

Hillsborough County Aviation Authority
Regular Board Meeting

Thursday, 9:01 a.m.
November 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, November 2, 2017.

Members present were: Robert I. Watkins, Brig. General Chip Diehl, Gary W. Harrod and Commissioner Victor Crist. Mayor Bob Buckhorn arrived to the Board Meeting at 9:46 a.m.

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 Scherberger, Michael Kamprath, Scott Knight, Jeff Siddle, Ed Haines, Elita McMillon, Ann Davis, Beth Zurenko, Violet Cummins, Laurie Noyes, Police Chief Charlie Vazquez, Police Officer Virt, Laura Tatem, Teresa Howell, Dominic Macrone, Randy Forister, Kari Goetz, Rob Porter, Brett Fay, Kenneth Strickland, Paul Ridgeway, James Tarro, Tom Thalheimer, Adam Bouchard, Marcus Session and Danny Cooper.

Chairman Watkins welcomed everyone to the Regular Board Meeting of November 2, 2017 and informed the audience that Mayor Buckhorn would arrive late to the meeting. Chairman Watkins asked everyone to stand for the Pledge of Allegiance. He then 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 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 October Board Meeting General Counsel Stephens had advised of the possibility of holding an Attorney-Client Closed Session at the November meeting. Mr. Lopano informed the Board that there would be no need to hold that Closed Session.

Chairman Watkins called for a motion to approve the Agenda for the November 2, 2017 Board Meeting. Upon motion of Gary Harrod, seconded by General Diehl, the Agenda was unanimously approved by all members present.

Chairman Watkins announced that there were no Public Comments.

Chairman Watkins then asked General Counsel Stephens if there were any additions or corrections to the Minutes of the Regular Board Meeting held on October 5, 2017. General Counsel Stephens reported no abstentions to be read from the October 5, 2017 Board Meeting and stated 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 October 5, 2017. Upon motion of Gary Harrod, seconded by General Diehl, the Minutes of the Regular Authority Board Meeting of October 5, 2017 were unanimously approved by all members present.

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

Mr. Lopano then called Chris Minner to begin the Management Report.

Chris Minner, Executive Vice President of Marketing and Communications, started his presentation with the Monthly Performance Assessment Report.

The Authority ended the year with 19,240,070 passengers which was a 1.6% increase versus fiscal year 2016 but just short of budget by 3/10%. Due to Hurricane Irma, the airlines had 211,000 fewer passengers than projected for the month. Overall passenger numbers were down 11.7% versus September 2016. International passenger numbers were up 11.6% for the fiscal year but down 6.1% for the month.

Mr. Minner reported that Frontier Airlines was up 45% during the month of September due in part to the launch of 5 new flights. Also, the Authority had the opportunity to host the Airport Owners and Pilots Association (AOPA) Regional Fly In at Peter O. Knight. In total the event had 5,500 attendees, 340 aircraft and 1,000 operations over the course of three days. General Diehl thanked everyone that was involved in hosting the event.

Damian Brooke, Executive Vice President of Finance and Procurement, was next to present the FY2017 financial report. In the month of September the Authority experienced a 211,000 passenger loss due to Hurricane Irma. There was a 2 week period where traffic numbers were affected with approximately \$1.25 million in lost revenue.

Despite the storm the Authority had a very strong fiscal year 2017. Operating revenues totaled almost \$216 million during 2017, exceeding budget by just under \$790,000. The airlines generated \$62.6 million in revenue during FY2017 which was \$2.3 million higher than last year and \$2.3 million higher than budget. Food and Beverage concessions finished down 1.6% which was 3% below budget. Rental car concessions finished just over \$36 million which was 1% below budget.

Parking revenues totaled \$65 million which missed budget by \$3.8 million. In August and September, TNC fees generated approximately \$300,000 which will offset the decline in parking revenue. Authority cargo revenues beat budget by almost \$480,000 in part due to the growth of Amazon and other freight services.

