



**AUSTIN AIRPORT ADVISORY COMMISSION
MINUTES**

**REGULAR MEETING
TUESDAY, APRIL 10, 2012**

The Austin Airport Advisory Commission convened in a regular meeting on Tuesday, April 10, 2012 at 2716 Spirit of Texas Drive, in Room 160 in Austin, Texas.

Chair Dale Murphy called the meeting to order at 5:05 p.m.

Commission Members in Attendance:

Dale Murphy, Chair
D'Ann Johnson, Secretary
George Farris
James Kelsey
Rose Marie Klee
Ernest Saulmon

Commission Members Absent:

Vice Chair, Steven Hart

Staff in Attendance:

Shane Harbinson
Dave Arthur
Janice White
Patricia Van Buren
Tom Thies
Kellye Mireles

Others Present:

Chris Coons, RW Armstrong
Nate Granger, RS& H

1. CITIZENS COMMUNICATIONS: GENERAL

None.

2. APPROVAL OF MINUTES

The minutes from the meeting of March 13, 2012 were approved on Rose Marie Klee's motion, Ernest Saulmon's second on a 6-0 vote with corrections made to the votes on the Action Items. Vice Chair Steven Hart was absent. The changes to last month's Action Items are as follows:

4. ABIA Action Items

- a) **The motion authorizing action item 4a was approved with corrected backup on Secretary D'Ann Johnson's motion, Commission Member Rose Marie Klee's second on a 6-0 vote. Commission Member James Kelsey was absent.**
- b) **The motion authorizing action item 4b was approved on Secretary D'Ann Johnson's motion, Commission Member Ernest Saulmon's second on a 6-0 vote. Commission Member James Kelsey was absent.**
- c) **The motion authorizing action item 4c was approved on Secretary D'Ann Johnson's motion, Commission Member Rose Marie Klee's second on a 6-0 vote. Commission Member James Kelsey was absent.**
- d) **The motion authorizing action item 4d was approved on Secretary D'Ann Johnson's motion, Commission Member Ernest Saulmon's second on a 4-0-2 vote. Chair, Dale Murphy and Commission Member Rose Marie Klee recused themselves from this item due to a conflict of interest. Commission Member James Kelsey was absent.**
- e) **The motion authorizing action item 4e was approved on Secretary D'Ann Johnson's motion, Vice Chair Steven Hart's second on a 6-0 vote. Commission Member James Kelsey was absent.**

3. STAFF BRIEFING, REPORTS AND PRESENTATIONS

- a) Planning & Engineering Capital Improvement Project Status Report Presentation was presented by Shane Harbinson, Assistant Director, Aviation Department. Shane Harbinson hit on several highlights from Planning & Engineering projects. Design study for the drainage master plan was given to Environmental Board on April 4, 2012 to seek their approval and will now be going to the planning commission. The wildlife hazard assessment is in final draft and will be sent to the FAA and will be looking for their response sometime this summer. The campus signage improvements were approved by the Council and will now proceed with construction. The new employee parking lot is at 100% design document. We are getting set to go out and advertise that next month. It also includes expanding lot G by 250 spaces. The other items that we are seeking FAA grant support for is improvements along Presidential Boulevard. We are seeking advertisement at the end of this month for improvements and adding a connection road to Spirit of Texas Drive. We will be adding interactive touch screen directories located in the terminal on the secured and unsecured side. These will allow easier changing of tenant names. The General Aviation apron that we have is a small contractor and they have some personnel issues so we won't be proceeding until they have their full staff available to go and put a new wearing surface on our general aviation apron. The airside demolition project we are getting ready to demo a small building that is next to air

maintenance. The remain overnight apron should be finished by June or even earlier. The baggage system server's installation is ongoing. We are in phase one of two, possibly three, phases of building improvements. Delaware North and Leisure Travel are both making improvements to their concessions. Austin Article and Ruta Maya are working on some issues with their contractors but expect to be moving forward by the summer.

