

Metropolitan Airports Commission



Full Commission

Regular Monthly Meeting Minutes

Monday, April 19, 2010

1:00 pm

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**METROPOLITAN AIRPORTS COMMISSION
FULL COMMISSION MINUTES
REGULAR SCHEDULED MEETING**

Monday, April 19, 2010, 1:00 p.m.

Room 3040 Lindbergh Terminal

Wold Chamberlain Field

Minneapolis-St. Paul International Airport

Call to Order

A Regular meeting of the Full Commission, having been duly called, was held Monday, April 19, 2010 at Room 3040 Lindbergh Terminal, Wold Chamberlain Terminal, Minneapolis-St. Paul International Airport. Chairman Lanners called the meeting to order at 1:00 p.m. The following were in attendance:

Commissioners: Boivin, Geisler, Harris, Landy, McKasy, Monaco, Nelson, Rehkamp, Sigel, Westerberg, Williams and Chairman Lanners

Staff: S. Busch, J. Hamiel, D. Probst, T. Anderson, T. Anderson, J. Nielsen, S. Douma, J. Felger, P. Hogan, M. Kilian, E. Hermann, J. Greer, J. Prihoda, C. Boyd, J. Laurent, J. Nawrocki, A. Dye, B. Rief, G. Warren, P. Lye, G. Schmidt, R. Fuhrmann, E. Johnson, B. Peters, M. Willis, P. Hogan, P. Burke, M. Everson, S. Wareham, E. Wilson, J. Brown, K. Kelly, D. Johnson, N. Kiefer, J. Kosta, D. Ruch, L. Johnson, T. Behrends-Singer

Others: Jessie Perez, Laura Perez, Minnesota Shines; Tom Lindsey, MSP Aero; Andy Peek, SHE; J. Hunter, FAA; Gordon Hoff, MBAA; Brian Beaufgout, IAE; Patrick Hughes, PB; Diane Dombrock, Airport Foundation; Andria Stegeman, TSA; Mary Loeffelholz, Delta; Kevin Kirchborg, DNC; Jana Vaughn, Airport Foundation MSP; Dick Saunders, SMAAC; Joel Carlson, Richard Silverton, Van Wagner

OPEN FORUM

Jessie Perez, Quality Shoes, addressed the Commission and requested that the Commission re-open the bidding process and award all or part of the shoeshine concession to the second highest bidder, Jessie's Quality Shoe Shines. He stated that he believes Royal Zeno has failed to timely comply with the requirements set forth in the lease such as failing to timely sign the lease for the space and failing to timely provide the rent and deposits required under the lease. He urged the Commission to take immediate action to rectify what he believes is a flawed process.

AWARD

Chairman Lanners presented the Minnesota Council of Airports Project of the Year Award for the improvements made at the Flying Cloud Airport and noted all the MAC Staff/departments that have been involved for over nearly 19 years in successfully implementing the project. Accepting the award were Bridget Rief, Allen Dye, Jeff Nawrocki, and Andy Peek.

CONSENT ITEMS

The following Consent items were approved by roll call vote as indicated.

COMMISSIONER MOVED REHKAMP AND COMMISSIONER LANDY SECONDED APPROVAL OF THE CONSENT AND COMMITTEE AGENDA ITEMS AS LISTED BELOW. The Motion carried on the following roll call vote:

Ayes: Twelve Commissioners Boivin, Geisler, Harris, Landy, McKasy, Monaco, Nelson, Rehkamp, Sigel, Westerberg, Williams and Chairman Lanners

Nays: None

Abstain: None

Absent: Two Commissioners Peilen and Stenerson

Reports

1. Passenger and Operations Summary

Financial Report - Board File No. 13314

Approval of the total amount of \$14,770,566.26 for payment and transfer, subject to audit.

Airport Leases - Board File No. 13315

Minneapolis/St. Paul Int'l Airport

Approval of a lease amendment to the On-Airport General Terms and Conditions Agreement with on-airport rental auto concessionaires. Approval to amend the Surdyk's agreement to allow for Delaware North and its tenant, Surdyk's, to pay no rent to MAC while the Surdyk's concept is being built.

Approval of a lease agreement with the Airport Foundation MSP with a sublease to Theisen Vending Company, to operate kiddie rides in approximately 150 s.f. on the C Concourse and approximately 200 s.f. in the baggage claim area of Terminal 1 - Lindbergh. Approval of an amendment to carrier access agreement between Concourse Communication and Clear Wireless.

APPROVAL OF THE ABOVE TO AUTHORIZE THE LEASES, CONSENT TO TRANSFERS, AMENDMENTS, ASSIGNMENTS, CONSENT TO SUBLEASES, LICENSES AND OTHER ACTIONS AS INDICATED.

