

Hillsborough County Aviation Authority
Regular Board Meeting

Thursday, 9:01 a.m.
October 6, 2016

A regular 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, October 6, 2016.

Members present were: Robert I. Watkins, General Chip Diehl, Gary Harrod, Commissioner Victor Crist and Mayor Bob Buckhorn.

Aviation Authority staff members present were Chief Executive Officer Joseph W. Lopano, General Counsel Michael Stephens, Al Illustrato, John Tiliacos, Damian Brooke, Chris Minner, Janet Zink, Scott Knight, Jeff Siddle, Ed Haines, Elita McMillon, Ann Davis, Beth Zurenko, Gina Evans, Violet Cummins, Laurie Noyes, Kari Goetz, Chief Paul Sireci, Police Officer Bizzle, Lloyd Tillman, Thomas Johnson, James Tarro, Laura Tatem, Teresa Howell, Dominic Macrone, Rob Porter, Linda Jimenez and Marcus Session.

Chairman Watkins welcomed everyone to the Regular Board Meeting of October 6, 2016 and asked that everyone stand for the Pledge of Allegiance.

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.

Chairman Watkins informed 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 September Board Meeting General Counsel Stephens had advised of the possibility of holding an Attorney-Client Closed Session at this October 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 Mayor Buckhorn, seconded by General Diehl, the Agenda was unanimously approved by all members present.

With no Public Comments, Chairman Watkins 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 September 1, 2016 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 September 1, 2016.

Upon motion of Gary Harrod, seconded by General Diehl, the Minutes of the Regular Authority Board Meeting of September 1, 2016 were unanimously approved by all members present.

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

Mr. Lopano informed the Board that there were 4 items in the Management Report and called Damian Brooke from Finance to start the Report.

Damian Brooke, Vice President of Finance and Procurement, was first to report with an informational item to alert the Board that the Authority's Finance Department will be planning on evaluating a potential advanced refunding of approximately \$17 million of existing Authority debt through a direct placement method. Since 2013 the Authority has been able to reduce the interest on the existing debt by a net present value of more than \$33 million with about \$24 million of that coming through direct placement transactions. Through the direct placement program the Authority will have the ability to restructure the existing debt that it has. The proposed transaction would advance refund approximately \$16.7 million in remaining principal on the Authority's 2008B Series Bonds. With shorter maturity levels, management is expecting to receive bids from the banking community of rates around 1% or less which is significantly lower than the current rate of 5%. An RFP will be released to the banking community requesting rate proposals and terms would be brought back to the December Board Meeting requesting Board approval of the winning proposal.

Gary Harrod inquired asked which bond was the Authority looking to retire early? Mr. Brooke replied that it was for building the cargo roads.

Mr. Lopano then called John Tiliacos to the podium.

John Tiliacos, Vice President of Operations and Customer Service, started his presentation with an update on Hurricane Matthew and its current path. Hurricane Matthew was a category three and it was forecasted to be a category four as it approached the east coast of Florida. The Tampa Bay area remained under a Tropical Storm Watch. Mr. Tiliacos informed the Board that there were currently 36 cancellations and 25 of the 36 were with Silver Airlines with their flights within the state. There were over 60 general aviation aircraft at Tampa Executive Airport for GA pilots seeking shelter of their aircraft.

Mr. Tiliacos next gave an overview of the Triennial Emergency Response Exercise that was held on September 15, 2016. This exercise simulated a crash of a fictitious airline caring 120 passengers and crew. This exercise required months of planning and preparation of various Authority departments and a collaboration with the airlines, partner agencies and first responders. The FAA requires that this full scale exercise takes place every three years. For the first time, in collaboration with the National Transportation Safety Board, there was a heavy focus on the family assistance component. This year's exercise was the largest the Authority has ever held. More than 200 volunteers from Hillsborough Community College and USF participated as well as 17 other agencies.

The last portion of Mr. Tiliacos' report was on Operation Blue which involves the closure of the Blue Arrivals and Departure drives between September 2016 and early 2017 due to the movement of heavy steel beams for SkyConnect. The closure is nightly 8:00 p.m. to 4:00 a.m. except during the upcoming Holidays and National Championship that Tampa is hosting in January. Operation Blue has been running smoothly.

After Mr. John Tiliacos concluded his report, General Diehl asked if the Airport had a plan for passengers that may be stranded due to the hurricane. Mr. Tiliacos replied that the Airport would work closely in trying to accommodate passengers with hotel availability information. General Diehl also inquired if MacDill was involved in the Hurricane efforts and Mr. Tiliacos replied that the Authority always involves MacDill as well as other agencies too.