- b) Finance & Operations Reports Presentation was presented by Dave Arthur, Assistant Director, Aviation Department. Year to date enplanement growth is 3% over last year. Airline revenue is still running about the same and 6% under budget. Non Airline revenue is up almost 9% over last year. Parking is up 8% over budget and 12% over last year. Rental Car revenue is 4% over last year. Food and beverage is about 7% and retail is up 4%. Expenses are up 3% over last year and 8% over budget. Operating margin is at 36%.
- c) GTSA Transactions Report Presentation was presented by Shane Harbinson, Assistant Director, Aviation Department. Shane Harbinson discussed the GTSA Transactions for March 2012. See below for a year-to-year comparison.

YEAR TO YEAR COMPARISON			
SERVICE CATEGORY	MARCH 2012	MARCH 2011	% Increase/(decrease)
TAXICAB	31,463	40,721	(22.7 %)
LIMOUSINE	4,784	3,129	52.9%
HOTEL SHUTTLE	3,781	3,480	8.6%
OTHER SHUTTLE	500	351	42.5%
CHARTER BUS	2	25	(92.0)%
OVERALL TOTAL	38,341	47,706	(19.6%)

The above comparison is not accurate. The last count came in at 53,000 but is being checked.

- d) Airport Hilton Hotel Operation Presentation was presented by Patricia Van Buren, Manager, Business Assurance. Ms. Van Buren gave an overview of the history, parties involved, agreements, operations and performance of the Hilton hotel. The hotel was the former Bergstrom Air force Base command center built in 1968. The building was going to be demolished until it was decided it could be developed into a full service hotel for the airport and the Austin community. A local developer called Landmark Hospitality LP was contracted to convert the building into a hotel. There was a project development agreement for that in February 1999. The airport leased the building and the land, approximately 10 acres that it sits on, to the developer who was subsequently assumed by a corporation that was formed called Austin Bergstrom Landhost Enterprises Inc. (ABLE). This corporation was formed by the city for the tax exempt revenue bonds that were used to finance the construction of the building. ABLE was incorporated in December 1998. It is a non-profit public benefit corporation sponsored by the city and has board members which include Jim Smith, Director, Aviation Department; Dave Arthur, Assistant Director, Aviation Department; Sue Edwards, Assistant City Manager; Robert Goode, Former Assistant City Manager and Art Alfaro, Treasurer, City of Austin.

In February 1999 approximately 38.8 million senior revenue bonds were issued by ABLE and 3.7 million subordinate bonds. It was decided the hotel would carry a Hilton flag, so there is a license agreement with Hilton, and it was then opened in January 2001. The trustee for the bonds is Wells Fargo Bank Minneapolis. The lease between the City of Austin and ABLE runs from June 1998 until August 2030. The hotel pays rent to the airport under the lease, and reports quarterly. They pay between 3-5% of the guest room revenues, depending on the quarterly occupancy, and 5% of all other revenues, which is parking, food and beverage and such. The total rent that was due for 2011 was \$547,000 and 2010 was \$481,000. The senior bonds mature in 2027. The Hilton license agreement whereby ABLE can operate the hotel under the Hilton name began at the opening of the hotel and runs for 20 years. The hotel management company runs all of the operations of the hotel such as planning, budgeting, sales and marketing. All employees are employed by the management company, not the City of Austin. The hotel has 262 guest rooms with 20,000 s.f. of meeting spaces. The hotel is set up with FIDS (Flight information display screen). The majority of the hotels revenue comes from the rooms. Last year the room revenue was about 8 million. Food and Beverage revenue was 3.3 million for last year. When compared to other hotels in the South Austin market, the Hilton outperformed their competitors. The occupancy rate last year was 82.7 % and their competitor's occupancy rate was 75.5%. The hotel is always compliant for their inspections and scores very high on cleanliness. The Hilton is the closest hotel to the Circuit of The Americas (COTA) racetrack and hopes to capitalize on that when it opens later this year. The hotel still has arrears and it is not known when they will be able to pay it off but are hopeful that COTA will help with those debts.

