

Metropolitan Airports Commission



Management and Operations Committee

Regular Monthly Meeting Minutes

Wednesday, April 07, 2010

1:00 pm

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**METROPOLITAN AIRPORTS COMMISSION
MANAGEMENT & OPERATIONS COMMITTEE
REGULAR MEETING**

Wednesday, April 7, 2010, 1:00 p.m.
Room 3048A, Lindbergh Terminal - Wold-Chamberlain Field
Minneapolis-St. Paul International Airport

"CONSENT ITEMS"

Call to Order

A regular meeting of the Management and Operations Committee, having been duly called, was held Wednesday, April 7, 2010, in Room 3048A, Charles Lindbergh Terminal Building, Minneapolis-St. Paul International Airport, Wold-Chamberlain Field. Chair Landy called the meeting to order at 1:00 p.m. The following were in attendance:

Commissioners: Landy, Westerberg, Lanners, Harris, McKasy, Monaco, Rehkamp

Staff: B. Schauer, T.W. Anderson, T.L. Anderson, J. Hamiel, D. Probst, J. Nielsen, S. Wareham, E. Johnson, J. Prihoda, B. Rineer, J. Greer, P. Sichko, J. Brown, B. Johnson, P. Burke, C. Boyd, M. Kilian, G. Schmidt, D. Ruch, B. Rief, B. Peters, P. Hogan, R. Fuhrmann, B. Zwart, M. Willis, M. Everson, E. Wilson, A. Irish

Others: Mike Mergens, Larkin Hoffman; Walid Abu-Ghazaleh, Richard Silverton, Van Wagner Communications, LLC; Tom McCarver, Clear Channel; Brian Beaufeaux, Industrial Automation Engineering, Inc.; Tom Grad, Van Deusen & Associates, Inc.; Gordon Hoff, Minnesota Business Aviation Association (MBAA); Vivianne Starr, John Krack, Anoka County Aviation Association (ACAA) and Reliever Airport Advisory Council (RAAC); Mary Loeffelholz, Delta

OPEN FORUM

The Open Forum is a portion of the Committee meeting where persons are allowed to address the Committee on subjects which are not a part of the meeting agenda. No public comments were received.

AGENDA ITEMS

B1. PROFESSIONAL SERVICE AUTHORIZATION (PSA) QUARTERLY REPORT – CF 2140

Reports were submitted to the Commission on new, adjusted or closed Professional Service Authorizations (PSAs) for the fourth quarter (October, November, December) of 2009. The next reports are to be presented in July 2010 for any PSAs issued, adjusted or closed in the next quarter.

In response to questions from Commissioners, Staff committed to providing a sampling of PSA project billings for Commissioners to review.

THIS IS AN INFORMATIONAL ITEM ONLY; NO COMMITTEE ACTION IS REQUIRED.

B2. RECOMMENDATION FOR AWARD OF THE AIRFIELD LOGGING AND INSPECTION SYSTEM CONTRACT – CF 2141

The Federal Aviation Administration requires certificated airports to report airfield conditions and maintain records as defined under Code of Federal Regulations FAR Part 139. Those tasks are currently accomplished through the use of multiple hardware, software and communications systems. An integrated system is desired in order to improve accuracy, to expedite condition reporting, to address record retention mandates and to utilize technology in lieu of headcount. An Airfield Logging and Inspection System was originally included in the 2007 capital equipment program, however, procurement has been deferred for the past three years. A logging and inspection tool provides an integrated system that will retain records per FAA requirements and will automate processes, including dissemination of airfield conditions through the Notices to Airmen (NOTAM) system. The system includes GIS-based airport mapping to expedite identification and correction of FAR Part 139 discrepancies. The system also includes coordinated electronic communication tools, with the capability to interface with the FAA's proposed digital NOTAM system. Funding for the system is included in the 2010 capital program.

The Metropolitan Airports Commission (MAC) issued an RFP on December 8, 2009, and proposals were received from Landrum & Brown and from Eagle Integrated Solutions.