Operating expenses totaled \$117.2 million for fiscal year 2017 which is an increase of \$4.4 million over 2016 but just over \$5 million under budget. Net personnel costs totaled \$59.3 million coming in about \$1.5 million below budget. Contracted services finished the year \$1.2 million under budget. Supplies and material finished the year at \$535,000 higher than expected and utility costs came in \$1.6 million lower than expected. Authority insurance rates came in below budget for the year at \$448,000.

The bottom line is that the Authority generated \$38.2 million during 2017 which will fund the Airline Incentive Program as well as the Annual Master Plan Capital Program. There will be a little over \$7 million to be added to reserves.

Gary Harrod inquired if the airline revenues included fuel sales and Mr. Brooke replied that fuel sales are included with general aviation. Mr. Minner continued to say that the airlines have formed a fuel committee so they perform their own fueling.

This concluded the 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. 1 to Employee Assistance Program Services Agreement, Deer Oaks EAP Services, LLC, Tampa International Airport, Resolution No. 2017-90

On October 4, 2012, the Board approved an Employee Assistance Program Services Agreement (Agreement) with Deer Oaks EAP Services, LLC for employee assistance program (EAP) services, to include private and confidential counseling to Authority employees and their legal dependents, in a total not-to-exceed amount of \$60,000. The initial term of the Agreement was January 1, 2013 through December 31, 2017 with one, two-year renewal option at the discretion of the Board.

This Amendment No. 1 to the Agreement updates Agreement language to include new and updated statutorily required language and exercises the one, two-year renewal option, thereby revising the end date of the Agreement to December 31, 2019. The new total not-to-exceed amount for the term of the Agreement, including the renewal option, is \$82,000.

This item is included in the O&M Budget.

Management recommended adoption of Resolution No. 2017-90.

Resolution No. 2017-90 approved and authorized execution of Amendment No. 1 to Employee Assistance Program Services Agreement at Tampa International Airport with Deer Oaks EAP Services, LLC; and authorized the Chief Executive Officer or his designee to execute all other ancillary documents.

CONSENT ITEM G2

Amendment No. 3 to Concession Agreement; Luggage Carts, Smarte Carte, Inc., Tampa International Airport, Resolution No. 2017-91

On February 7, 2013, the Authority awarded a Concession Agreement; Luggage Carts (Agreement) to Bagport America, LLC. to operate a luggage cart rental concession in the Main Terminal at Tampa International Airport. On April 7, 2016, Bagport America, LLC merged with Smarte Carte, Inc.

The term of the Agreement is February 7, 2013 through January 31, 2018, with two, two-year renewal options at the discretion of the Authority Board. The total annual revenue for the Agreement is based on premises rent, office space rent, and a percentage fee of gross receipts. The percentage fee paid to the Authority will increase from 2.5% to 10% of the gross receipts during the renewal option periods. Smarte Carte, Inc. also provides complimentary luggage cart service to arriving international passengers for an annual management fee based on deplaning international passengers, currently projected at 278,408. During the renewal period, the annual revenue projections are approximately \$94,600 and annual management fees are approximately \$67,000.

On June 16, 2015, Amendment No. 1 was executed to add statutorily required and other language. On June 23, 2016, Amendment No. 2 was executed, assigning the Agreement to Smarte Carte, Inc.

This Amendment No. 3 exercises the two, two-year renewal options, thereby revising the expiration date of the Agreement to January 31, 2022 and updates the Agreement to include new, statutorily required language.

This item is included in the O&M Budget.

Management recommended adoption of Resolution No. 2017-91.

Resolution No. 2017-91 approved and authorized execution of Amendment No. 3 to Concession Agreement; Luggage Carts at Tampa International Airport with Smarte Carte, Inc.; and authorized the Chief Executive Officer or his designee to execute all other ancillary documents.

CONSENT ITEM G3

Authorization to Dispose of Surplus Property, Tampa International Airport

The following property has been determined to be surplus and serves no useful function or the continued use is uneconomical or inefficient.