4. ABIA Action Items

- a) Authorize award and execution of a contract with **OSHKOSH CORPORATION** to provide an aircraft rescue and fire fighting vehicle in an amount not to exceed \$711,320.

Chief Tom Thies spoke to the Commission on the advantages/reasons for this purchase.

The motion authorizing action item 4a was approved on Commission Member Ernest Saulmon's motion, Commission Member James Kelsey's second on a 6-0 vote. Vice Chair Steven Hart was absent.

- b) Authorize execution of a construction contract with the **BARR CO.**, for the ABIA Terminal HVAC Improvements in the amount of \$1,169,518 plus a \$116,952 contingency, for a total contract amount not to exceed \$1,286,470.

The motion authorizing action item 4b was approved on Rose Marie Klee's motion, Ernest Saulmon's second on a 6-0 vote. Vice Chair Steven Hart was absent.

- c) Authorize award and execution of a 60-month requirements contract to provide passenger boarding bridge maintenance support and repair parts in an estimated amount not to exceed \$1,000,000; and authorize award and execution of a contract for the purchase and installation of 24 loading bridge preconditioned air units in an estimated amount not to exceed \$1,825,367, with **JBT AEROTECH/JETWAYS SYSTEMS** for the Aviation Department, for a total estimated amount not to exceed \$2,825,367. JBT AeroTech/Jetway Systems is the sole source provider for these products.

The motion authorizing action item 4c was approved on D'Ann Johnson's motion, Rose Marie Klee's second on a 6-0 vote. Vice Chair Steven Hart was absent.

- d) Authorize award, negotiation, and execution of 12-month requirements service contract with **SECURITY DESIGN, INC. dba EO INTEGRATED SYSTEMS, INC.** for airport security system software and hardware maintenance, support services, and training at the Austin-Bergstrom International Airport in an estimated amount not to exceed \$105,000, with three 12-month extension options in an estimated amount not to exceed \$109,000, \$113,200, and \$118,000 respectively, for a total estimated contract amount not to exceed \$445,200.

The motion authorizing action item 4d was approved on Ernest Saulmon's motion, Rose Marie Klee's second on a 6-0 vote. Vice Chair Steven Hart was absent.

5. NEW BUSINESS

- a) CONRAC Concept Design Presentation. Janice White, Project Manager, Aviation Department, gave a presentation on CONRAC. Ms. White handed out a packet which included diagrams, requirements, site and floor plans and milestone dates for the CONRAC project. CONRAC is a public/private partnership with Aviation, City of Austin, and the rental cars companies. The design phase kicked off in January. The contract for the project is a two phase process. The design phase is the first phase where the feasibility study is used as the basis for the project. At the end of the design development, approval is requested to start phase two, which includes construction documents and construction of the project. Increased passenger traffic, the need for additional rental car staging and ready return spaces all provided the basis for this project. Ms. White answered questions that the commission members had about the site and floor plans, walkways, and the weather elements that customers must go through to get from the terminal to the CONRAC facility.
- b) Discussion on a VOR Checkpoint on the airport (George Farris and Dale Murphy). Commission Member George Farris gave a brief description of a VOR (VHF Omnidirectional Range). VOR is a navigational aid that has been used by pilots for the past fifty years. It is basically a spot that is painted on the airport that you taxi to and sit on so your instruments will read where you are and you can then adjust your instruments since you know what it is supposed to be when you are sitting at that particular spot. Mr. Farris brought up the question of what steps it would take to set up a VOR at ABIA. It was decided that the next step would be for Mr. Farris to coordinate with Shane Harbinson and talk to the FAA about it.

Shane Harbinson called for a five minute break at 7:09 PM. The Austin Airport Advisory Commission re-adjoined at 7:14 PM.

