**GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY**

**Thursday, March 25, 2021 at 4:00 p.m.**

**Airline Terminal Board Room**

**Monthly Meeting Highlights**

**Call To Order By the Chair** –Chair Grace Horvath called the meeting to order at 4:02 p.m.

**Invocation:** Mrs. Calderwood delivered the invocation.

**Pledge of Allegiance:** Ms. Horvath led the Pledge of Allegiance.

**Roll Call**

Authority Members Present: Jean Calderwood, Craig Carter, Gerry Dedenbach, Grace Horvath, David Norton, Bob Page and Kinnon Thomas were present.

Bill Conrad and Randy Wright were absent.

Ex-officio member Eric Godet, Sr. was present via Webex. City of Gainesville liaison, Erik Bredfeldt, was present via Webex.

**Determination of a Quorum**: A quorum was present in the Board Room at roll call.

**Approval of Meeting Highlights of February 25, 2021**

***Mr. Thomas moved to approve the GACRAA meeting highlights of February 25, 2021. Mr. Dedenbach seconded the motion. Motion passed.***

**Citizens’ Input – Non-agenda Items:** None. Members of the public present in the Board room did not indicate a request to comment. There were no comments received via email: [meetings@flygainesville.com](mailto:meetings@flygainesville.com). None of the Webex listeners requested an opportunity to comment.

**Airport Authority Input – Non-agenda Items:** None

**Adoption of Agenda**

***Mr. Dedenbach moved to approve adoption of the agenda. Mr. Thomas seconded the motion. Motion passed.***

**Airport Business**

**Information Items:**

Mr. Penksa displayed photos of the projects that were discussed during the Information Items portion of the meetings.

*Terminal Expansion Project Phase II – Terminal Expansion and Improvements – Terminal Expansion*

Displaying an aerial view of the expansion area, Mr. Penksa reported that installation of a new security fence and gate is well underway.

Mr. Penksa reported that the work in the secure-side covered pet relief area continues; hand washing and hose stations have been installed. He indicated that the exterior curtainwall is almost complete at the entrance between the existing gate area and the new gate area. He reported that installation of a handrail along the internal ramp of the expansion has begun.

Mr. Penksa displayed a photo of the seating that has been assembled and is awaiting final placement. He explained that the seating was assembled with an incorrect colored-armrest pad and staff is working with the vendor to obtain a replacement. He noted that the casual seating is on site and is awaiting placement.

Mr. Penksa reported that final “punch” work is being done on the acoustic ceiling “clouds” in the new gate area. He stated that work to test and balance the HVAC system is underway.

Mr. Penksa reported that two computer bars and overhead lighting have been installed. He stated that two new gate counter shells are assembled and are awaiting tile inserts.

*Terminal Expansion Project Phase II – Terminal Expansion and Improvements – Existing Terminal*

Mr. Penksa stated that the reroofing of the existing terminal is almost complete; reinstallation of solar panels and conduits is underway. Mr. Penksa reported that new replacement roof top air handler units are ready to be set on the existing roof.

Regarding the existing terminal interior upgrades, Mr. Penksa reported that prepping for final paint is underway. He noted that areas currently painted gold will be painted with a shade of taupe. He indicated that the rehabilitation of existing restrooms will soon begin.

*Terminal Expansion Project Phase III – New Passenger Boarding Bridges (PBBs)*

Mr. Penksa reported that the foundations for the boarding bridges are scheduled to be installed on March 29.

Mr. Bill Prange reported that the manufacturer of the boarding bridges has experienced a delay in obtained custom-colored door and glass panels; the installation of the PBBs is now anticipated in mid-to-late June.

*GA Hangar Rehabilitation Project*

Mr. Penksa reported that the new louvers and windows for the WWII Hangar, Bldg. GA-13, have been installed. He noted that the new windows match the original period style.

*Airport Parking Garage / Multi-Modal Facility*

Mr. Penksa reported that work continues on the design criteria package.