The Review Team reviewed the proposals individually and then met to collectively evaluate the proposals based on criteria established in the RFP. The criteria consisted of licensing, desirable integrations, warranty, maintenance and support, training and pricing. Vendor demonstrations were conducted on February 17, 2010. Following the demonstrations and evaluation of each vendor, the Review Team recommends that Landrum and Brown be awarded the contract.

**COMMISSIONER MCKASY MOVED AND COMMISSIONER LANNERS SECONDED THAT THE MANAGEMENT AND OPERATIONS COMMITTEE RECOMMEND TO THE FULL COMMISSION THAT MAC STAFF BE AUTHORIZED TO NEGOTIATE A CONTRACT WITH LANDRUM & BROWN FOR THE PURCHASE OF AN AIRFIELD LOGGING AND INSPECTION SYSTEM AND THE EXECUTIVE DIRECTOR OR HIS DESIGNEE BE AUTHORIZED TO EXECUTE THE NECESSARY DOCUMENTS.
THE MOTION CARRIED BY UNANIMOUS VOTE.**

B3. AIRSIDE COMMERCIAL SERVICES LICENSE FEE REQUEST – CF 2142

There are seventeen companies that provide various airside/commercial services (ground handling, catering, aircraft maintenance, deicing, etc.) to airlines at MSP. License Agreements in this category require operators to pay a Privilege Fee of 4.25% - 6.00% of Gross Sales to MAC.

It has been recently discovered that a number of the companies pass along the Privilege Fee to the airline they are providing services to without adding that amount to the gross sales reported to MAC each month. This results in an underpayment to MAC as identified in the example below:

Reported Gross Sales	Privilege Fee Rate	Amount Due MAC
\$10,000	4.25%	\$425.00
Total Gross Sales, including Fee		
\$10,425	4.25%	\$443.06
	Difference	(\$18.06)

Because of inconsistent enforcement of the requirement for these companies to add the Privilege Fee collected onto their Gross Sales, staff proposes the establishment of a firm date in the future to actively enforce this provision and provide appropriate notice to each company regarding the planned enforcement. This is considered a reasonable solution as opposed to establishing a date in the past and requiring retroactive payments. Staff believes a fair date to begin consistently enforcing this provision is July 1, 2010 with each company receiving notice of the planned enforcement in late April/early May.

COMMISSIONER MCKASY MOVED AND COMMISSIONER LANNERS SECONDED THAT THE MANAGEMENT AND OPERATIONS COMMITTEE RECOMMEND TO THE FULL COMMISSION AUTHORIZATION TO ESTABLISH JULY 1, 2010 AS THE EFFECTIVE DATE FOR ENFORCEMENT OF THE GROSS SALES AND PRIVILEGE FEE REQUIREMENTS OF LIMITED AIRSIDE AND COMMERCIAL SERVICES LICENSE AGREEMENTS AS OUTLINED BY THIS MEMORANDUM AND THE EXECUTIVE DIRECTOR OR HIS DESIGNEE BE AUTHORIZED TO EXECUTE THE NECESSARY DOCUMENTS. THE MOTION CARRIED BY UNANIMOUS VOTE.

B4. REQUEST APPROVAL TO AWARD SECURED ACCESS CONTRACT – CF 2143

Dave Ruch, Director, Information Services, presented background on this item. For 19 years Premier Electrical Corporation has provided 24/7 service, maintenance, planning and coordination necessary to maintain the Secured Area Access Control System (SAACS) at MSP. Secured card access, including its related security components at MSP, is a huge program involving many MAC departments, tenants and agencies, including the Transportation Security Administration. The purpose of this memorandum is to recommend single source approval for Premier Electrical Corporation to continue providing these support services.

MAC staff recommends single source approval due to the depth of knowledge and experience required for unique services provided and the importance of maintaining uninterrupted secured access at MSP.