Description	Qty	Asset Number	Year Purchased
Ford F350 4 x 4	1	107660	1998
E-One Fire Truck	1	101421	1999
Ford F800 Dump Truck	1	102385	1994
Ford Explorer	1	104098	2001
Ford F250 Truck	1	102479	2004
Ford F250 Truck	2	106776/100353	2006
Ford Explorer	2	126482/126484	2013
Ford F150 Truck	1	102978	2005
Generator System	1	121544	1989
ADA Ramp for passengers	1	101742	1998
John Deere Cart	3	123362/123363/123345	2010
John Deere Cart	1	124559	2011
Various Computer Equipment	130	---	---

Designate the above property as surplus and authorize disposal in accordance with Chapter 274, Florida Statutes. The surplus property will be publicly advertised and auctioned at Tampa Machinery Auction, Inc. or GovDeals.com, an internet based auction system. The computer equipment will be donated to the School District of Hillsborough County or otherwise properly disposed of.

The Chief Executive Officer recommended the Board designate the above property as surplus and authorize disposal in accordance with Chapter 274, Florida Statutes.

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

CONSENT ITEM G4

Consent to Assignment and Assumption Contract, CB&I Government Solutions, Inc. f/k/a Shaw Environmental & Infrastructure, Inc., a CB&I Company and Aptim Environmental & Infrastructure, Inc., Tampa International Airport, Resolution No. 2017-96

On May 1, 2014, the Board awarded an Agreement for Continuing Environmental Engineering Consulting Services (Agreement) to CB&I Government Solutions, Inc. (f/k/a Shaw Environmental & Infrastructure, Inc., a CB&I Company) to provide ongoing O&M environmental engineering related services and environmental engineering services in support of capital improvement projects at Tampa International Airport. The term of the Agreement is for five years, with two, one year renewal options at the discretion of the Chief Executive Officer.

On June 30, 2017, CB&I's Capital Services business segment, which includes CB&I Government Solutions, Inc., was sold to Veritas Capital who rebranded the business as Aptim Environmental & Infrastructure, Inc.

Staff recommends the Board consent to assignment of the Agreement from CB&I Government Solutions, Inc. (f/k/a Shaw Environmental & Infrastructure, Inc., a CB&I Company) to Aptim Environmental & Infrastructure, Inc.

Management recommended the adoption of Resolution No. 2017-96.

Resolution No. 2017-96 approved and authorized execution of the Consent to Assignment and Assumption Contract at Tampa International Airport between CB&I Government Solutions, Inc. (f/k/a Shaw Environmental & Infrastructure, Inc., a CB&I Company) and Aptim Environmental & Infrastructure, Inc.; and authorized the Chief Executive Officer or his designee to execute all other ancillary documents.

This concluded the Consent Agenda, there were no Policies or Rules for Consideration or Action, Committee Reports or Unfinished Business. Chairman Watkins then proceeded to New Business.

The first item in New Business was the Construction Contract, Airside A Building Automation System Upgrade, HCAA Project No. 5755 18, Johnson Controls, Inc., Tampa International Airport, Resolution No. 2017-95, presented by Jeff Siddle.

The purpose of this Project is to upgrade the existing Building Control System at Tampa International Airport's (TPA) Airside A and integrate it with TPA's other Building Control Systems located at TPA's Main Terminal and other airside. In order for the upgraded Building Control System at TPA's Airside A to successfully integrate with TPA's other Building Control Systems, a sole source purchase of Johnson Controls Inc.'s (JCI) proprietary equipment, software and technical

expertise is necessary. JCI is the only factory authorized Building Control System installer for TPA's facilities.

This Contract is being procured under Standard Procedure S410.11, Government and Cooperative Contract Pricing and Sole Source Purchase.

A Notice of Intent to Sole Source was advertised on August 9, 2017. No responses were received.

This Contract will commence on November 2, 2017. Substantial completion of the Project is anticipated by October 31, 2018. The total not-to-exceed amount for the Contract is \$546,000.00.

