term commencing April 1, 2017 through September 30, 2020. Initially, this service will be provided to WGA NavStar and Sky Chefs. For the privilege of providing services to signatory air carriers at the Airport, no privilege fee will be remitted, per the Authority's signatory airline agreement. For the privilege of providing services to WGA NavStar, Sky Chefs and any non-signatory air carriers and non-airline customers at the Airport, GAS will pay to the Authority five percent of gross receipts, payable in equal monthly installments. Gross receipts include the gross revenues from all sales made and services performed for cash, credit or otherwise, pursuant to GAS's limited ground handling operations at the Airport. Gross receipts exclude the retail value of fuel and oil and the related fuel service fee, gross revenues that GAS receives for all services provided to signatory air carriers, certain catering sales, and ferrying and diverted landings. Either party may terminate the Agreement upon 30 days' written notice.

Management recommended adoption of Resolution No. 2017-19.

Resolution No. 2017-19 approved and authorized execution of the 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.

CONSENT ITEM G5

Renewal of Property Insurance for Coverage of Tampa International, Peter O. Knight, Plant City and Tampa Executive Airports.

The Authority's property insurance program is currently with Lexington Insurance Company (property) and Lloyds of London (terrorism), which are both A rated insurance carriers by AM Best. This insurance covers approximately \$2.15 billion in insured values at Tampa International Airport

and the Authority's three general aviation airports. The Authority's current property insurance policies will expire April 1, 2017. Arthur J. Gallagher Risk Management Services (Gallagher), the Authority's property insurance broker, marketed the Authority's property coverage to 13 available carriers and recommended the incumbent carriers to participate in the property insurance program.

Gallagher recommends property insurance renewal containing the same coverage as the expiring policies of \$1 billion all other perils, \$75 million wind, \$75 million flood and \$100 million of terrorism provided by the two incumbent carriers: Lexington Insurance Company and Lloyds of London. Wind coverage is subject to a 5% deductible with a \$250,000 per occurrence minimum deductible. The cost of the renewal premium is \$1,884,640, which is a decrease of 4.36% from last year due to a 5% rate reduction by Lexington Insurance Company. It is anticipated that completed Master Plan projects will result in an increase in the Authority's insured value by approximately \$554,696,251 and a premium payment during the policy term not to exceed \$260,597.

Staff and the Authority's insurance consultant, Siver Insurance Consultants, have reviewed the proposed property insurance program and recommend the Authority accept Gallagher's property insurance renewal at a total cost of \$1,884,640.

This item is included in the FY2017 O&M Budget.

The Chief Executive Officer recommended the Board authorize Gallagher to bind the property insurance coverage listed above for the 12-month policy period beginning April 1, 2017, at a total cost of \$1,884,640, and authorized the payment of additional property premiums, taxes, fees and/or assessments invoiced throughout the policy period for newly acquired, revalued, or new property added to the policy after renewal in an amount not to exceed \$260,597.

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

This concluded the Consent Agenda. As there were no Policies and Rules for Consideration or Action, Chairman Watkins proceeded to Committee Reports.

General Diehl reported that the Audit Committee met on February 6, 2017, with all members in attendance. The Committee heard presentations from the Director of Internal Audit regarding the Annual Internal Audit Report and Fiscal Year 2017 audit plan and from the Authority's external auditors, RSM US, regarding the Fiscal Year 2016 external financial audit. Committee Members asked questions of the Director of Internal Audit and the external auditors.

This concluded the Committee Reports. With no Unfinished Business, Chairman Watkins proceeded to New Business.

This first item on New Business was the Selection of Design-Builder, Reclaim Long Term Parking Garage Levels 1 and 2, HCAA Project No. 6505 17, Tampa International Airport, presented by Jeff Siddle.

As part of the Authority's Master Plan Phase 1 program, a Consolidated Rental Car Facility and Automated People Mover are being constructed. The existing rental car operations are located on Levels 1 and 2 of the Long Term Parking Garage (LTPG). This Project will provide for the design and construction to convert Levels 1 and 2 of the LTPG to public parking. Currently the LTPG has approximately 6,800 parking spaces. This Project will add approximately 2,200 additional parking spaces.

This project includes the following scope of work:

- Convert Levels 1 and 2 of the LTPG from their current use as rental car operations to public parking.
- Environmental remediation and closure of the existing petroleum system within the LTPG.
- New signage for all Levels of the LTPG.
- Modifications to the parking guidance and Level count system.
- Renovation of vacated rental car office facilities.
- Structural rehabilitation of Levels 1 and 2.
- Functional improvements as needed to accommodate public parking.
- Other ancillary work necessary for the conversion.

On November 16, 2016, a request for qualifications titled Reclaim Long Term Parking Garage Levels 1 and 2 at Tampa International Airport was issued.