The work scope requires that the provider:

- Work closely with the Airport Badging Department, MAC Emergency Communications Center (ECC), MAC Police Department, MAC Electrical Department, MAC Airport Development and MAC Information Services (IS).
- Identify problems, review specifications and drawings, inspect and test installations, and track warranty and spare parts.

- Work with Customs and Border Protection (CBP), TSA, MAC IS, Trades, Facilities, Fire Department, Maintenance, MAC GO, Airside Operations, and Landside Operations to provide assistance on security and other systems as authorized by the Police Department Aviation Security Division.

Knowledge and Experience required:

- Master electrician trained and certified by security system vendor(s) (currently Honeywell Prowatch).
- Maintenance of complex security systems at large campus secure facilities.
- Fiber optic cable planning, troubleshooting, installation and repair.
- Oversight of current wiring, conduit, electrical and physical infrastructure and how all MAC systems interface and co-exist with the card access system including HVAC, Fire alarms and monitoring of MAC data and telecommunications.
- Installing, troubleshooting and repairing security devices which control doors, field gates, and other means of entry/egress for people and vehicles.
- Troubleshooting and repairing related security components which interface with the card access system such as CCTV, badging equipment, call for assistance (CFA) phone systems, duress alarms and physical door hardware.
- Familiarity with B&B Electromatic and Hy Security gate operator programming configuration and operation.
- Experience in Aaid® automatic vehicle identification tamper detectible radio frequency tagging system and Police, Fire, and Maintenance vehicles.
- Ability to provide recommendations to MAC staff in the development of bid documents and Request for Proposals (RFP) criteria for the evaluation of new systems and system components.

In response to questions from Commissioners, Mr. Ruch confirmed the average yearly costs for Premier's services. After discussion, Staff and Commissioners agreed to change the motion to be a two year extension of the existing contract to allow Staff time to evaluate bringing the services in-house as well as time to plan for and issue a Request for Proposals to compare costs for a potential subsequent contract.

**COMMISSIONER MCKASY MOVED AND COMMISSIONER WESTERBERG SECONDED THAT THE MANAGEMENT AND OPERATIONS COMMITTEE RECOMMEND TO THE FULL COMMISSION APPROVAL OF A SINGLE SOURCE TWO YEAR CONTRACT WITH PREMIER ELECTRICAL CORPORATION TO PROVIDE SECURITY SYSTEM SERVICES AND THE EXECUTIVE DIRECTOR OR HIS DESIGNEE BE AUTHORIZED TO EXECUTE THE NECESSARY DOCUMENTS.
THE MOTION CARRIED BY UNANIMOUS VOTE.**

B5. REQUEST APPROVAL TO EXPAND FACILITY MONITORING SYSTEM TO INCLUDE FLIGHT INFORMATION DISPLAYS – CF 2144

Dave Ruch, Director, Information Services, presented background on this item. The Commission has approved the MUFIDS Phase 2 project, the installation of four hundred new LCD (liquid crystal display) monitors through-out the entire airport. As a part of the Multi-User Flight Information System Project (MUFIDS) project, MAC staff has negotiated a Service Level Memorandum of Understanding with Delta Airlines laying out support and service response expectations in responding to issues and problems with the system.

The MUFIDS system (made up of 400 LCDs, 300 PCs and 50 network switches) will have a presence in over 125 locations in both terminals, in parking ramps, and at the tops of the LRT stations. To assist with the management and monitoring of this system, and to help meet service response expectations, Staff plans to use MAC's existing Facility Monitoring (FM) System. This FM system monitors the operational status of elevators, escalators, moving walkways, doors, generators, bag carousels, as well as many other pieces of equipment.

The MAC went through an RFP process for vendor support of the Facility Monitoring system in 2009, and the Commission awarded a multi-year contract to Industrial Automation Engineering (IAE). This contract included supporting the system on a daily basis as well as adding new capabilities to the FM system, such as MUFIDS. The agreement stated that the cost of new capabilities to the extent of a MUFIDS effort would be determined separate from the cost of daily support.

