

Hillsborough County Aviation Authority
Regular Board Meeting

Thursday, 9:00 a.m.
November 1, 2018

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, November 1, 2018.

Members present were: Robert I. Watkins, General Chip Diehl, Commissioner Crist, and Mayor Bob Buckhorn (*arrived at 9:37 a.m.*). Gary Harrod was not in attendance.

Aviation Authority staff members present were Chief Executive Officer Joseph W. Lopano General Counsel Michael Stephens, Al Illustrato, Damian Brooke, John Tiliacos, Chris Minner, Janet Scherberger, Michael Kamprath, Scott Knight, Jeff Siddle, Elita McMillon, Ann Davis, Beth Zurenko, Violet Cummins, Chief Charlie Vazquez, Police Officer Brisenden, Laura Tatem, Teresa Howell, Adam Bouchard, James Tarro, Brett Fay, Ed Haines, Dominic Macrone, Gina Evans, Dan Johnson, Randy Forister, Paul Ridgeway, Laurie Noyes, Marcus Session, Tom Thalheimer, Thomas Johnson, Lloyd Tillmann, Kenneth Strickland, Amy Flack, Joann Wieckowicz, Danny Glennon, Danny Cooper, Rob Porter, and Stephanie Douglas.

Chairman Watkins welcomed everyone to the Regular Board Meeting of November 1, 2018. Chairman Watkins advised the audience that Gary Harrod would not be in attendance. Additionally, the Mayor was attending a City matter and likely would not likely be in attendance. He then asked everyone to stand for the Pledge of Allegiance.

Chairman Watkins then called the Meeting to order and informed the audience that if anyone wished to comment on propositions brought before the Board they should see Violet Cummins, Board Services Administrator, for a form.

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

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

There were no Public Comments.

Chairman Watkins then asked General Counsel Stephens if there were any abstentions from the October 4, 2018 Board Meeting that needed to be read into the record. General Counsel Stephens reported Chairman Watkins abstained from voting on the Selection of Firm for the Award of Contract

for State Legislative Consulting Services at the October 4, 2018 Board Meeting. General Counsel Stephens did not anticipate any abstentions at this meeting.

Chairman Watkins then called for a motion to approve the Minutes of the Regular Board Meeting of October 4, 2018. Upon motion of General Diehl, seconded by Commissioner Crist, the Minutes of the Regular Board Meeting of October 4, 2018 were unanimously approved by all members present.

Chairman Watkins then called upon Mr. Lopano to present his Management Report. Mr. Lopano called upon Chris Minner to give his Performance Assessment Report.

Chris Minner began his report with the results for Fiscal Year 2018 which showed 21,012,562 passengers, a record number and an increase of 9.2% over the last year. September had a significant increase of 24.3% in passenger traffic over last year due to the impact of Hurricane Irma. If there had not been an estimated 215,000 passengers who did not come to Tampa International Airport a year ago because of the storm, the growth would have been 4.4% for the month.

The carriers with the most significant growth were Frontier, up 66.2%, and Spirit Airlines, up 50.6%.

International passenger traffic was up 10.8%, serving approximately 1 million nonstop passengers. September had an increase of 21.4% year-over-year.

Cargo volume had an increase of 44.9% for the year which equated to 424,901,914 lbs. of cargo.

Mr. Minner reported on the recent Airports Council International North American Annual Conference in Nashville, TN. Tampa will be hosting this conference next year. This conference focuses on the challenges that airports face in the areas of infrastructure, modernization, passenger experience, airport operations and security. The conference this year had 2,200 attendees and, based on advanced bookings, Tampa is on target to exceed that number.

Tampa International Airport welcomed the first nonstop flight from London to Tampa on Norwegian Airlines. There was new service on Swoop, a subsidiary of WestJet, to Hamilton, Ontario three times a week. Contour Airlines will start twice weekly service from Macon, GA.

Mr. Minner concluded his presentation with the Friends of Tampa International Airport annual event where former Board Members of the Authority come together and are presented with a comprehensive business update on the Master Plan.

General Diehl inquired about getting the word out to the community about the record setting numbers, new destinations and cargo numbers. Mr. Minner replied that Janet Scherberger and the

Communications team get the word out through social media as well as by placing stories in local, state, national and international press.