ALL SUCH APPROVALS ARE SUBJECT TO PAYMENT OF ALL RENT OR MONEY OWED THE COMMISSION, COMPLIANCE WITH THE TERMS OF ALL EXISTING AGREEMENTS AND PAYMENT OF APPLICABLE ADMINISTRATIVE FEES, IF ANY,

AUTHORIZE THE EXECUTIVE DIRECTOR OR A DESIGNATED REPRESENTATIVE TO EXECUTE THE NECESSARY DOCUMENTS.

Finance, Development and Environment Committee - Board File No. 13311

A1 TEFRA Notice - 2010 Bond Issue

A2 Reports

- a. Budget Variance Report - February 2010
- b. Accounts Receivable Summary
- c. Change Management Policy and Project Status Report
- d. Professional Service Authorization (PSA) Quarterly Report

A3 Final Payments - MAC Contracts

- a. 2008 Miscellaneous Construction
- b. Lindbergh Terminal Transit Gates
- c. Secured Access/CCTV Program

A4 Bids Received - MAC Contract

- a. 2010 Parking Structure Rehabilitation

A5 2010 Bond Update/Underwriter Selection

A6 Passenger Facility Charges - Application No. 11 and PFC No. 10 Amendment

- a. PFC Application No. 11 - Approval of Resolution No. 2127

- b. PFC No. 10 Amendment - Approval of Resolution No. 2128
- A7 Recommendation Regarding Adoption of Resolution No. 2129 - Amendment of Commercial Paper Documents
- A8 MSP Long Term Comprehensive Plan Update - Authority to Submit to the Metropolitan Council for Review
- A9 MAC Professional Services Contracts Audit Report
- A10 2011 Budget Policies

Management and Operations Committee - Board File No. 13312

- B1 Professional Service Authorizations (PSA) Quarterly Report
- B2 Recommendation for Award of the Airfield Logging and Inspection System Contract
- B3 Airside Commercial Services License Fee Request
- B4 Request Approval to Award Secured Access Contract
- B5 Request Approval to Expand Facility Monitoring System to Include Flight Information Displays
- B6 Recommendation for Award of Elevator, Escalator, Moving Walk and Tram Consultant Services Contract
- B7 DISCUSSION: Request Authorization to Negotiate a Three Year Lease with Clear Channel for Outdoor Advertising Concession
- B8 Public Meeting Process for Reliever Airport Leases and Ordinance Language Changes
- B9 Hangar Redevelopments at Flying Cloud
- B10 State and Federal Legislative Update

Human Resources and Affirmative Action Committee - Board File NO. 13314

- C1 HR Policy Revisions
- C2 Ratification of Labor Agreements with the International Union of Operating Engineers, Local 49
- C3 2008-2009 DBE Concessions Update
- C4 2009 DBE Construction Goal Accomplishments and 2010 Goal Projection

DISCUSSION ITEMS - Board File No. 13316

Approval of Minutes

- 1. March 15, 2010

Commissioner Westerberg requested that the following statement, "Commissioner Westerberg asked that staff respond to item B6 regarding whether there is a financial savings in doing a competitive re-selection", was in error and asked that it be stricken from the Minutes.

COMMISSIONER WESTERBERG MOVED AND COMMISSIONER BOIVIN SECONDED APPROVAL THAT THE ABOVE STATEMENT BE STRICKEN FROM THE MINUTES AS AN ERROR. The Motion passed by unanimous vote.

- B7 Request Authorization to Negotiate a Three Year Lease with Clear Channel for Outdoor Advertising Concession

At the April 7, 2010 M&O Committee meeting, staff requested authorization to negotiate a three year lease with Clear Channel for an outdoor advertising concession. A representative from Van Wagner Communications addressed the Committee to challenge the contract extension and to describe features and terms that his company would provide if given the opportunity to bid the contract. He requested that the Committee reject the Clear Channel proposal. Commissioners expressed concern regarding staff's recommendation and their analysis of the concession. Staff's recommendation failed

and staff was directed to re-evaluate the recommendation and return to the April 19th full Commission meeting with an alternative proposal.

Request Authorization to Re-Issue a Request for Bids for an Outdoor Advertising Concession

Bruce Rineer, Asst. Manager Concessions and Business Development, stated at the April 7, 2010 M&O Committee staff's recommendation was to negotiate a three year lease with Clear Channel under the terms that Clear Channel would be increasing the MAG to MAC from \$56,275 per year to \$76,000 and increasing the concession fee percentage from 40% to 50%. Representatives from Van Wagner were present and expressed interest in having MAC continue with the bid process as they were interested in submitting a bid.