*Concert Series Venue*

Mr. Penksa reported that no further activity has occurred on this item so it will be removed from the Information Items report next month.

*Air Traffic Volume Reports*

Mr. Penksa reviewed the Air Traffic Volume Reports, Fuel Flowage and Load Factors for the month of February 2021. He indicated that higher passenger volume is anticipated in March 2021.

*Coronavirus COVID-19 Impacts*

Mr. Penksa provided a status report on the impacts of the Coronavirus COVID-19. The full report is included as Attachment A.

**Finance Report**

CFO Matthew Lyons provided the Finance Report for the month ending February 28, 2021 in the agenda packet. He briefly explained various revenue and expense items that varied from budget.

|  |  |  |  |
| --- | --- | --- | --- |
| **Revenue** | **Feb. 2021 Actuals** | **Feb. 2021 Budget** | **Variance Over / (Under)** |
| Total Operating Revenue | $437,606.87 | $440,359.31 | ($2,752.44) |
|  |  |  |  |
|  |  |  |  |
| **Expenses** | **Feb. 2021 Actuals** | **Feb. 2021 Budget** | **Over / (Under)** |
| Total Expenses | $387,646.26 | $399,523.56 | ($11,877.30) |
|  |  |  |  |
|  |  |  |  |
| **Income (Loss) Before Depreciation and Interest** | **$49,960.61** | **$40,835.75** | **$9,124.86** |
| Less: Interest Expense | $12,182.57 | $12,932.57 | ($750.00) |
| **Income (Loss) Before Depreciation** | **$37,778.04** | **$27,903.18** | **$9,874.86** |
|  |  |  |  |
| **CARES Act Revenue** | $1,039,878.86 | $0.00 | $1,039,878.86 |
| **Income (Loss) After CARES Revenue** | **$1,077,656.90** | **$27,903.18** | **$1,049,753.72** |
|  |  |  |  |

***Mr. Thomas moved to accept the Finance Report. Mr. Carter seconded the motion. Motion passed.***

**Chippewa Aerospace, Inc. Lease Agreement – Resolution 21-011**

Mr. Penksa reported that the proposed Lease Agreement with Chippewa Aerospace, Inc. is for two buildings, the former Eclipse Aviation hangar (Bldg. GA-02) and former AFSS, (Bldg. GA-01). Mr. Penksa briefly reviewed the Lease Summary contained in the agenda. He indicated that Chippewa would be responsible for utilities, taxes, fees and maintenance on the buildings. He reported that liability and casualty insurance responsibilities have not been finalized, however he proposed that GACRAA be responsible for property insurance on the buildings. He stated that the lease term is ten years with a with one additional ten-year option.

Mr. Penksa indicated that bond counsel tentatively determined that due to Chippewa Aerospace performing modifications to aircraft instead of primarily maintenance/repair services to the public, the Airport Revenue Bond, Series 2006A would no longer be considered a tax-exempt bond. He stated that the taxable use would increase the cost of the bond by approximately $21,000 per year.

Mr. Thomas mentioned that he is in favor of paying off the loan.

Mr. Penksa stated that retirement of the loan is also an option as the non-taxable status of the current bond has been a sticking point when marketing the hangar for lease. He indicated that the cost to retire the bond would be approximately $3,261,913 which includes principal, the next interest payment of approximately $13,000, and amount of $396,000, to retire the Hedge Agreement.

***Mr. Thomas moved to adopt Resolution 21-011 approving a Lease Agreement with Chippewa Aerospace for an aircraft service center, Bldg. GA-02, and office building, Bldg. GA-01. Mr. Carter seconded the motion.***

Mr. Page questioned spending over $400,000 in interest to retire the loan vis-à -vis what is unknown of the financial vitality of Chippewa Aerospace, Inc. Mr. Penksa stated that although little is known about Chippewa’s finances, the firm has been in business for many years; he stated that they run a few FBOs, and that their Supplemental Type Certificate modifications are approved by the FAA. He noted that GACRAA will need to pay the same aforementioned interest amount either now or over time.