MAC staff, working with IAE staff, put together a plan and proposal for building into the FM system the features necessary to manage and monitor the MUFIDS system. This plan includes the programming and licenses necessary to do the work. Funding for this project will come from the approved budget for the MUFIDS Phase II Capital Improvement Project.

In response to questions from Commissioners, Mr. Ruch confirmed that MAC is responsible for maintaining the MUFIDS at both terminals. Commissioners inquired about the data displayed on the MUFIDS and Mr. Ruch explained how flight data is fed to MAC from the various carriers.

COMMISSIONER REHKAMP MOVED AND COMMISSIONER MONACO SECONDED THAT THE MANAGEMENT AND OPERATIONS COMMITTEE RECOMMEND TO THE FULL COMMISSION

1. THAT THE INFORMATION SERVICES DEPARTMENT BE AUTHORIZED TO ENTER INTO AN AGREEMENT WITH INDUSTRIAL AUTOMATION ENGINEERING TO PROVIDE THE CUSTOM DESIGN, PROGRAMMING, TESTING, AND IMPLEMENTATION OF BUILDING INTO THE FM SYSTEM MUFIDS MANAGEMENT AND MONITORING CAPABILITIES FOR A COST NOT TO EXCEED \$120,000, AND
2. THAT THE INFORMATION SERVICES DEPARTMENT BE AUTHORIZED TO PURCHASE THE NECESSARY SOFTWARE LICENSES FROM WONDERWARE MIDWEST NECESSARY TO SUPPORT MUFIDS WITH THE FM SYSTEM FOR A COST NOT TO EXCEED \$33,000, AND
3. THAT THE EXECUTIVE DIRECTOR OR HIS DESIGNEE BE AUTHORIZED TO EXECUTE THE NECESSARY DOCUMENTS.

THE MOTION CARRIED BY UNANIMOUS VOTE.

B6. RECOMMENDATION FOR AWARD OF ELEVATOR, ESCALATOR, MOVING WALK AND TRAM CONSULTANT SERVICES CONTRACT – CF 2145

Phil Burke, Assistant Director of MSP Operations/Facilities, presented background on this item. On January 19, 2010, the Commission authorized staff to issue a Request for Proposals (RFP) for elevator, escalator, moving walk and tram consultant services at

MSP. Proposals were received from Logplan, Lerch Bates and Van Deusen & Associates.

The Metropolitan Airports Commission (MAC) oversees all aspects of maintenance, repair and day-to-day operation of 187 elevators, escalators and moving walks and two automated people mover (APM) systems on the MSP campus. This includes all systems at both terminals except for those on the "G" Concourse. Proper operation of all vertical and horizontal transportation equipment is critical to MSP's overall operation.

To facilitate the required level of service, the MAC incorporates performance-based maintenance and operating agreements with contractors from the vertical and horizontal transportation industry (currently Schindler for elevators, escalators and moving walks, and Schwager-Davis for APMs). Verifying contractor compliance with the MAC maintenance agreement is essential to meeting expectations for a high level of service.

Specialized training, experience, licensing and certification is required to conduct the equipment evaluations, inspections and testing necessary to verify compliance with the contract terms. Because the specialized skills cannot be attained outside of the operational field of expertise, MAC has contracted these inspection services and other oversight tasks since 1998.

To submit a proposal, proposers must have met the Minimum Requirements, as set forth in the RFP. The term of the agreement is for three years, with one, three-year renewal option upon agreement of both parties. Proposers must provide an estimated annual cost to provide the requested services. Proposers were also required to provide hourly labor rates. Proposers must have a person on the job site within one hour of a call for emergency service or face a penalty of \$250 per hour for each hour or fraction thereof for which emergency response is delayed.

The RFP evaluation process involved a focused review by Review Team members. The major elements evaluated and scored by each Review Team member included criteria regarding service approach, personnel qualifications, related work experience references from other clients, and the fee structure. Each Review Team member reviewed the proposals individually and a meeting was held to discuss them collectively. Based on the analysis, it is the Review Team's unanimous recommendation that Van Dusen & Associates provide elevator, escalator, moving walk and APM consulting services at MSP for the next three years.