Chris Minner, Vice President of Marketing, was next and started off with the Performance Assessment Report. Passenger traffic for the month of August was slightly down by 3% year over year. This was due in part to 2% fewer seats and IT issues that Delta encountered. Internationally the Airport was up 19% versus 2015 in the month of August. This increase included Lufthansa as well as Cayman Airways who operated a daily service pattern in the month of August.

Mr. Minner then turned to current events and reported that Frontier had launched their new nonstop flight to Las Vegas. Additionally, Lufthansa celebrated its one year anniversary with the Airport on September 25th. These flights have generated more than 100,000 passengers that would not have otherwise been here.

Mr. Minner then discussed the World Routes event that took place in Chengdu, China this year. Mr. Minner's team talked with more than 15 airlines. They delivered carrier specific business case proposals on how to optimize their existing service, how to support new service or how to enter into the market.

Lastly, Mr. Minner announced new non-stop flights on Iceland Air to Reykjavik. Flights will begin in September 2017 and will operate year-round in a two week pattern. They will be operating their Boeing 757 aircraft which has 22 seats in business class with a total of 183 seats on each flight. Chairman Watkins thanked the team for their accomplishments.

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 Mayor Buckhorn, seconded by Gary Harrod, the Consent Agenda was unanimously approved by all members present.

The following items were contained in the Consent Agenda.

CONSENT ITEM G1

Agreement to Host the Florida Airports Council's 2018 Annual Conference and Exposition, Florida Airports Council, Tampa International Airport, Resolution No. 2016-99.

The Florida Airports Council holds an Annual Conference for the education of its membership. The Authority previously served as the Host for the 2010 Conference and is looking to serve as the Host for the 2018 Conference.

As Host of the Conference, Authority responsibilities include, but are not limited to, developing a Conference theme, logo, session topics and speakers, selection of venue and sponsorship of the Monday Night Event.

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

Authorize execution of the Agreement to Host the Florida Airports Council's 2018 Annual Conference and Exposition with Florida Airports Council. The total not-to-exceed amount for all Host-related expenses is \$125,000.

This item is included in the O&M Budget.

Management recommended adoption of Resolution No. 2016-99.

Resolution No. 2016-99 approved and authorized execution of Agreement to Host the Florida Airports Council's 2018 Annual Conference and Exposition at Tampa International Airport with Florida Airports Council; approved the not-to-exceed expenditure of \$125,000 for Host-related expenses; and authorized the Chief Executive Officer or his designee to execute all other ancillary documents.

CONSENT ITEM G2

Ground Lease with Improvements, Civil Air Patrol in and for the Florida Wing/United States Air Force Auxiliary, Tampa Executive Airport, Resolution No. 2016-94

The Civil Air Patrol in and for the Florida Wing/United States Air Force Auxiliary (CAP) has a Ground Lease with Improvements for Non-Commercial Aviation Related Activities at Tampa Executive Airport (VDF) that terminates October 31, 2016 and includes a 3,024 square foot facility (former Vandenberg house) and a 7,436 square foot parcel of land (Premises).

CAP provides inland search and rescue efforts and aerial reconnaissance for homeland security, disaster relief and damage assessment, as well as transport for time-sensitive medical materials and counter-narcotics missions.

Staff proposes entering into a Ground Lease with Improvements (Lease) with CAP for the continued use and occupancy of the Premises for a period beginning November 1, 2016 and ending October 31, 2018 with three one-year renewal options upon approval by the Authority's Chief Executive Officer or his designee. Either party may terminate the Lease upon 30 days written notice.

Federal regulations permit CAP to pay a nominal rental rate (\$10.00/year) in recognition of the benefits provided by CAP to airports and aviation, provided CAP operates an aircraft at VDF in support of its programs. If CAP ceases to operate an aircraft at VDF, the rent will increase as follows:

Premises	Sq. Ft.	FMV Rental Rate per Sq. Ft.	Annual Rent Without Operating Aircraft
Land	7,436	\$0.22	\$1,635.92
Facility*	3,024	\$0.00	\$0.00
Total Rent			\$1,635.92

*In light of the Facility's age, condition, and location which render it incapable of generating more than minimal revenue, and the fact that the Facility is not needed for an airport purpose, no rent would be charged for the Facility.

The Lease allows CAP to have a co-tenant agreement with Experimental Aircraft Association, Inc. Chapter 175 for the purpose of sharing the rent and day-to-day operation and maintenance costs of the Premises. The co-tenant agreement is subject to written approval of the Authority's Chief Executive Officer or designee and the terms and conditions of the Lease.