Adam Bouchard was up next and gave an update on the taxiway project and work associated with the west runway closure which shifted the majority of the Airport's traffic to the east runway. The most complex part of the work involved the complete removal of Taxiway J connector to the Airport's west runway. The FAA has updated their design standards with key focus on airfield design that mitigates the potential of runway incursions. The taxiway connector met the FAA standards for a connector that should be removed given its direct access in the middle third of the runway. The runway closure downtime was maximized by conducting several maintenance related projects which included routine rubber removal and removal and replacement of hundreds of service markings. The runway was due to open Monday, November 5, 2018.

Damian Brooke next reported on the results of the October 2018 bond issue. In the past week the Authority issued \$403 million in new senior lien and subordinated lien municipal bonds. Over a 90 minute period the Authority received just under \$1.5 billion in orders from 56 different investment firms making up that \$403 million amount, making the issue 3.5 times oversubscribed.

Institutional bond funds, single managed accounts and proprietary trading desks constituted about 75% of the total orders. The Authority received more than \$61 million in orders from the retail sector with \$12 million of that coming from Florida. The Authority ended up with an average rate of 3.72% for the three series, which included maturities to 2048 for a 30 year period.

Mr. Brooke reported next on the close out of FY2018 financials. FY2018 was the strongest financial year in the history of the Authority with record revenues and bottom line performance. The Authority had record passenger traffic totaling over 21 million passengers which resulted in record revenues of \$240.7 million that beat the FY2018 budget by \$9.7 million or 4.2%.

Parking and ground transportation were the largest revenue generator totaling just over \$74 million. TNC revenue totaled approximately \$2.6 million in 2018 with Uber and Lyft handling more than 870,000 transactions. Airline revenues were up 7.9% year-over-year due to a 6% increase in airline operations and increases in terminal rentals tied to both new and existing carriers. Food and beverage and retail concession revenues were up significantly year-over-year due to the completion of most of the heavy construction in the Main Terminal.

Cargo revenues resulted in significant growth on the tonnage side which is driving cargo revenues higher. There was just over \$5 million in cargo revenue in 2018, which is up 45% over 2017 and exceeded the 2018 budget by 21%.

Final expenses totaled \$128.2 million for the year. The Authority finished the year about \$350,000 under budget. About \$6 million of the increase versus 2017's expense levels was related to the opening of the Rental Car Center back in February. Personnel expenses totaled \$63 million for the year which beat budget by about \$250,000. Contracted services and contracted maintenance both totaled about \$21 million for the year. Utilities finished the year \$635,000 under budget due to electricity costs coming almost 7% under budget. Supplies and materials came in about \$1.3 million over budget due to costs related to the unexpected ceiling project in the baggage claim area as well as several smaller supply material purchases which were completed earlier than expected.

Debt service totaled \$49.6 million for the year. The higher revenues on untargeted expenses resulted in a revenue-sharing total of about \$12.5 million dollars which is \$3 million or 30% higher than budget. There will be a meeting with the airlines in December to distribute revenue-sharing checks.

After airline settlement the Authority finished the year with a bottom line total of \$48.8 million, about \$6 million higher than budget and \$600,000 than previously projected. Cost per enplanement finished the year at \$4.89.

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

Upon motion of Commissioner Crist, 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. 2 to Contract for Special Legal Services, Baker, Donelson, Bearman, Caldwell & Berkowitz, PC, Tampa International, Peter O. Knight, Tampa Executive and Plant City Airports, Resolution No. 2018-104.

The Authority has been working closely with the Florida Department of Environmental Protection to complete the environmental rehabilitation of Authority-owned sites where certain underground contaminants have been identified. The continuing need for outside counsel is necessary for their special expertise and resources to assist in either closing these sites outright or negotiating site rehabilitation funding opportunities which will result in site closure at a reduced cost to the Authority.

General Counsel has approved a Contract for Special Legal Services (Contract) with Baker, Donelson, Bearman, Caldwell & Berkowitz, PC for legal services related to environmental law and other related legal matters in a total not-to-exceed amount of \$100,000. The Authority may cancel the Contract with 30 days advance written notice.

An increase in the total not-to-exceed amount of the Contract is required as a result of ongoing projects such as the Drew Park Voluntary Cleanup Agreement close-out, rent-a-car tank closure, SkyCenter-area Avis closure, and miscellaneous sites that involve state funding eligibility.

Authority Policy P500 authorizes the utilization of non-Authority attorneys without obtaining three quotes or advertisement based upon such factors as needed services, experience, qualifications, geographic location, length of services, and efficiencies.