- c) Conduct an Austin Airport Advisory Commission Annual Review, Complete Internal Review Report and Work Plan to be submitted to the Council Audit and Finance Committee and City Clerk. Shane Harbinson, Assistant Director, Aviation Department explained that every year, each board and commission must do an annual review. The finance committee then takes one of the boards or commissions and goes over it in more detailed review. Mr. Harbinson handed out a draft of an annual internal review and explained each item. He explained that the report needs to be edited and turned into the

City Clerks office. Chair Dale Murphy asked the commission to email any suggestions to him to add to the report and he would finalize it and give it to Shane Harbinson within the next two weeks.

6. OLD BUSINESS (updates)

- a) Status of action items upon which the Commission has made a recommendation to Council.
(Please note the progress of the following items)

Authorize award and execution of a 12-month requirements service contract with **INLAND TECHNOLOGIES LTD.**, for runway derubberization for the Aviation Department in an estimated amount not to exceed \$81,500, with three 12-month extension options in an estimated amount not to exceed \$81,500 per extension option, for a total estimated contract amount not to exceed \$326,000. *[Item went before City Council on March 8, 2012 and passed.]*

Authorize award and execution of a 36-month requirements service contract with **ALAMO DOOR SYSTEMS OF TEXAS, INC.**, for overhead door maintenance and repair for various city facilities in an estimated amount not to exceed \$1,200,000 with three 12-month extension options in an estimated amount not to exceed \$450,000 for the first extension option; \$500,000 for the second extension option, and \$550,000 for the third extension option, for a total estimated contract amount not to exceed \$2,700,000. *[Item went before City Council on March 22, 2012 and passed.]*

Authorize award and execution of a 48-month requirements supply agreement with **TEXAS MULTIPLE AWARD SCHEDULE (TXMAS), TEXAS LOCAL GOVERNMENT PURCHASING COOPERATIVE (BUYBOARD)** or any other cooperative purchasing organization contracts available within the State of Texas and authorized by the Austin City Council for the purchase of automotive tires for Fleet Services and Aviation in an amount not to exceed \$6,602,640. *[Item went before City Council on March 22, 2012 and passed.]*

Authorize execution of a construction contract with **RODRIGUEZ BARR, INC. DBA THE BARR COMPANY, AIA**, Austin, TX for ABIA Campus Signage Improvements in the amount of \$1,556,910.10 plus a \$155,691 contingency, for a total contract amount not to exceed \$1,712,601.10. *[Item scheduled to go before City Council on April 5, 2012.]*

Authorize negotiation and execution of an amendment to the professional services agreement with **CDM SMITH, INC.** (formerly Camp Dresser & McKee, Inc.), Austin, TX for engineering services for the Austin-Bergstrom International Airport (ABIA) Stormwater Drainage Master Plan Update project in the amount of \$115,000, for a total contract amount not to exceed \$615,000. *[Item scheduled to go before City Council on April 12, 2012.]*

Authorize execution of a construction contract with **MID-STATE PLUMBING, INC.**, (WBE/FW 45.2%), for ABIA Information Systems Building Fire Protection Improvements in the amount of \$498,000 plus a \$49,800 contingency, for a total contract amount not to exceed \$547,800. *[Item scheduled to go before City Council on April 26, 2012.]*

- b) Properties Lease Agreements – Southwest will do seasonal to Portland non-stop.
- c) General Aviation – Ascend has asked for more time to respond back. We made an offer to pay 50/50 and they do not want to pay for that. They think the FAA should pay for the relocation of the cable duct bank line. We are moving forward with Jet Black they have a layout and they reduced their footprint for water quality and water retention issues.

7. FUTURE AGENDA ITEMS

Goal setting for Commission.

8. ADJOURNMENT

Motion to adjourn the meeting was made by Ernest Saulmon, George Farris' second on a 6-0 vote. Meeting was adjourned at 7:28 p.m.

Date of next meeting: May 8, 2012