Management recommended adoption of Resolution No. 2016-94.

Resolution No. 2016-94 approved and authorized execution of the Ground Lease with Improvements at Tampa Executive Airport with the Civil Air Patrol in and for the Florida Wing/United

States Air Force Auxiliary; and authorized the Chief Executive Officer or his designee to execute all other ancillary documents.

This concluded the Consent Agenda, with no Policies and Rules for Consideration or Action, the Chairman moved on to Committee Reports.

General Diehl presented the Committee Report. On September 10, 2016 there was a meeting of the Audit Committee with all members in attendance. Presentations were given by the Authority's External Auditors from RSM on the results of the 2016 External Audit. Authority Staff also gave a presentation on the Internal Audit for 2017. A motion was made and passed by the Committee for presentations to be given to the Audit Committee at a future meeting regarding the criteria in the assessment on the ongoing request for proposal for construction auditing co-sourcing.

This concluded the Committee Report and Chairman Watkins moved on to Unfinished Business.

The first item under Unfinished Business was the Selection of Artist and Award of Contract, Tampa International Airport Public Art Main Terminal, Airside F and Consolidated Rental Car Facility, Tampa International Airport, Resolution No. 2016-89, presented by Chris Minner.

The Public Art Program provides a variety of opportunities for the traveling public to experience and engage in artistic excellence. As part of the Master Plan construction program, locations throughout the Airport's facilities were identified to accommodate Public Art. On August 17, 2015, a Call for Artists was issued for Tampa International Airport Public Art Main Terminal, Airside F and Consolidated Rental Car Facility. Seven hundred fifty three (753) Artist applications were received. After thorough review and discussion, the Public Art Committee developed a recommended short list, which was approved by the Board at the November 5, 2015 Board meeting.

Artist presentations were held in January and February of 2016. The Public Art Committee evaluated Artist proposals and made final recommendations on February 24, 2016.

On April 7, 2016 the Board awarded Artist Services Contracts for locations AS F 2, AS F 3, APM 1, APM 2, APM 3, CNRC 1 and CNRC 2. On June 2, 2016 the Board awarded an Artist Services Contract for Location AS F 4.

Staff was unable to negotiate a satisfactory contract with the highest ranked Artist for the AS F 1 location, one of the original locations in the Request for Proposals. As a result, on June 30, 2016, the Public Art Committee met and decided to forego the AS F 1 location and instead proceed with a new AS F 5 location which would showcase hanging artwork. All previous short listed Artist presentations for hanging artwork were reviewed by the Public Art Committee in deciding the proposed artwork selection for the AS F 5 location.

The Public Art Committee recommended that an Artist Services Contract be awarded for the specific location and dollar amount noted below.

Location: AS F 5

Blue Industries, B.V. (Artist Frederik Molenschot)
\$200,000

No specific expectancy for W/MBE participation was established.

Artwork installation for Location AS F 5 will be substantially complete by May 2017.

This item is included in the Capital Budget.

The Public Art Committee recommended adoption of Resolution No. 2016-89.

The motion was made by Mayor Buckhorn and seconded by Gary Harrod. Gary Harrod questioned which artist the Authority was not able to come to terms with. Mr. Minner responded it has an Artist for a location at Airside F and then provided information on artists and art pieces that will be located at Airside F.

The Artist Services Contract at Tampa International Airport with Blue Industries, B.V. for \$200,000 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. 2016-89.

This item concluded Unfinished Business and Chairman Watkins moved on to New Business.

The first item in New Business was the Selection of Design Professional, Runway 4-22 and Other Pavement Rehabilitation, HCAA Project No. 6310 17, Peter O. Knight Airport, presented by Jeff Siddle.

As part of the Authority's ongoing airfield maintenance initiatives, airfield pavements are rehabilitated on a periodic basis. This Project provides for the design to remove, rehabilitate and reconstruct runway, taxiway, taxi lane and apron asphalt pavements at Peter O. Knight Airport.

The selected Design Professional will provide the technical expertise required to design the pavement improvements.

On July 6, 2016, a request for qualifications was issued for a Design Professional for Runway 4-22 and Other Pavement Rehabilitation at Peter O. Knight Airport.