This Amendment No. 2 authorizes an increase of \$150,000 to the Contract for a new total not-to-exceed Contract amount of \$250,000. Baker, Donelson, Bearman, Caldwell, & Berkowitz, PC will continue to represent the Authority with regard to ongoing legal matters related to environmental law.

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

Management recommended adoption of Resolution No. 2018-104.

Resolution No. 2018-104 approved and authorized execution of Amendment No. 2 to the Contract for Special Legal Services at Tampa International, Peter O. Knight, Tampa Executive and Plant City Airports with Baker, Donelson, Bearman, Caldwell & Berkowitz, PC; and authorized the Chief Executive Officer or his designee to execute all other ancillary documents.

CONSENT ITEM G2

Parking License Agreement, Buccaneers Team LLC, Tampa International Airport, Resolution No. 2018-109.

The Buccaneers Team LLC (Bucs) have requested authorization for use of the property to the east of Tampa International Airport and west of Dale Mabry Highway, also known as Lots 11, 12, and 13 (Property), for parking during NFL events held at Raymond James Stadium.

The term of the Parking License Agreement (Agreement) will be January 1, 2019 through February 28, 2024 with one, five-year renewal option. Except for periods when the Bucs have the right to use the Property under the Agreement, the Authority is free to use the Property for its own purposes or to make the Property available to any third party. The Agreement may be terminated by either party with appropriate notice. As consideration for the use of the Property, the Bucs agree to

pay to the Authority during the initial and renewal term, payable annually, in arrears, within thirty (30) days after the end of the applicable NFL season, but no later than March 1, a fee equal to the greater of the Price Per Parking Space (PPPS) for each parking space rented during the NFL season, or a minimum guarantee of \$60,000.00. The starting PPPS is the 2018 rate of \$4.51. There will be annual CPI increases to the PPPS throughout the term of the Agreement. The Bucs have provided required insurance and have agreed to indemnify the Authority for their use of the Property.

Management recommended adoption of Resolution No. 2018-109.

Resolution No. 2018-109 approved and authorized execution of the Parking License Agreement at Tampa International Airport with the Buccaneers Team LLC; and authorized the Chief Executive Officer or his designee to execute all other ancillary documents.

CONSENT ITEM G3

Contract, PASSUR Radar Network and Landing Fee Management Audit Software, PASSUR Aerospace, Inc., Tampa International Airport, Resolution No. 2018-103.

PASSUR Aerospace, Inc. provides flight-tracking data to airports and airlines around the world. The PASSUR Radar Network tracks all landings and takeoffs at Tampa International Airport and provides the Authority with various types of data such as aircraft landed weight information, runway use, and gate use for each flight operation. The Authority currently uses the PASSUR Landing Fee Management Audit Software as the primary data source and audit tool for ensuring the accuracy of self-reported monthly activity and landing fee reports submitted to the Authority by the airlines. The Authority currently collects more than \$17.5 million per year in landing fee revenue from the airlines.

On January 12, 2012, a Radar Network Agreement (Agreement) was executed with PASSUR Aerospace, Inc. for Landing Fee Management Audit Software in a five year not-to-exceed amount of \$430,000. The Agreement term was January 9, 2012 through January 8, 2017 with two, one-year renewal options. On November 3, 2016, the Authority exercised the two, one-year renewal options for a final expiration date of January 8, 2019.

On August 10, 2018, a Notice of Intent to Sole Source with PASSUR Aerospace, Inc. for PASSUR Radar Network and Landing Fee Management Audit Software was publically advertised. No responses were received. The PASSUR Radar Network and Landing Fee Management Audit Software is proprietary and can only be provided by PASSUR Aerospace, Inc.

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

This item authorizes execution of the PASSUR Radar Network and Landing Fee Management Audit Software Contract (Contract) with PASSUR Aerospace, Inc. for the use of PASSUR Radar Network and Landing Fee Management Audit Software at Tampa International Airport. The term of the Contract is for the period of January 1, 2019 through December 31, 2023 with two discrete, one-year renewal options at the discretion of the Authority Chief Executive Officer for a total not-to-exceed amount of \$359,000, including renewal options. Either party may terminate the Contract by giving thirty days written notice.

This item is included in the O&M Budget.

Management recommended adoption of Resolution No. 2018-103.