Mr. Carter stated that, regardless of proposed Lease Agreement with Chippewa Aerospace, he was in favor of retiring the loan; he noted that it would open the facility to a wider variety of aeronautical services.

Mrs. Calderwood indicated that based on the responses to the Request for Letters of Interest for Bldg. GA-02, there is a demand for the building as Chippewa Aerospace was one of the three firms that expressed interest. She stated that she is in favor of retiring debt and asked about GACRAA’s financial reserves.

Mr. Penksa stated that his comfort level in retiring the debt would be higher if FAA had announced the amount of funding that would be allocated to GNV under the American Rescue Plan Act of 2021 (H.R. 1319) signed by the President on March 11, 2021. He noted that the grant amount should be substantially more than the $3.1 million provided by the CARES Act.

Dr. Norton, noting that Resolution 21-011 authorizes approval of the Lease Agreement with Chippewa Aerospace, asked whether the Board should consider voting on retirement of the bond at this meeting.

Mr. Thomas called the question.

***A roll-call vote followed: Mr. Carter - aye, Mr. Dedenbach – aye, Dr. Norton – aye, Mr. Page – aye, Mr. Thomas – aye, Mrs. Calderwood – aye and Ms. Horvath – aye. Motion passed 7-0.***

In response to a question from Mr. Thomas, Mr. Matthew Foster, Attorney for the Authority, stated that GACRAA’s consideration of retiring the bond should be publicly noticed.

Mr. Penksa recommended scheduling a meeting of the Finance, Audit & Operations Committee prior to the next Board meeting at which time the following information should be finalized: determination by bond counsel regarding tax exempt status of Chippewa as a tenant, GACRAA’s Airport Rescue Grant funding allocation and the exact determination of the Hedge Agreement amount to retire the bond.

**FDOT Public Transportation Grant Agreement # 445134-1-94-01 Amendment # 1 – Design & Construct Parking and Intermodal Transportation Terminal – Resolution 21-012**

Mr. Penksa stated that FDOT has raised the grant funding amount from $1.6 million to $2.4 million for its share of the eligible costs of design and construction of the Intermodal Transportation Terminal; he stated that this is a multi-year grant and FDOT’s future awards will provide a total of $5.5 million for the project.

***Mr. Thomas moved to adopt Resolution 21-012 accepting Amendment #1 to Public Transportation Grant Agreement # 445134-1-94-01 for additional funding of the Design and Construction of Parking Lot and Intermodal Transportation Terminal. Mr. Dedenbach seconded the motion. A roll-call vote followed: Mr. Dedenbach – aye, Dr. Norton – aye, Mr. Page – aye, Mr. Thomas – aye, Mrs. Calderwood – aye, Mr. Carter - aye and Ms. Horvath – aye. Motion passed 7-0.***

**FDOT Public Transportation Grant Agreement # 443799-1-94-21 – Design and Install Airfield Markings – Resolution 21-013**

Mr. Penksa stated that this FDOT grant is for $11,000 to fund eligible costs of designing and installing Taxiway E hold lines, surface painted signs and Runway 11-29 centerlines.

***Mr. Thomas moved to adopt Resolution 21-013 accepting Public Transportation Grant Agreement # 443799-1-94-21 for funding of the Design and installation of Airfield Markings. Mr. Carter seconded the motion. A roll-call vote followed: Dr. Norton – aye, Mr. Page – aye, Mr. Thomas – aye, Mrs. Calderwood – aye, Mr. Carter – aye, Mr. Dedenbach – aye and Ms. Horvath – aye. Motion passed 7-0.***

**Tenant Reports:**

University Air Center Chief Operating Officer Debbie Frederick reported that UAC hosted a fly-in barbeque on March 20 for the GA community.