A W/MBE goal participation rate of at least 24% is incorporated into this Contract.

This item is included in the Capital Budget.

Management recommended adoption of Resolution No. 2017-95.

Upon motion of Gary Harrod, seconded by General Diehl, the Construction Contract, Airside A Building Automation System Upgrade, HCAA Project No. 5755 18, at Tampa International Airport with Johnson Controls, Inc. was unanimously approved by all members present; the total not-to-exceed amount of \$546,000.00 was approved; and the Chief Executive Officer or his designee was authorized to execute all other ancillary documents by adoption of Resolution No. 2017-95.

The next item in New Business was the Construction Contract, Economy Parking Garage North & South Level 6 & Ramps Rehabilitation, HCAA Project No. 6480 17, Restocon Corporation, Tampa International Airport, Resolution No. 2017-93, presented by Jeff Siddle.

This Project includes the rehabilitation of Level 6 of the Economy Parking Garage North and South at Tampa International Airport, including miscellaneous concrete repairs and penetrating sealer of the entire Level 6. Also included in this Project is rehabilitation of the ramps and crossovers between the North and South Garages. A low bid solicitation was advertised on August 9, 2017.

On September 27, 2017, bids were publicly opened and read aloud as follows:

<u>Company Name</u>	<u>Bid Amount</u>
Restocon Corporation	\$828,633.00
Brock Logistics, LLC	\$974,348.00
Suncoast Restoration & Waterproofing, LLC	\$982,630.00
*General Caulking & Coatings Co., Inc.	\$1,119,559.00
Structural Preservation Systems, LLC	\$1,148,860.60

Concrete Protection and Restoration, Inc.	\$1,175,463.57
*Shiff Construction & Development, Inc.	\$1,356,172.00
Tendon Systems, LLC	\$1,436,223.90
Schnell Contractors, Inc.	\$1,442,160.00
Intron Technologies, Inc.	\$1,638,350.22
**Maverick Constructors, LLC	\$2,672,925.43

*General Caulking & Coatings Co. Inc. and Shiff Construction & Development, Inc. were deemed non-responsive for failure to meet the prescribed W/MBE Goal.

**Maverick Constructors, LLC was deemed non-responsive for failure to meet the prescribed W/MBE Goal and failure to include other required documents with their response.

The lowest responsive and responsible bidder is Restocon Corporation.

A W/MBE Goal participation rate of 9.2% was prescribed and a W/MBE Goal participation rate of at least 9.9% is incorporated into this Contract.

This item is included in the Capital Budget.

Management recommended adoption of Resolution No. 2017-93.

Upon motion of Gary Harrod, seconded by General Diehl, the Construction Contract for Economy Parking Garage North & South Level 6 & Ramps Rehabilitation, HCAA Project No. 6480 17 at Tampa International Airport with Restocon Corporation was unanimously approved by all members present; the bid of Restocon Corporation in the amount of \$828,633.00 was approved; the bids from General Caulking & Coatings Co. Inc., Shiff Construction & Development, Inc. and Maverick Constructors, LLC were rejected as non-responsive; and the Chief Executive Officer or his designee was authorized to execute all other ancillary documents by adoption of Resolution No. 2017-93.

The third item in New Business was the Selection of Firms and Award of Contracts, Forward Direct Placement Financing, BankUnited, N.A. and/or Bridge Funding Group, Inc., an affiliate of the Bank, STI Institutional & Government, Inc., Raymond James Capital Funding, Inc., and IBERIABANK, Tampa International Airport, Resolution No. 2017-94 presented by Damian Brooke.

As part of the Authority financial planning program, outstanding bonds are reviewed on an on-going basis for possible refunding opportunities to achieve interest rate savings. This review includes an analysis of potential savings by refinancing the debt at lower interest rates and also an evaluation of which methods of refunding would be most beneficial to the Authority. Currently, the Authority has identified the outstanding 2008A, 2008C and 2008D Bonds as candidates for refunding in 2018, with the actual redemption of those Bonds to occur when they first become

callable on October 1, 2018. Under Internal Revenue Service tax rules, bonds issued to refund the 2008A, 2008C and 2008D Bonds cannot be issued more than 90 days in advance of October 1, 2018, the first redemption date.