Resolution No. 2018-103 approved and authorized execution of the PASSUR Radar Network and Landing Fee Management Audit Software Contract with PASSUR Aerospace, Inc.; and authorized the Chief Executive Officer or his designee to execute all other ancillary documents.

CONSENT ITEM G4

Space Rental Agreement (Radio Base Station), Global Aviation Services USA, Inc., Tampa International Airport, Resolution No. 2018-108.

Global Aviation Services USA, Inc. (Global USA) operates at Tampa International Airport under an Operating Agreement for Ground Handlers (Full Service). In support of those operations, Global USA desires to lease space in the Yeager Elevator Penthouse of the Main Terminal at Tampa International Airport for a radio base station unit and associated antenna (Radio Base Station).

This item authorizes the lease of common use space in the Yeager Elevator Penthouse of the Main Terminal at Tampa International Airport to Global USA for the purpose of installing, maintaining and operating one Radio Base Station and associated antennae. The term of the Agreement commences October 1, 2018 and expires September 30, 2020, concurrently with all other similar agreements. The Agreement is contingent upon Global USA maintaining its Operating Agreement. The Agreement may be terminated without cause by either party upon 30 days' written notice. The annual rent is \$1,200.00, payable in monthly installments of \$100.00, plus sales tax.

Resolution No. 2018-108 approved and authorized execution of the Space Rental Agreement (Radio Base Station) at Tampa International Airport with Global Aviation Services USA, Inc.; and authorized the Chief Executive Officer or his designee to execute all other ancillary documents.

There were no Policies or Rules for Consideration or Action or Committee Reports. The Chairman then proceeded to Unfinished Business.

The first and only item in Unfinished Business was the Award of Design-Build Part 1 Contract, Airside F Roof Replacement, HCAA Project No. 6545 19, HCBeck, Ltd. d/b/a The Beck Group, Tampa International Airport, Resolution No. 2018-105, presented by Jeff Siddle.

The purpose of this Project is to replace the original roof, gutters and drainage systems at Airside F. The original Airside F Terminal Building was constructed in 1987. This Project will include complete survey conditions assessment and analysis of the existing drainage system, structural survey and analysis of the existing building roof, new standing seam metal roof system, new low sloped membrane roofing system, new gutters, fascia and drain lines, and new or refurbished sloped glazing and curtain wall at jet bridge access corridors.

On April 26, 2018, a request for qualifications entitled Airside F Roof Replacement at Tampa International Airport was issued.

On September 6, 2018, the Board approved negotiations with the number one ranked firm, HCBeck, Ltd. d/b/a The Beck Group.

This item authorizes execution of the Part 1 Contract for Design-Build Services with HCBeck, Ltd. d/b/a The Beck Group for design of the Project in the not-to-exceed amount of \$1,873,942 for basic services and reimbursable expenses.

This Part 1 Contract for Design-Build Services will commence on November 1, 2018 and substantial completion of the Project is anticipated on August 3, 2020.

A W/MBE goal of at least 10.8% of the dollar amount earned on the Part 1 Contract for Design-Build Services for the design phase of the Project was prescribed. The Part 1 Contract for Design-Build Services will incorporate a W/MBE participation of at least 14.9% 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. 2018-105.

Upon motion of General Diehl, seconded by Commissioner Crist, the Part 1 Contract for Design-Build Services, Airside F Roof Replacement, HCAA Project No. 6545 19 at Tampa International Airport with HCBeck, Ltd. d/b/a The Beck Group was unanimously approved by all members present and the Chief Executive Officer or his designee was authorized to execute all other ancillary documents by adoption of Resolution No. 2018-105.

This concluded Unfinished Business. Chairman Watkins next moved to New Business.

The first item under New Business was the Selection of Design-Builder, Main Terminal Ticket Level Interior Refurbishment, HCAA Project No. 6475 19, Tampa International Airport, presented by Jeff Siddle.

This Project will replace or refurbish select interior areas of the Main Terminal Ticket Level as follows:

- Replace ten foot high ceilings and associated ceiling mounted systems at all locations
- Replace carpet in front of ticket counters at all locations
- Refurbish ticket counter back walls

This Project may also include replacing or refurbishing additional items as determined during the design development phase.

On July 3, 2018, a request for qualifications entitled Main Terminal Ticket Level Interior Refurbishment at Tampa International Airport was issued.

