



<b>SPOKANE AIRPORT BOARD</b>		
<b>Chair:</b>	Collins Sprague	
<b>Vice Chair:</b>	Nancy Vorhees	
<b>Secretary:</b>	Jennifer West	
<b>Board Members:</b>	Ezra Eckhardt	Max Kuney
	Shelly O'Quinn	Ben Stuckart
<b>Chief Executive Officer:</b>	Lawrence J. Krauter, A.A.E., AICP	

**NOTICE OF AIRPORT BOARD MEETING**

**Tentative Agenda for the February 23, 2017 Board Meeting**

The Airport Board meeting will be held on Thursday, February 23, 2017 at 9:00 a.m. in the Boardroom located at Spokane International Airport, 9000 West Airport Drive, Suite 204, Spokane, Washington 99224.

- A. Call to Order
- B. Roll Call of the Airport Board
- C. Acknowledgement of the 2016 Build Northwest Award for Excellence in Construction (Graham Construction) for the Parking Operations Building
- D. Public Comment/Courtesy of the Floor
- E. Approval of Minutes (1/19/17 regular meeting)
- F. Financial Report

**Consent Agenda**  
**Items #1-7)**

1. **\*Approval of Payments/Warrants**

Construction Warrant Number	4250 - 4257	\$ 292,444.74
Operational Warrant Numbers	134623 -135003	\$4,641,272.97
  
2. **Approval of Resolution # 02-17 authorizing the Airport Chief Executive Officer to submit an amendment to Passenger Facility Charge (PFC) #10 to the Federal Aviation Administration (FAA).** The Board received approval from the FAA to impose and use PFCs for projects at the Airport under PFC #10 on January 16, 2015. There were a total of seven projects with an approval collection amount of \$15,036,120. The purpose of the amendment is to increase the amount of PFCs to be collected by \$1,422,762 and used on two of the seven projects, the Terminal Area Plan project and the Elevator Replacement project. The application will be submitted to the FAA on or

about April 10, 2017 after the comment period for the public and air carriers has concluded. This application is estimated to extend the authorized collection period of PFCs through August of 2017. The Finance Committee and Staff recommend the Board authorize the Airport CEO to submit the amendment of PFC #10 to the FAA.

3. **\*Approve Amendment No. 2 to Landscape Maintenance Services Contract – Haase Landscaping, Inc.** – Spokane International Airport and Airport Business Park. In 2015, the Airport entered into a Landscape Maintenance Services Contract with Haase Landscaping, Inc., with an initial Contract term of eight months with two nine-month options. The term of the second option will be from March 1, 2017 through November 30, 2017 with a contract total of \$186,180.48, including Washington State Sales Tax. The Engineering Committee and staff recommend approval of Amendment No. 2 to the Landscape Maintenance Services Contract with Haase Landscaping, Inc. for the March 1 through November 30, 2017 term in the amount of \$186,180.48, including Washington State Sales Tax and \$18,600.00 for Contract contingencies for a total authorization of \$204,780.48.
4. **\*Approve Amendment to Authorization for Procurement of Materials – Airfield and Landside Deicing Products** – Spokane International Airport, Felts Field and Airport Business Park. In 2016 the Board authorized procurement of deicing materials for the airfield (Sep 22, 2016) and landside (Oct 20, 2016) areas of Spokane International Airport, Felts Field and the Airport Business Park. Based on the current inventory and the weather patterns this winter season, the Engineering, Finance Committees and staff recommend approval to increase the procurement authorization amounts for airfield and landside deicing products by 25%. Please refer to the Board Memo for additional detail. These materials will be procured on an as-needed basis for the remainder of the 2016-17 winter season.
5. **\*Approval of the Air Cargo Building Lease Agreement** with *Delta Air Lines, Inc.* (SIA). Delta Air Lines has leased one bay within the Air Cargo Building under an Unconditional Indemnity and Release Agreement. They initially planned on temporarily utilizing the space; however due to their continued occupancy of the bay, it was determined that Delta needed to have a more formal Lease Agreement in place. Delta has been paying \$9.35 per square foot per annum for the cargo space and \$.86 per square foot per annum for 224 square feet of common use space. This new Lease Agreement commenced on January 1, 2017 and expires on December 31, 2017. The rental rates were adjusted January 1, 2017 based on the average percentage increase for the 2017 Rates and Charges. Delta shall pay \$9.72 per square foot per annum for 3,840 square feet of space in the Air Cargo Building and \$0.89 per square foot per annum for the common use restroom space. Annual rent is \$37,524.16. The Finance Committee and staff recommend approval of the Air Cargo Building Lease Agreement with Delta Air Lines, Inc.
6. **\*Approval of the Twelfth Amendment to the Food Services Concession Lease Agreement** with *Host International, Inc.*, (SIA). Staff has negotiated with Host regarding the reconfiguration of two under-performing concession locations, Chili's Too and David's Pizza, into one new location for the operation of a Burger King. Host's proposal includes a capital investment of \$621,000 with payment of a percentage rent of 10.75% to the Airport for the Burger King location with all other percentage rents remaining unchanged. In consideration of the capital investment made, Host will receive a one year extension to their Food Services Concession Lease Agreement. Anticipated revenue is \$100,000 annually over the term of the Concession Agreement. The Finance Committee and staff recommend Board approval of the Twelfth Amendment to the Food Services Concession Lease Agreement with Host International, Inc.
7. **\*Approval of the First Amendment to the Right of First Refusal (“ROFR”) to Lease Real Property** with *ADB Investments, LLC*, (SIA). ADB Investments, LLC is interested in leasing 2.5 acres of land to develop a hotel on Airport property. The Board approved a ROFR on August 16,

2016 for a one-time fee of \$5,000, which expired on January 31, 2017. ADB Investments has requested a three (3) month extension to the ROFR which will allow them sufficient time to finalize their plans. The term of this Amendment commences February 1, 2017 and ends on April 30, 2017. The Finance Committee and staff recommend approval of the First Amendment to the Right of First Refusal to Lease Real Property with ADB Investments, Inc.

### **Regular Agenda**

8. **\*Submission of Resolution to Spokane County directing the redemption of Airport Revenue Bonds, Series 2005 and defeasing Airport Revenue Bonds, Series 2008.** In 2005 the county issued Bonds on behalf of the Airport in the amount of \$2,620,000 for the construction of Building 1200 in the Airport Business Park (ABP). In 2008 the county issued Bonds on behalf of the Airport in the amount of \$18,875,000 for projects in the Rental Car and Parking areas. The Finance Committee and staff recommend submitting the Resolution to Spokane County directing the redemption and defeasing of certain Airport Revenue Bonds.
9. **Staff Reports/Board Member Comments**
  - **Chief Executive Officer's Report**
  - **Board Member Comments**

**The Airport Board may take action on other routine business issues as they may arise while the Board is in session.**

10. **Executive session to follow for discussion of legal, personnel and real estate matters.**
11. **Adjourn**
12. **The next regularly scheduled Board meeting is Thursday, March 16, 2017 at Spokane Airport.**

*Note: The consent agenda (\*) may be considered in a single action. Any Board member or any member of the public in attendance at the meeting may ask for the separation of any item from the consent agenda for individual consideration. Please notify the Board Clerk prior to the start of the meeting if you wish to make such a request.*

*The Spokane Airport Board is committed to providing reasonable accommodations to individuals with disabilities. Individuals requiring reasonable accommodations to attend this meeting should call the Board Clerk at (509) 455-6444 or email at thart@spokaneairports.net at least 48 hours in advance of the meeting to arrange for accommodation.*