In response to questions from Commissioners, Mr. Burke confirmed that this recommendation is for consulting services, not maintenance. Mr. Burke also confirmed that both MAC and Delta currently use the same maintenance contractor, Schindler Elevator. Commissioners asked if the consultants were determined not to be a security risk and Mr. Burke confirmed that all consultants must pass a background check prior to working in any of MAC's facilities.

COMMISSIONER WESTERBERG MOVED AND COMMISSIONER HARRIS SECONDED THAT THE MANAGEMENT AND OPERATIONS COMMITTEE RECOMMEND TO THE FULL COMMISSION AWARD OF THE ELEVATOR, ESCALATOR, MOVING WALK AND APM CONSULTING CONTRACT TO VAN DUSEN & ASSOCIATES, FOR THE TERM OF THREE YEARS, WITH ONE, THREE-YEAR RENEWAL OPTION UPON AGREEMENT OF BOTH

**PARTIES, AND THAT THE EXECUTIVE DIRECTOR OR A DESIGNEE BE AUTHORIZED TO EXECUTE THE NECESSARY DOCUMENTS.
THE MOTION CARRIED BY UNANIMOUS VOTE.**

B8. PUBLIC MEETING PROCESS FOR RELIEVER AIRPORTS LEASES AND ORDINANCE LANGUAGE CHANGES – CF 2147

Mr. Gary Schmidt - Director of Reliever Airports presented this update. In Staff's continuing effort to implement the recommendations of the Reliever Airports Task Force Report work has been done on two significant projects. The first project is referred to as the "Aesthetics Ordinance" which is intended to stipulate the exterior maintenance requirements and appearance of hangars and other structures on the Reliever airports. Adoption of the ordinance requires that MAC conduct a public hearing. The ordinance is in draft form and has been shared with the Reliever Airports Advisory Council (RAAC) to get their feedback. Once we evaluate their recommendations the ordinance will be put in a final draft form and introduced to all tenants in one or more public meetings prior to the public hearing. Staff anticipates the ordinance will be ready for a public hearing in July.

The second project is a rewrite of the Reliever Airports Lease Policies Rules & Regulations and the corresponding lease forms. Both documents are currently in a draft form awaiting review and comment by the RAAC. The draft policies and forms will also be presented to all tenants at a future public meeting. Following the public meeting MAC staff will evaluate the comments received and make the appropriate changes. The documents will then be forwarded to the M&O Committee for recommendation to the full Commission. Staff expects to complete this project in August.

THIS IS AN INFORMATIONAL ITEM ONLY. NO COMMITTEE ACTION IS REQUIRED.

B9. HANGAR REDEVELOPMENTS AT FLYING CLOUD – CF 2148

Mr. Gary Schmidt - Director of Reliever Airports presented this informational update. Each of the Reliever Airports is in excess of sixty years old, and many of the hangars were constructed as cheaply as possible with no heat, no electricity and, more often than not, with dirt floors. Many have received minimal maintenance over the years and are the prime target of the upcoming aesthetics ordinance.

Three of the oldest multi-unit hangars on the north side of Flying Cloud Airport were recently sold. Each was a hangar that was considered structurally sound, but appeared dilapidated. The new tenants were allowed to raze the old structure and subdivide the space into individual leaseholds. The tenants were then issued a new ten year lease for the lots upon which they would construct a hangar for their own use. The tenants were also issued five year, non-transferrable, non-renewable leases on the remaining parcels within their original lease, which they could market to other prospective tenants. Upon the sale of these parcels, the buyer pays MAC a "Facility Acquisition Fee" of \$1.09 per square foot of leased area. In return the buyer is issued a new ten year standard lease directly with MAC. If the excess lots are not sold by the original tenant, the lease terminates and the property reverts to the MAC. So far all of the lots have sold within the first year. There are now nine new hangars where three unsightly ones recently stood.