Ms. Frederick reported that frequent fog in February hindered flight training but activity has picked-up in March.

Ms. Frederick reported that seven Navy T-45 aircraft will be operating missions at GNV from April 2 to April 16 and approximately fifty (50) civilian T-6 aircraft will also be on hand April 7 to April 13 to practice formation flying. She stated that C-130s and Blackhawks will be arriving on April 15. She invited Board members to visit. To help accommodate the added activity, she stated that UAC will rent an AVGAS truck.

Ms. Frederick reported that UAC management and employees appreciate the new windows and louvers installed in the WWII hangar.

**Other Information**: None

**Airport Authority:** None

**Adjournment**

At 4:58 p.m., there being no further business, Ms. Horvath adjourned the meeting.

**GACRAA Monthly Meeting**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Chair Date

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Secretary/Treasurer Date

**GACRAA Meeting Highlights – March 25, 2021**

**Attachment A**

**Board Report on COVID 19**

There are no known, active COVID cases amongst GACRAA, staff, airlines or TSA. There are no labor shortages due to illness.

Mask compliance and availability within the terminal continues to be good overall.

**Air Traffic**

Passenger traffic is expected to show a marked increase in the month of March over February, presumably as many are being vaccinated and cases have declined. TSA screenings reached the highest level so far this year in week 9 at 2,970. This is up approximately 50% from the low point at the beginning of February, but still below the post-Covid high of 3,081 in November. We are at approximately 45% of March 2019 screening numbers. GNV Parking for end of March is up about 50% over February.

Statewide, we continue to track similarly to non-beach locations and peer airports. Most beach resort areas are approaching or in some cases (Key West and Sarasota) exceeding their pre-COVID numbers. Coastal, Florida tourist markets still continue to outperform the rest of the country with airport manager’s reporting average declines of approximately 20%. Orlando and Miami report steeper declines, especially with respect to international traffic. General aviation and flight school activity remains strong across the state.

We continue to monitor ongoing conversations requiring travelers to be tested or show proof of vaccination before flying.

We continue to operate with a reduced flight schedule. No major schedule changes are anticipated at this time.

Current Flight Schedule:

* Delta will operate 4 daily roundtrips (3/day Sat.) through June 4.
* American remains at 4 daily round trips to CLT.
* American remains at 2 daily round-trips to DFW on CRJ700 aircraft.
* MIA service is still suspended until further notice.

**Federal Relief Funding**

The original $3.1 million in CARES funding has been spent.

GNV has been tentatively awarded approx. $2.3 million in similar finding under the Corona Virus Response and Relief Act (CRRSA). The funds have been applied for. The actual date the funds will be available has not been announced. Funds need to be encumbered by September 30, 2021. GNV will have four years to spend down the funds. They can be used for operational expenses and scheduled debt service payments occurring after December 27, 2021. The funds can also be used to establish a sinking fund for debt service. This act also has made $58,000 available to GNV specifically for relief payments to concessionaires. Certain rules apply.

The President signed the American Rescue Plan Act of 2021 (H.R. 1319) on March 11, 2021. The Act includes $6.5 Billion in relief for Primary Commercial Service Airports like GNV. This is approximately 3.7 times what was recently made available under CRRSA. The grant distribution formula appears to be the same as CRRSA and the criteria for use of funds is expected to be the same. Assuming the FAA holds true to the Bill language, GNV may receive as much as $8.2 Million. FAA has not released any award announcements or guidance on the grants as of yet.

The above ARPA also makes an additional $800 million dollars available for relief of concessionaires at Primary Commercial Service Airports like GNV (4 X CRRSA). However, $640M of this is specifically for eligible small businesses (grossing less than $56.4M) and $160M available to large businesses. We are unclear at this time how this may break out for GNV’s concessionaire. Like CRRSA, there are expected to be additional restrictions for those that have received assistance available to businesses under previous bills.

GNV is not subject to the employee retention requirements in either the CRSSA or ARPA legislation.