

**Sioux Falls Regional Airport Authority
Board Meeting Minutes**

March 22, 2018

Members Present: Mike Luce, Dave Nelson and Lon Stroschein who joined at 12:50p.

Present Via-Conference Line: Raquel Blount, Julie Schnaible

Staff Present: Dan Letellier, Richard King, and Kristin Elgersma

Guests Present: Jared Nesje – TSP Architects, Steve Jones and Wayne Stotts – Hertz, Andy Kuipers – Avis, Tiffany Webb-National/Enterprise, Mark Wiederrich- KLJ Engineers, Elizabeth Hertz-Davenport/Evans Law Firm.

Ayes and nays were taken on all motions and all motions were passed unanimously unless otherwise noted.

Vice-Chairman Luce called the meeting to order at 12:01 pm.

1. **Minutes-** Dave Nelson moved and Julie Schnaible seconded approval of the minutes of February 22, 2018. Motion carried.
2. **Bills for Approval-** Raquel Blount moved and Dave Nelson seconded approval of the bills as presented. Motion carried.
3. **Consent Agenda-** Report on Consent Agenda items by the Executive Director. Raquel Blount moved and Dave Nelson seconded approval of the Consent Agenda. Motion carried.
 - A. Award perimeter fence replacement project to American Fence in the amount of \$407,342.45 funded with FAA-AIP program.
 - B. Approve advertisement to solicit bids to purchase a snow plow with runway deicer attachment funded with FAA-AIP.
 - C. Office lease with FAA for space used by Weather Observers.
4. **Report by Executive Director-**
 - A. Passenger Traffic and Parking Revenue for February – Enplanements increased 3.6% in February despite a 2.2% reduction in available seats. Parking revenue was down slightly, 0.7% reflecting the continued impact of Lyft on parking revenue. Parking revenue is down 2% for the first two months of 2018 compared to an increase in passenger traffic of 3.1%
5. **Old Business**
 - A. PAPI Replacement – Runway 15-33. At the January meeting the Board decided to replace the Precision Approach Path Indicator lights on both ends of Runway 15-33 with new LED type equipment using FAA AIP funds. Upon further investigation by the Executive Director, it was determined that only one supplier provides an LED

option which would prohibit the use of federal funding. As a result, the Executive Director requested the Board consider purchasing similar halogen style lights from ADB to be reimbursed with available State Fuel Tax dollars. Commissioner Nelson moved Julie Schnaible seconded a motion to purchase new PAPI halogen lights from ADP for \$29,000 utilizing State Fuel Tax funds. Motion Carried.

6. New Business

- A. Economy Lot Expansion Project. The Executive Director provided background on the decision to expand the Economy Lot in 2018 as a result of peak parking demand in the previous two winter months as well as the need for temporary overflow parking while a planned parking garage is constructed in 2021. Over the past few weeks it was noted that the peak volume of parking in the Economy Lot in late February-early March was not at the peak levels seen the previous two years. As a result the Director is requesting the design for this expansion to be completed, but to put the construction on hold until the summer of 2020, a year before the planned parking garage construction. A rehabilitation of the rental car-ready return lot would still move forward this summer, but the larger expansion put on hold. Expected construction costs for the parking expansion is currently \$1,130,000 with the rehab work in the \$150,000 range. Dave Nelson moved and Julie Schnaible seconded a motion to delay the expansion of the economy lot and move forward with rental car lot rehabilitation. Motion carried.
- B. Rental Car Quick Turn Facility. Director Letellier summarized the discussions over the past six months with the rental car agencies regarding the design/construction of a new quick turn detail garage with car wash to replace existing facilities owned and operated by the rental car agencies. The Board elected to have the rental car operators begin to collect a Customer Facility Fee (CFC) at the November 2017 meeting which was implemented February 1st. The desire of the Board at that time was for the rental car agencies form an LLC to construct the new facility with funding provided through the CFC. Since that time Director Letellier has determined that if a facility were to be constructed in the next year that the airport would have to take the lead to design and construct such a facility with reimbursement over a 6 year period utilizing the CFC funding.

Representatives from the rental car operators were on-hand to encourage the Board to fund the new facility and own it to provide more control over the rental car operators in the future, rather than have an LLC own and operate such a facility.

Chairman Stroschein joined the meeting at 12:50pm.

Commissioner Nelson voiced concern over the estimated cost of construction of a QTA/Car wash currently estimated at \$5.5 million believing that price was higher than it should be. Vice-Chairman Luce also voiced concern about the price and instructed Director Letellier to determine the size and scope of the construction and return in April with a more detailed estimate before the Board makes a decision on whether to fund the project.

- C. Hill Removal Funding. Director Letellier informed the Board of discussions with the Jansmick Development group of their desire to remove a hill that sits adjacent to land that is being developed next to Airport property on the northwest corner of the airfield. They are requesting the airport participate in a project that would remove over 14,000 cubic yards of dirt to allow them to better utilize their property and would in the future allow the airport to develop this area or extend Bobhalla Dr. The Airport's share of removing this dirt is estimated at \$35,000-\$45,000. The Director mentioned that Sanford Health might be interested in obtaining this surplus dirt for the multiple developments they have ongoing in the area. Julie Schnaible moved and Mike Luce seconded a motion to allow the Executive Director to negotiate with Jansmick and Sanford for the removal of dirt in this area with minimal cost to the Airport. Motion Carried with Commissioner Nelson and Blount abstaining due to a conflict of interest.
- D. Special Session. Bid opening for the baggage claim project is scheduled for April 5th at 2pm. Executive Director Letellier requested a Special Session to award the bid for this project on April 10th at 11:30am via teleconference. Board agreed to hold this Special Session on the date and time requested.

7. Open Segment-

Mike Luce to adjourn at 1:15 pm. Dave Nelson seconded. Motion Carried.

Date

Secretary

Next Board Meeting: April 26, 2018

Special Session: April 10, 2018