Six responses were received and four were evaluated by staff. The responses received from Lema Construction & Developers, Inc. and R.L. Burns, Inc. were deemed non-responsive for failure to meet the minimum qualifications and were not evaluated.

The order of technical ranking is as follows:

1. DPR Construction, A General Partnership
2. The Whiting-Turner Contracting Company
3. Manhattan Construction (Florida), Inc.
4. Hunt Construction Group, Inc.

A W/MBE goal of at least 12% of the dollar amount earned on the contract for the design phase of the Project was prescribed. A W/MBE goal of at least 14% of the dollar amount earned on the contract for construction was prescribed. The percentages proposed by all qualified 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 qualified 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 Commissioner Crist, seconded by General Diehl, the motion to rank firms in order of preference was unanimously approved by all members present; the responses received from Lema Construction & Developers, Inc. and R.L. Burns, Inc. were rejected; and staff was authorized to negotiate a contract. No resolution was required.

The second item under New Business was the Purchase Order, Tampa Electric Company (TECO), Demolition of Red Side Rental Car Garage and Airside D Shuttle Guideway, HCAA Project No. 8830 17, Tampa International Airport, presented by Jeff Siddle.

As part of the Demolition of Red Side Rental Car Garage (Garage) and Airside D Shuttle Guideway Project, as well as to provide an overall upgrade to the service for the Tampa International Airport (Airport) Main Terminal and Airsides, it is necessary to replace, update and add to the Tampa Electric Company (TECO) electrical infrastructure. TECO has completed preliminary inspections of Airport manholes and existing electrical infrastructure potentially impacted by the Project.

This work includes TECO's removal and replacement of an estimated 12,000 ft. of cable and installation of new vacuum switches to help protect connections during demolition of the Garage.

Authorize a purchase order for an amount not-to-exceed \$650,000 to replace, update and add to the TECO electrical infrastructure.

This item is included in the Capital Budget.

Upon motion of General Diehl, seconded by Commissioner Crist, the issuance of a purchase order to TECO was unanimously approved by all members present, and the Chief Executive Officer or his designee was authorized to execute all other ancillary documents. No resolution was required.

The third item under New Business was the Master Service Agreement, Oracle America, Inc., Tampa International Airport, Resolution No. 2018-107, presented by Marcus Session.

In 1998, the Authority implemented the Oracle Enterprise Resource Planning software system. The ERP system automates several of the Authority's core business functions including project accounting, procurement, payroll and budget. The services provided under this agreement are software support and maintenance, future software updates and releases, resolution of software defects and security vulnerabilities. On October 3, 2018, a Notice of Intent to Sole Source was advertised and no responses were received.

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

Upon motion of General Diehl, seconded by Commissioner Crist, the Master Services Agreement with Oracle America, Inc., was unanimously approved by all members present, and the Chief Executive Officer or his designee was authorized to execute all other ancillary documents by adoption of Resolution No. 2018-107.

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

Al Illustrato gave a brief Master Plan update. Mr. Illustrato reported that the Main Terminal Expansion and Concessions Redevelopment Project is finally complete. It achieved substantial completion on October 15th. This leaves the Authority with an event space which is located between Airside E and F shuttles.

The remaining element of the concessions work is the Shoppes at Bayshore. It is anticipated that within the next couple of weeks the barricade will come down and the Shoppes at Bayshore will open.

The project to Reclaim Levels of Long Term Parking 1 and 2 still has some extensive demo work needed. It is anticipated that it will be complete by November 16. There are signage changes for our parking patrons and the Communications team is getting the word out through the website and social media. Almost 7,000 signs were changed in this process.

Mr. Illustrato stated the budget is good and the Authority still has about \$6 million in unallocated contingencies.

Master Plan Phase 2 projects include the demolition of the Red Side Rental Car Garage. Kimmins Contracting continues their work and they are finalizing some alternatives for demolition. At the December meeting the Board will see a Supplemental Contract A that will be for the deconstruction of the guideway section and ramping section.

The Cross Field Taxiway AECOM project is nearing 90 to 100% design. A preliminary design for the Curbside Expansion Central Utility is being developed. Cone & Graham has 60% design documents for the roadway expansion.

Plans are out to bid for the Sky Center development which include site preparation, remote curb, atrium and pedestrian.

This concluded Mr. Illustrato's report.

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

With no further business to be brought before the Board, the Regular Board meeting adjourned at 9:38 a.m.

Robert I. Watkins, Chairman

, Secretary