Four (4) qualified responses were received and evaluated by staff. The order of technical ranking is:

1. American Infrastructure Development, Inc.
2. Kimley-Horn and Associates, Inc.
3. Michael Baker International, Inc.
4. Gale Associates, Inc. / South

A DBE expectancy of at least 6.3% of the dollar amount earned on the awarded contract was prescribed. All respondents submitted assurances and letters of intent demonstrating that they will meet the DBE expectancy requirements. The selected Design Professional will incorporate their submitted DBE expectancy into the awarded contract.

This item is included in the Capital Budget.

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

Upon motion of Mayor Buckhorn, seconded by Gary Harrod, the ranking of firms was unanimously approved by all members present; and staff was authorized to negotiate a contract with the number 1 ranked firm, American Infrastructure Development, Inc.; no resolution was required.

The second item under New Business was the Selection of Firm and Award of Contract for Tampa Airport Concession Redevelopment Program; Spa Services Concession, Terminal Getaway Spa Tampa, LLC dba Terminal Getaway Spa, Tampa International Airport, Resolution No. 2016-97 presented by Laurie Noyes.

The spa services concession will provide nail and massage services along with spa related merchandise. These locations can be found at each airside (4 locations total), and will be phased-in beginning in the second quarter of 2017. The first year of full operation for the spa services concession is anticipated to be in 2018.

On June 29, 2016, a request for proposals was issued for Tampa Airport Concessions Redevelopment Program; Spa Services Concession at Tampa International Airport.

One response was received and evaluated by staff. The response from the following firm met the minimum qualifications requirements and was evaluated against the evaluation criteria in the request for proposals:

1. Terminal Getaway Spa Tampa, LLC dba Terminal Getaway Spa

An ACDBE goal of at least 25% of total annual gross receipts was prescribed and an ACDBE participation rate of 25% is incorporated into the Contract.

The term of the Contract is ten years from the date the last concession location opens for business.

The Chief Executive Officer recommended the ranking listed above.

Upon motion of Gary Harrod, seconded by Mayor Buckhorn, the ranking was unanimously approved by all members present; the award and execution of the Contract for Tampa Airport Concessions Redevelopment Program; Spa Services Concession at Tampa International Airport with Terminal Getaway Spa Tampa, LLC dba Terminal Getaway Spa 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. 2016-97.

The last item under New Business was the Teamsters Local 79 Labor Contract, Tampa International Airport, Resolution No. 2016-96 presented by Dominic Macrone.

On September 12, 2016, Authority representatives and Teamsters Local 79 representatives completed bargaining for a new labor contract. The prior labor contract was for the period October 1, 2013 through September 30, 2016 and covered employees in Maintenance, the Airport Operations Center, Guest Services, and Property Control Specialists.

Material changes in this Contract include: a \$15 increase in the safety shoe allowance, clarification of language referring to employees' Weingarten rights, and the removal of references to Hillsborough County Civil Service policy and procedures.

The term of this Contract is three (3) years, beginning on October 1, 2016 and ending on September 30, 2019.

This item is included in the O&M Budget.

Management recommended adoption of Resolution No. 2016-96.

Upon motion of Mayor Buckhorn, seconded by Gary Harrod, the Labor Contract at Tampa International Airport with the Teamsters Local 79 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. 2016-96.

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

Al Illustrato began the Staff Reports with an update on the Master Plan. He mentioned that there were some interim milestones that need to be adjusted due to some necessary work elements that have changed. The contractors are resequencing the work they are doing so that they may continue toward the completion date. Mr. Illustrato shared some pictures of the current work being done on SkyConnect. Mr. Illustrato conveyed some of the difficulties the contractors are encountering with the SkyConnect station at the Economy Garage. It is a very large station and very complicated to construct. The contractor's have missed the contractual milestone and that milestone has the potential to delay portions of the APM. There will be additional information in the upcoming weeks.

Some Authority Staff recently flew to Japan to check on the 12 cars that are currently in various stages of production. These cars should be ready and shipped out sometime in January.

In the Main Terminal, Wendy's, Qdoba and Chick-fil-A are now open which completes the Food Court. There are 8 ribbon cuttings scheduled in the coming month for new concessionaires and invitations will be going out shortly. There are also two escalator cores which are currently being renovated and are out of service. Additionally, the Harley Davidson shop and Starbucks will soon be closed in the Main Terminal.

Mr. Illustrato ended his presentation with a budget slide. There has been virtually no change since last month but due to some upcoming challenging work, there may be a draw on some of the Contingency. If this happens, it will be reported on at an upcoming meeting.

Before adjourning Mr. Stephens requested an Attorney-Client Closed Session be held at the November 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 9:43 a.m.

Robert I. Watkins, Chairman

Victor D. Crist, Secretary