



## AIRPORT COMMISSION

### MINUTES

**Wednesday, October 3, 2018 - 2:00 P.M.  
Lindbergh Conference Room**

Members Present: Mr. Bales, Ms. Davis, Mr. Fitzgerald, Ms. Fowler, Dr. Gaal, Mr. Jenkins, Mr. Kling, Mr. Lipman, Dr. Nemanick, Mr. Sauget, Ms. Teitelbaum and Chairperson Hamm-Niebruegge

Members Absent: Mr. Cantwell, Ms. Green, Ms. Osborn, Mr. Reed, Mr. Stelzer

Airport Staff: Beckmann, Collins, Conner, Difani, Ebert, Glasener, Gooding, Hollenberg, Jackson, Klein, Kulinsky, Lea, Ruth, Ryan, Salarano, Spencer, Stella, Stone, Strong, Weiss, Wilbert

Legal Department: Pandolfo, Diekhoff, Emmel

Guests: Thomas Bub, HMS Host; Jeff Fernhoff, Huntleigh, McGehee; George Frazier, AvendCo; Jessica Frazier, AvendCo; James Garavaglia, Comptroller's Office; Brandon Geier, First Rule; Jordan Haar, First Rule; Darryl Jones, D & D Concessions; Matt Kruszinski, HMS Host

Media: Fox2 News

The Meeting was called to order at 2:03 P.M.

1. **MINUTES**

Approval is requested for the Minutes of the September 5, 2018 Airport Commission meeting.

A motion for approval was made by Ms. Fowler and seconded by Mr. Jenkins.

There being no discussion, a vote was taken and the motion carried unanimously.

2. **ORDINANCE**

Draft Ordinance authorizing the Director of Airports, the President of the Board of Public Service and the Comptroller of the City to execute the "Memorandum Of Agreement for Expansion Of and Improvement To Inbound Baggage System and Facilities Terminal 2" between the City and Southwest Airlines Company.

A motion for approval was made by Dr. Nemanick and seconded by Ms. Teitelbaum.

Mr. Beckmann provided the details of the Ordinance as set out in the Executive Summary included with the agenda items and recommended approval of the motion.

This Ordinance provides for the City and Southwest Airlines to enter into an Agreement for the construction of an expanded baggage claim area in Terminal 2 (“Project”). The area will consist of approximately 10,500 sq. ft. of space inside Terminal 2, as well as 3,600 sq. ft. on the ramp side of Terminal 2 for a second baggage input area. The Project will cover the construction of one new, larger carousel, and the replacement of the two current carousels. Completion is expected within three years.

The total cost of this Project will be approximately \$23.3 million as follows: \$2.1 million from the Airport’s previously approved Capital Improvement Plan, \$5 million from Passenger Facility Charges and \$16.2 million from Southwest Airlines.

As part of the Project, the Service Animal Relief Area, located outside of Terminal 2, will be relocated. The Southwest Airlines Baggage Service Office will also be relocated to a more central location within the baggage claim area. Retail and restroom space will be added.

Project designers are currently being solicited by the City. Southwest Airlines will bid the construction portion. Upon completion, ownership of these improvements will vest with the City. In return, the City will not include the amount of the costs funded by Southwest Airlines for this Project in any charge, fee or rate for the useful life of the Project, not to exceed 20 years.

After further discussion, a vote was taken and the motion carried unanimously.

3. **PROPERTIES**

A. Lease Agreement with CABKA North America, Inc., AL-085

A motion for approval was made by Mr. Fitzgerald and seconded by Ms. Teitelbaum.

Mr. Salarano provided the details of the Lease Agreement as set out in the Executive Summary included with the agenda items and recommended approval of the motion.

This three-year Lease covers 24,100 sq. ft. to be used for a paved parking area. Revenue to the Airport is \$7,230 annually, which is a \$4,000 increase over the prior lease. The Lease contains a 30-day cancellation provision for both parties.

There being no discussion, a vote was taken and the motion carried unanimously.

B. Space Permit with Airport Terminal Services, Inc., AL-089

A motion for approval was made by Dr. Nemanick and seconded by Ms. Teitelbaum.

Mr. Salarano provided the details of the Space Permit as set out in the Executive Summary included with the agenda items and recommended approval of the motion.

This three-year Space Permit covers 868 sq. ft. of space on the apron level of Concourse C to be used for an employee break room and contains a 30-day cancellation provision. Revenue to the Airport will be \$45,474.52 for the current year, based on the Terminal 1 rental rate of \$52.39 per sq. ft. Terminal rental rates are subject to change on July 1<sup>st</sup> of each year.

There being no discussion, a vote was taken and the motion carried unanimously.

C. Concession Agreement with AvendCo, LLC, AL-252

A motion for approval was made by Dr. Nemanick and seconded by Mr. Kling.

Mr. Salarano provided the details of the Concession Agreement as set out in the Executive Summary included with the agenda items and recommended approval of the motion.

George & Jessica Frazer, President and Vice-President of AvendCo, were present and introduced to the Commission.

This five-year Concession Agreement provides for vending machines located in the public areas throughout both terminals. Revenue to the Airport will be either a Minimum Annual Guarantee of \$750,000 (over 5 years) or 30% of gross receipts, whichever is higher.