The Authority has successfully used a direct placement approach on refundings in 2013, 2015 and 2016 where the Authority locked in interest rates with the banking community several weeks in advance. For this financing, the Authority will be utilizing a forward direct placement approach for the first time. Under the forward direct placement approach, the rate of interest will be set in November 2017 and will be locked until the refunding bonds are issued in approximately mid-August 2018. Given that interest rates are generally expected to rise in the next eighteen months, the Authority believes the forward direct placement financing approach will achieve better interest rate savings on the bond refunding than would be achieved if the Authority waited until 2018 to price the bond refunding. Authority staff worked with Public Financial Management, Inc. (PFM), the Authority financial advisor, to analyze the current market conditions and direct placement options and it is PFM’s opinion that this approach could potentially achieve significant refunding savings to the Authority.

The 2008A, 2008C and 2008D Bonds total approximately \$145.7 million of remaining principal. The Authority divided the 2008A, 2008C and 2008D Bonds into four categories by maturity range and a \$50 million threshold amount.

On July 14, 2017, a Request for Proposals was issued for Forward Direct Placement Financing at Tampa International Airport. The Request for Proposals invited firms to submit proposals to provide a forward direct placement to refund the 2008A, 2008C and 2008D Bonds. Responses were evaluated based on proposed fixed interest rate, amount of the forward premium, estimated fees and expenses, terms for locking in the fixed interest rate, proposed legal terms, and prepayment terms. Respondents were allowed to submit for one or more categories, but had to state a total principal amount which they had the capacity to purchase. The responses were received and evaluated by staff. The firms are listed below in order of technical ranking by Category:

Category 1	Category 2
1. BankUnited, N.A. and/or Bridge Funding Group, Inc., an affiliate of the Bank	1. STI Institutional & Government, Inc.
2. STI Institutional & Government, Inc.	2. Raymond James Capital Funding, Inc.
3. IBERIABANK (tie)	3. Bank of America, N.A. or Affiliate
3. Wells Fargo Bank, N.A. (tie)	4. Wells Fargo Bank, N.A.
5. Bank of America, N.A. or Affiliate	5. IBERIABANK

Category 3	Category 4
1. IBERIABANK	1. IBERIABANK
2. Raymond James Capital Funding, Inc.	

After the rankings were completed, PFM performed an additional analysis by Category which confirmed that the rates proposed by the top ranked respondents compared very favorably to the rates that might be obtained on a public offering of the same categories of bonds in the current market. Additionally, the analysis provided unforeseen opportunities to increase savings by reducing the total principal amount required due to using funds from Debt Service Common Reserve and also revising the principal totals within each Category. The revised principal amounts and maturity ranges for each Category were agreed to by all respondents and are as follows: Category 1 (2018 Series A), representing maturities between 2019 and 2023, will consist of principal amounts of approximately \$49 million; Category 2 (2018 Series B), representing maturities between 2024 and 2028, will consist of principal amounts of approximately \$32 million; Category 3 (2018 Series C), representing maturities between 2029 and 2033, will consist of principal amounts of approximately \$27 million; and Category 4 (2018 Series D), representing maturities between 2034 and 2038, will consist of principal amounts of approximately \$31 million.

No specific expectancy for W/MBE participation was established.

The Chief Executive Officer recommends ranking the firms in the order listed above; awarding Category 1, Category 2 and Category 4 to the top ranked firms, and awarding Category 3 to the second ranked firm since the highest ranked firm in Category 3, IBERIABANK, only has the capacity to be awarded one category and is being recommended for award in Category 4; and authorizing staff to negotiate the terms and conditions of the forward direct placement financing with the highest ranked firms in each category. If staff is unable to negotiate acceptable terms and conditions with the top ranked firm in a Category, they are authorized to negotiate with the next highest ranked firm in that Category and so on through the rankings until the forward direct placement financing terms and conditions are agreed to by staff.