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B10. STATE AND FEDERAL LEGISLATIVE UPDATE – CF 2149

Mitchell Kilian, Director of Governmental Affairs, presented background regarding ongoing legislative matters affecting the MAC and/or its tenants. Areas of legislation included FAA authorization of the Airport Improvement Plan, Passenger Facility Charge Program, State Lottery, Eminent Domain, Energy Conservation, Minneapolis Employees Retirement Fund, among others.

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The meeting was adjourned at 2:47 pm.

**METROPOLITAN AIRPORTS COMMISSION
MANAGEMENT & OPERATIONS COMMITTEE
REGULAR MEETING**

Wednesday, April 7, 2010, 1:00 p.m.
Room 3048A, Lindbergh Terminal - Wold-Chamberlain Field
Minneapolis-St. Paul International Airport

"DISCUSSION ITEM"

Call to Order

A regular meeting of the Management and Operations Committee, having been duly called, was held Wednesday, April 7, 2010, in Room 3048A, Charles Lindbergh Terminal Building, Minneapolis-St. Paul International Airport, Wold-Chamberlain Field. Chair Landy called the meeting to order at 1:00 p.m. The following were in attendance:

Commissioners: Landy, Westerberg, Lanners, Harris, McKasy, Monaco, Rehkamp

Staff: B. Schauer, T.W. Anderson, T.L. Anderson, J. Hamiel, D. Probst, J. Nielsen, S. Wareham, E. Johnson, J. Anderson, J. Prihoda, B. Rineer, G. Schmidt, J. Greer, P. Sichko, J. Brown, B. Johnson, P. Burke, C. Boyd, M. Kilian, D. Ruch, B. Rief, B. Peters, P. Hogan, R. Fuhrmann, B. Zwart, M. Willis, M. Everson, E. Wilson, A. Irish

Others: Mike Mergens, Larkin Hoffman; Walid Abu-Ghazaleh, Richard Silverton, Van Wagner Communications, LLC; Tom McCarver, Clear Channel; Brian Beaufeaux, Industrial Automation Engineering, Inc.; Tom Grad, Van Deusen & Associates, Inc.; Gordon Hoff, Minnesota Business Aviation Association (MBAA); Vivianne Starr, John Krack, Anoka County Aviation Association (ACAA) and Reliever Airport Advisory Council (RAAC); Mary Loeffelholz, Delta

AGENDA ITEMS

B7. REQUEST AUTHORIZATION TO NEGOTIATE A THREE YEAR LEASE WITH CLEAR CHANNEL FOR OUTDOOR ADVERTISING CONCESSION – CF 2146

Jennifer Prihoda, Properties & Projects Administrator, Commercial Management & Airline Affairs and Bruce Rineer, Assistant Manager Concessions and Business Development presented background on this item. At the March Management & Operations Committee meeting, staff requested several changes to key business terms in the Outdoor Advertising Concession Request for Bids (RFB) process that was authorized in December. At the March meeting, Clear Channel Outdoor, Inc. ("Clear Channel"), the lease holder for the billboard locations that are currently out for bid, expressed interest in delaying the bid process due to the current economy. Clear Channel offered to negotiate with the MAC an extension of its existing contract until June 30, 2013. Setting the expiration on this date would synchronize the expiration dates for both of MAC's outdoor advertising contracts. CBS Outdoor currently operates the other concession, with six (6) billboards along 494 and Hwy 5. The M&O Committee tabled

staff's March request and directed staff to analyze the advantages and disadvantages of negotiating a new three (3) year contract with Clear Channel vs a bid process.