After further discussion, a vote was taken and the motion carried unanimously.

4. **OTHER BUSINESS**

Overall enplanements rose 7% in August 2018 vs. August 2017. Local traffic increased 5.3% and connecting traffic increased 13.3% during that same period.

A law was recently passed in Missouri which allowing for alcoholic drinks “to go”, meaning they can be consumed outside of the bars/restaurants in the concourse areas of the St. Louis, Kansas City and Springfield airports. On Monday, October 8, 2018, the Airport will begin allowing those “to-go” orders. The drinks must be purchased at a bar/restaurant on the concourses, will be provided in cups containing the Concessionaire’s logo and may only be consumed in the concourses and gate areas. They will not be allowed outside of the secure area and passengers may not take them onto planes.

**Employees of the Quarter**

James Wilbert, Refrigeration Specialist, Climate Control. Although Mr. Wilbert has only been employed for approximately two years, he was nominated by his peers for being his ability to learn quickly and assist wherever needed. The Climate Department is short-staffed and in a very

short time, Mr. Wilbert's willingness to tackle any issue presented to him has made him a go-to employee.

Andrew Weiss, Electronic Systems Control Technician, Climate Control. Mr. Weiss has also been employed at the Airport for only two years and he was nominated by his peers for his attention to detail and his dedication to learning. He reviews drawings and blueprints for accuracy, works in conjunction with the contractors on projects, and has a keen attention to detail, making him a valuable asset to the Airport.

### **Airport Financing Update**

Antonio Strong delivered a presentation to the Commission entitled "Financing Opportunity Update" (*a copy of which is kept with the official minutes of these proceedings*).

The Airport's debt has been reduced from approximately \$819 million in 2008 to the current amount of \$594 million in 2018. This is due in part to the refunding of bonds that were issued for capital improvements. In July of 2019, the Series 2009A bonds will be available for refunding, which could produce approximately \$21.9 million in net present value savings to the Airport's debt service, assuming the market remains stable.

The Airport's credit rating is currently the highest it has been in a decade. The ratings are as follows: S & P: A- Stable; Moody's: A2 Stable; and Fitch: A- Stable.

While the Airport's cost per enplaned passenger ("CPE") is at \$11, which is slightly higher than other comparable airports (Kansas City, Indianapolis, Nashville, New Orleans, San Antonio), several of those comparable airports will soon undertake large capital improvement projects, which will dramatically increase their CPE. The Airport is projected to end FY2018 with a reduced CPE of \$9.90.

### **Command Bus**

David Kulinsky, Assistant Airport Director, delivered a presentation entitled "Mobile Command Bus" regarding the recent renovations to the Airport's Mobile Command Bus (*a copy of which is kept with the official minutes of these proceedings*).

The Airport's Mobile Command Bus was purchased in 2003 and is utilized for emergency situations located on or near the airfield. The Command Bus provides a centralized location for the coordination of relief and recovery efforts by disaster personnel, i.e. Fire, Police, Airport Operations, Airlines, Mutual Aid Departments, Red Cross, FBI, etc.

The front of the Command Bus originally contained only two side-facing tables, one dry erase board, radios and one phone. After renovation it now contains five consoles, each providing individual headsets, phones, data and wireless access, phone chargers and computer cables.

The rear of the Command Bus originally included only a couch, one table and one phone. This area now contains consoles, outlets, internet and phone access, as well as six monitors, which provide views of the entire Airport. The monitors can be programmed to broadcast simultaneously or individually. For convenience, all walls in the Command Bus are “dry erase” material.

### **Airport Art & Culture Program**

Jeff Lea, Airport Public Relations Manager, delivered a presentation entitled “Lambert Art & Culture Program – 2018 Update” regarding art exhibitions in the Airport *(a copy of which is kept with the official minutes of these proceedings)*.

The 8<sup>th</sup> Annual Art of Travel, which is the annual fundraiser for the Lambert Art & Culture Program, will be held on Thursday, October 4, 2018. The Lambert Art & Culture Program also receives grants from the Regional Arts Commission; this year’s grant totaled \$13,500.

The first Art of Travel was held in 2011. There will have been thirty-eight artists who have either donated their art to, or have created art for, the silent auction or art sale program held at the annual Art of Travel.

The Art Advisory Committee was established in 2010. Since that time, forty-five artists or organizations have exhibited at the Airport. Twenty-six additional artists are scheduled for exhibitions in 2019.

There are currently twenty-eight locations throughout the Airport that display either permanent (on-loan) exhibits or temporary exhibits, which rotate every 6-12 months.

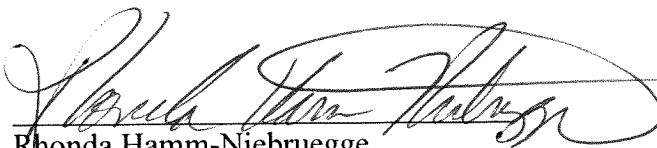
5. **NEXT MEETING**

Wednesday, November 7, 2018 at 2:00 P.M.

6. **ADJOURNMENT**

The meeting adjourned at 3:12 P.M.

The foregoing were approved by the Airport Commission at the meeting held on Wednesday, November 7, 2018.

  
Rhonda Hamm-Niebruegge  
Chairperson

11/7/18  
Date