Gary Harrod questioned whether there would be a prepayment penalty for paying off the bonds early. Mr. Brooke answered there would be no penalty.

Resolution No. 2017-94 authorized the issuance of Hillsborough County Aviation Authority Tampa International Airport Revenue Refunding Bonds, 2018 Series A (AMT), Hillsborough County Aviation Authority Tampa International Airport Revenue Refunding Bonds, 2018 Series B (AMT), Hillsborough County Aviation Authority Tampa International Airport Revenue Refunding Bonds, 2018 Series C (AMT), and Hillsborough County Aviation Authority Tampa International Airport Revenue Refunding Bonds, 2018 Series D (AMT), all in the aggregate principal amount of not to exceed \$140,000,000, for the purpose of refunding all or a portion of the Authority's outstanding Tampa International Airport Revenue Refunding Bonds, 2008 Series A (AMT), Tampa International Airport Revenue Refunding Bonds, 2008 Series C (AMT) and Tampa International Airport Revenue Refunding Bonds, 2008 Series D (Non-AMT); approving the form of Supplemental Trust Agreement with respect to the 2018 Bonds and approving certain Amendments to the Trust Agreement as provided therein; delegating authority to award the sale of such 2018 Bonds to the respective successful bidders on a forward delivery basis and approving the form of Forward Delivery Purchase Agreements and the conditions of such sale; designating the Registrar, Paying Agent and

Authenticating Agent for such 2018 Bonds; approving the form and authorizing the execution and delivery of an Escrow Deposit Agreement and designating the Bank of New York Mellon, New York, New York, as Escrow Agent thereunder; providing certain findings with respect to the foregoing; providing certain other details with respect thereto; and providing an effective date.

Chairman Watkins called for a motion to approve Resolution No. 2017-94.

Upon motion by Gary Harrod, seconded by General Diehl, Resolution No. 2017-94 was unanimously approved by all members present.

The fourth and final item was the Selection of Firms to Provide Bond Underwriter Services, Citigroup Global Markets Inc., Raymond James & Associates, Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC doing business as Morgan Stanley, Wells Fargo Bank, National Association and RBC Capital Markets, LLC, Tampa International Airport presented by Damian Brooke.

On May 19, 2017, a Request for Proposals was issued for Bond Underwriter Services at Tampa International Airport. Authority Policy P404, Investment Bankers, states that the Board will select a team to represent the Authority in the sale of revenue bonds, special purpose facility bonds, bond anticipation notes, commercial paper, derivatives or other public offered debt instruments on a negotiated basis.

Seventeen qualified responses were received from firms to serve on the Underwriting Team. The responses from Academy Securities, Inc., Estrada Hinojosa & Company, Inc., Fidelity Capital Markets, a division of National Financial Services LLC, SunTrust Robinson Humphrey, Inc., and TD Securities (USA) LLC were deemed non-responsive as the firms did not meet the minimum qualification requirements of the Request for Proposals.

The qualified responses were evaluated by staff and the highest ranked firms were short listed and invited to participate in interviews. The following firms did not make the short list ranking: Backstrom McCarley Berry & Co., LLC, Drexel Hamilton, LLC, Piper Jaffray & Co., and Mesirow Financial, Inc.