Seven responses were received and evaluated by staff. The order of technical ranking is:

1. Creative Contractors, Inc.
2. Manhattan Construction (Florida), Inc.
3. Charles Perry Partners, Inc.*
3. HCBeck, Ltd. d/b/a The Beck Group*
5. R.R. Simmons Construction Corporation
6. The A.D. Morgan Corporation
7. DPR Construction, A General Partnership

*Tied for third

A W/MBE goal of at least 9% of the dollar amount earned on the contract for the design phase of the Project was prescribed. A W/MBE goal of at least 17% of the dollar amount earned on the contract for construction was prescribed. The percentages proposed by all respondents for the amount earned on design will meet or exceed the W/MBE goal requirements and will be incorporated

into the resulting contract. All respondents assured that they will meet the W/MBE 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 Mr. Harrod, seconded by General Diehl, the recommended ranking was unanimously approved by all members present; and the Board ranked the firms in order of preference and authorized staff to negotiate a contract with the number 1 ranked firm. No resolution was required.

The second and final item under New Business was Lease and Concession Contract for Security Bin Advertising Program, SecurityPoint Media, LLC, Tampa International Airport, Resolution No. 2017-18, presented by Laurie Noyes.

On April 5, 2012, the Board approved and authorized execution of a Concession Lease Agreement for Security Bin Advertising Program (Agreement) with SecurityPoint Media, LLC. The initial term of the Agreement was April 5, 2012 through March 31, 2015, with two, one-year renewal options at the sole discretion of the Authority's Board. The two, one year renewal options were exercised, revising the end date of the Agreement to March 31, 2017. SecurityPoint Media, LLC provides enhancements to the TSA security checkpoint queuing process with passenger divestiture equipment at no cost to TSA which includes security checkpoint bins, security checkpoint bin carts and any other furnishings as specified by the TSA.

The Agreement provides SecurityPoint Media, LLC the opportunity to sell Authority-approved advertising within the security bins as well as provide the security bins and bin housing equipment. SecurityPoint Media, LLC currently pays the Authority 15% of its annual gross receipts earned through the Security Bin Advertising Program.

SecurityPoint Media, LLC was the only respondent to the solicitation resulting in the previous Agreement and remains the only known supplier for these services in the industry. On October 28, 2016, a Notice of Intent to Sole Source with SecurityPoint Media, LLC to provide a Security Bin Advertising Program at Tampa International Airport was publicly advertised. 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 item authorizes execution of the Lease and Concession Contract for Security Bin Advertising Program with SecurityPoint Media, LLC for the period of April 1, 2017 through March 31,

2020, with two, one-year renewal options at the sole discretion of the Chief Executive Officer or designee. The Authority may cancel the Lease and Concession Contract with 30 days advance written notice.

Under the terms of the Lease and Concession Contract, SecurityPoint Media, LLC will pay the Authority 20% of its annual gross receipts earned through the Security Bin Advertising Program, a 5% increase over the previous contract.

There is no ACDBE expectancy for this Lease and Concession Contract.

Management recommended adoption of Resolution No. 2017-18.

Upon motion of Gary Harrod, seconded by General Diehl, the execution of the Lease and Concession Contract for Security Bin Advertising Program at Tampa International Airport with SecurityPoint Media, LLC was unanimously approved by all members present; and the Chief Executive Officer or his designee were authorized to execute all other ancillary documents by adoption of Resolution No. 2017-18.

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

Al Illustrato began the Staff Reports with an update on the Master Plan. He reported that the main focus continues to be in the station areas. It is similar to a small terminal building and the stations contain elevator components and all of the steel and glass structure is nearing completion.

Operations Alpha and Blue are coming to completion. There will be some upcoming short closures in the middle of the night.

At the rental car area some of the interior finishes are nearing completion. Work is taking place at the quick turnaround where the cars get washed and fueled as well as the installation of gas pumps. The main central energy plant is nearing completion which will provide air-conditioning for the facility. There will be 16 brands of rental cars and the last service center site is being prepared for them in the upcoming months. There is a lot of work going on in the rental car center. There is work on the interiors, customer service lobby, central energy plant and the exit helix.

For MTAC, there is refurbishing of some very challenging areas in the middle of the building. There is continued work on the West Side expansion and in the Southwest area with the pushing out the shuttle areas as well as work on the escalators. Gantry cranes are needed to lift the escalator components the required three stories.

Mr. Illustrato concluded his report with the budget slide. There is a bit more in unallocated contingency with Owner Direct Purchase and there will also be some tax savings. There is nearly \$22 million in unallocated contingency for items that may come up in the future of this Program.

Commissioner Crist had questions regarding the process of connecting a new structure to the existing structure. He stated that no matter how hard an architect or an engineering firm try to do an exact drawing that there will always pieces that are overlooked. Commissioner Crist went on to add that the word boondoggle was recently used incorrectly in an article regarding the Master Plan Program. Mr. Illustrato described the process of pre-stressed beams having camber in them. These beams are placed and then a concrete deck gets poured on top of it. Then the remainder of the steel, glass and rood structure get added. Once this has been done the beams will start to straighten out. Engineers calculate the amount of camber and the amount that is supposed to settle. When the station started to get loaded the station did not push the camber out of those beams enough to make it 100% level so there are areas that may have between $\frac{1}{4}$ and $\frac{1}{2}$ inch that needs be taken off of the deck. Commissioner Crist concluded that this is something pretty normal and to have a job of this size to come in $\frac{1}{8}$ of an inch is almost an expectation.

This concluded Mr. Illustrato's report.

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

With no other business to be brought before the Board, the Regular Board meeting adjourned at 10:11 a.m.

Robert I. Watkins, Chairman

Victor D. Crist, Secretary