After receiving input from the billboard industry, staff believes the following terms will create good competition under the Request for Bids: In summary, they were:

- The term of the Agreement would be 15 years.
- Bidders will be required to submit their bid for the two current Highway 62 locations as well as for the potential 3rd and 4th locations at Highway 77 and 66th Street and Highway 77 and Cargo Road.
- Bidders shall submit a MAG bid for each year of the term.

The following questions and comments were asked by Commissioners:

- What is the distinction between a request for bids and a request for proposals? This appears to be a request for bids. What does that mean in terms of how staff evaluates the winning bid?
- How does the percentage of rents come into play if it is strictly based on the MAG?
- There appears to be some digital potential for these boards but the FAA needs to be contacted if that technology is used. Should that be pursued because of added revenue?
- Should staff be going out for a proposal instead of a bid? If we want to be fair to the public wouldn't staff be looking for proposals if the digital signs can be used?
- Was there ever an analysis done? If the existing signs were taken down would that increase the value of our leases?
- When staff had discussions with the various potential bidders, did any of them indicate a preference for a bid versus a proposal?
- Will the maximum number of bidders respond to an RFB as opposed to an RFP and will the Commission get the best deal by only issuing an RFB versus an RFP?

COMMISSIONER LANDY MOVED AND COMMISSIONER WESTERBERG SECONDED APPROVAL TO AMEND THE REQUEST FOR BIDS FOR THE OPERATION OF AN OUTDOOR ADVERTISING CONCESSION IN TERMS AS OUTLINED ABOVE; AND THAT THE EXECUTIVE DIRECTOR OR HIS DESIGNEE BE AUTHORIZED TO EXECUTE THE NECESSARY DOCUMENTS. The Motion failed on the following roll call vote:

Ayes:	Seven	Commissioners Geisler, Landy, McKasy, Rehkamp, Westerberg, Williams and Chairman Lanners
Nays:	Five	Commissioners Boivin, Harris, Monaco, Nelson and Sigel
Abstain:	None	
Absent:	Two	Commissioners Peilen and Stenerson

Discussion continued as to whether the Commission would benefit from a broader set of responses from companies in a request for proposals.

Staff stated the process for an RFP would require staff to go back and develop a scoring system that would include timelines for the development of the Cedar Avenue boards and the type of development on those boards. The parameters of the RFP could be set however the Commission wishes. It is a matter of determining what is relevant in this particular concession and what is of value to MAC.

Chairman Lanners asked for additional feedback from Commissioners as to the complexity of the request for proposals and any specific parameters they wish to see in the RFP:

- Which companies would have the capacity of doing digital boards and who is best qualified.
- The RFP would include company management, operations and financials.
- A Commissioner commented that he is convinced he saw a digital board in an airport property or at least across the street from an airport property, which means that the FAA must have signed off on it and would like staff to check on it.

COMMISSIONER MONACO MOVED AND COMMISSIONER BOIVIN SECONDED APPROVAL TO DIRECT STAFF TO PREPARE AN RFP BASED ON THE PARAMETERS DISCUSSED ABOVE.

The Motion passed by unanimous vote.

Ayes: Twelve Commissioners Boivin, Geisler, Harris, Landy, McKasy, Monaco, Nelson, Rehkamp, Sigel, Westerberg, Williams and Chairman Lanners

Nays: None

Abstain: None

Absent: Two Commissioners Peilen and Stenerson

NEW BUSINESS - Board File No. 13317

Customer Service Presentation

Tim Anderson, Deputy Executive Director Operations, provided an overview of the Customer Service Partnership Initiative, the Customer Service Action Council (CSAC) successes, and 2009 Objectives and Goals.

This was an information item. No Commission action was requested.

OLD BUSINESS - Board File No. 13318

Dick Saunders, Vice President of SMAAC, addressed the Commission regarding the 2030 Plan. He stated SMAAC believes there are a number of elements of the 2030 Plan that will be subject to change. He talked to the Commission about unexpected events that may require adjustments to the Plan.

This was an information item. No Commission action was requested.

ANNOUNCEMENTS

Denny Probst, Deputy Executive Director Planning and Environment provided an update on the new highway signage. He stated all but one of the signs are up and the contractor completed his work a day ahead of schedule. The last sign will be installed at the intersection of Highway 5 and 55 the first week in May. Mr. Probst noted that for the first time in the history of this airport there are airline names displayed on the highways.

Chairman Lanners adjourned the meeting at 2:20 p.m.

Materials for this meeting are available at the following website:

<http://www.metroairports.org/mac/meetings/fc.aspex>