Following is the highest ranked firms in order of technical ranking following interviews, final technical evaluations and scoring of fees:

1. Citigroup Global Markets Inc.
2. Raymond James & Associates, Inc.
3. Merrill Lynch, Pierce, Fenner & Smith Incorporated (Bank of America Merrill Lynch)
4. Morgan Stanley & Co. LLC doing business as Morgan Stanley
5. Wells Fargo Bank, National Association

6. RBC Capital Markets, LLC
7. J.P. Morgan Securities LLC
8. Jefferies LLC

The Request for Proposals stated that the Authority may choose up to six firms to participate on the Underwriting Team. This item recommends the rank order of firms and the selection of the following top ranked six firms to serve on the Underwriting Team as follows:

1. Citigroup Global Markets Inc.
2. Raymond James & Associates, Inc.
3. Merrill Lynch, Pierce, Fenner & Smith Incorporated (Bank of America Merrill Lynch)
4. Morgan Stanley & Co. LLC doing business as Morgan Stanley
5. Wells Fargo Bank, National Association
6. RBC Capital Markets, LLC

The term of award is November 2, 2017 through November 1, 2022 with one, two-year renewal option at the discretion of the Chief Executive Officer. The Authority may, without cause, terminate a firm by giving thirty days written notice to the firm or immediately terminate a firm as a result of legal or ethical violations. The Authority reserves the right to replace a terminated firm with the next highest ranked firm that is actively providing bond underwriting services and has not had material changes to its response. Fees are established based upon actual financing activities of the Authority and are part of the financing transaction. Approval of fees and approval of a bond purchase agreement will be part of the Board approval for each financing transaction. Takedowns and fees structure may not exceed the initial proposed takedown and fees structure unless market conditions have materially changed.

No specific goal for W/MBE participation was established.

Upon motion of Gary Harrod, seconded by General Diehl, the ranking of firms in the order listed was unanimously approved by all members present; the selection of the top ranked firms was authorized; and staff was authorized to negotiate agreement(s) with the designated firm(s) for each financing transaction. No resolution was required.

This item concluded New Business.

Mr. Lopano next introduced AI Illustrato and the monthly Master Plan update.

AI Illustrato began by stating that the Authority is still on track to complete within the program budget of \$971.8 million. The Authority has spent \$841.4 million to date but this number is fluid and there will be some cost pressures on some of the program elements.

Contractors did experience some additional days due to Hurricane Irma. They are still facing material delivery delays because some areas in Miami were hard hit. The projected Rental Car Center opening is set for February 2018.

Mr. Illustrato gave a quick recap of the work that is being done with SkyConnect at the Main Terminal Station, Economy Garage Station, Rental Car Center Station and the Maintenance Facility. Mr. Illustrato also provided a look ahead at the work that will be done from the months of November through January.

Mr. Illustrato then gave an update on the program budget. The Unallocated Contingency is at \$3.4 million. It was at \$4.4 million the prior month. \$300,000 was used to pay for utility expenses at the Rental Car Center and an additional \$700,000 was used for various items at MTAC. The remaining money was used for relocating the Skanska staging area at the Airside D ramp.

Mr. Illustrato then gave a Master Plan Phase 2 update which included information on the timeline for the demolition of the Red Side Garage, Roadway Expansion and Gateway Development Area.

Laurie Noyes was up next to give an update on the Airport Concession Redevelopment Program. Since her last report 9 locations were opened and an additional 13 are set to open in the next quarter. In fiscal year 2017, the Concession Receiving and Distribution Center recycled over 20,000 gallons of used cooking oil into biofuel. ACDBE participation is going well. The ACDBE partners meet collectively each quarter with the Authority's Ethics and Compliance team to discuss challenges and opportunities. 81% of passengers are making a purchase in their travels which is up 4% from where the Program began. The result is a 12% growth in sales and a 20% growth in revenue for the Airside in the FY18 budget compared to where the Program began.

Laurie reported on all of the Concessions that have opened and are due to open for all of the Airsides and Main Terminal. Gary Harrod inquired if there were any plans to put food and beverage concessions in the Car Rental Center. Laurie replied that there will be a news convenience concession in the customer service area.

This concluded the Staff Reports.

Before adjourning Mr. Stephens requested an Attorney-Client Closed Session be held at the December Board Meeting to discuss pending litigation and 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 9:57 a.m.

Robert I. Watkins, Chairman

Victor D. Crist, Secretary