Clear Channel's offer to MAC to renew its contract included an increase to the Minimum Annual Guarantee (MAG) from \$56,275 per year to \$76,000 per year and an increase in the concession fee percentage from 40% to 50%. In addition to the monetary increases offered, Clear Channel also offered the use of three (3) billboards located within the Twin Cities area for displaying public service messages. MAC would be responsible for designing and printing the ad while Clear Channel would supply the billboard and installation. The current Agreement with Clear Channel allows MAC to use one (1) billboard within a six (6) mile radius of the airport. The use of these three signs has an estimated value of approximately \$158,400. The use of these additional billboards would allow MAC to reach more of the population in the Twin Cities to advertise such items as parking, terminal name changes, concessions and other items as MAC deems appropriate. As a result of this advertising, additional revenue could be realized through increased use of parking and other concessions at the airport.

By re-negotiating Clear Channel's Agreement for a term to coincide with the expiration of CBS Outdoor Agreement in June 2013, the revenue increase for combining all eight (8) existing billboard locations, plus the two (2) new locations on Highway 77, could be substantial.

History indicates that the value of grouping billboards into one agreement for an operator is more valuable than having numerous contracts with fewer billboards in each group. With the anticipated re-bid of the billboards in 2013, MAC staff would be able to package the eight (8) existing billboard locations together with two (2) new locations along Highway 77, thus creating a more valuable package to potential bidders. Therefore, staff requested authorization to enter into a three year lease with Clear Channel to continue operation of the two (2) existing signs adjacent to Highway 62 and 34th Avenue based on the business terms defined in this memo.

Mr. Tom McCarver of Clear Channel estimates that construction and installation of a new billboard structure would cost roughly \$200,000, varying greatly depending on the design, materials, etc. Clear Channel would depreciate any new boards over an industry-standard 20 years. In addition, annual maintenance costs are estimated at \$1,000-2,000 per board. The tenant would be required to pay all associated utilities. There are currently no expenses to MAC for maintenance of the billboard structures.

If approved, MAC would enter into a lease renewal with Clear Channel addressing these changes. The changes will go into effect July 1, 2010 and the contract would expire co-terminous with the CBS Outdoor Agreement on June 30, 2013. As the end of the Agreements approaches, MAC plans to issue a new Request for Bids which would include all eight (8) existing billboard locations with two (2) additional locations along Highway 77 to be constructed by the Bid winner.

In response to questions from Commissioners, Ms. Prihoda and Mr. Rineer further explained the analysis of revenues available to MAC. Richard Silverton, of Van Wagner Communications, addressed Commissioners to challenge the contract extension and to describe features and terms that his company could provide if offered the opportunity to bid this contract. Mr. Silverton explained that Van Wagner is prepared to bid for the current billboards and would offer to build the optional 3rd and 4th billboards right away

instead of waiting two to three years. Mr Silverton requested that the committee reject the Clear Channel proposal and continue with the bid process. Tom McCarver, of Clear Channel Communications, also addressed Commissioners with his thoughts on this concession. Commissioners expressed additional comments and concerns regarding Staff recommendation and the analysis regarding this concession. Mr. Rineer and Ms. Prihoda requested time to allow staff to review the RFB terms originally proposed in March and to come back to the full commission meeting to seek approval to continue the RFB process under those or similar terms.

COMMISSIONER HARRIS MOVED AND COMMISSIONER REHKAMP SECONDED THAT THE MANAGEMENT AND OPERATIONS COMMITTEE RECOMMEND TO THE FULL COMMISSION AUTHORIZATION TO NEGOTIATE AND ENTER INTO AN OUTDOOR ADVERTISING CONCESSION AGREEMENT WITH CLEAR CHANNEL BASED ON TERMS AS OUTLINED ABOVE; AND THE EXECUTIVE DIRECTOR OR HIS DESIGNEE BE AUTHORIZED TO EXECUTE THE NECESSARY DOCUMENTS. THE MOTION FAILED. STAFF WAS DIRECTED TO RE-EVALUATE ITS RECOMMENDATION AND TO RETURN WITH AN ALTERNATIVE PROPOSAL AT THE FULL COMMISSION MEETING APRIL 19, 2010.

The meeting was adjourned at 2:47 pm.