



ALBANY COUNTY AIRPORT AUTHORITY
 ALBANY INTERNATIONAL AIRPORT
 ADMINISTRATION BUILDING
 SUITE 200
 ALBANY, NEW YORK 12211-1057

TEL: 518.242.2222
ADMIN FAX: 518.242.2641
FINANCE FAX: 518.242.2640
SITE: www.albanyairport.com

Minutes of the Regular Meeting of the Albany County Airport Authority

December 1, 2008

ACAA
 APPROVED
 2/2/09

Pursuant to notice duly given and posted, the regular meeting of the Albany County Airport Authority was called to order on Monday, December 1 2008 @ 6:02 PM in the 3rd Floor Conference Room of the main Terminal located at the Albany International Airport by Chair David E. Langdon with the following present:

MEMBERS PRESENT

Chair David E. Langdon
 Henry E. Dennis, Jr.
 John A. Graziano, Jr.
 Elliott A. Shaw
 Richard J. Sherwood
 Daniel M. Sleasman
 Dorsey M. Whitehead

MEMBERS ABSENT

None

STAFF

John A. O'Donnell
 Bill O'Reilly
 Margaret Herrmann
 Peter F. Stuto
 Richard M. Meyers

Doug Myers
 Steve Iachetta
 Ginger Olthoff
 Helen Chadderdon

ATTENDEES

Joel Russell, AvPorts
 Pam Day, Million Air
 Eric Andersen, Times Union

Chair Langdon noted that there was a quorum.

DAVID E. LANGDON, CHAIR

HENRY E. DENNIS, JR.

ELLIOTT A. SHAW

RICHARD J. SHERWOOD, VICE CHAIR

DANIEL M. SLEASMAN

DORSEY M. WHITEHEAD

JOHN A. GRAZIANO, JR.

JOHN A. O'DONNELL, CHIEF EXECUTIVE OFFICER

1. **CHAIR'S REMARKS**

None

2. **MINUTES**

Mr. Shaw moved to approve the minutes of the November 3, 2008 Regular Meeting. The motion was adopted unanimously.

3. **COMMUNICATIONS AND REPORT OF CHIEF EXECUTIVE OFFICER**

Mr. O'Donnell presented the Communications and Report of the Chief Executive Officer for the month of December 2008.

He also reported on the following:

- **Eclipse Aviation**: Eclipse Aviation has filed for bankruptcy. A letter was sent to Eclipse prior to the bankruptcy filing and representatives from Eclipse contacted the Authority. However, they did not advise the Authority of their plans to file bankruptcy. Bids will be solicited for acquisition of Eclipse through the bankruptcy process. Eclipse representatives assured the Authority that lease payments will be made.

4. **INTERESTING CORRESPONDENCE:**

Noted

MANAGEMENT REPORTS:

5. **Chief Financial Officer**

Mr. O'Reilly presented the following:

5.1 Statistical and Financial Performance for the Month of October 2008

Mr. O'Reilly distributed and reviewed a power point presentation outlining the financial performance for the period ended October 31, 2008.

Chair Langdon stated that Mr. O'Reilly had made an excellent financial presentation at the Finance Committee meeting which was held on November 24, 2008.

5.2 Comparison of Enplanements

5.3 Summary of Airline Scheduled Flights and Markets

5.4 USDOT Arrival and Departure Statistics

6. Project Development

Mr. Iachetta presented the Project Development Status Report for the month of December 2008.

Mr. Sherwood entered the meeting.

7. Counsel

None

8. Concessions/Ambassador Program

Ms. Chadderdon presented the Concessions/Ambassador Program Report for the month of December 2008.

Mr. Sleasman requested a brief update on the status of Mr. Kwan's (Coffee Beanery) vendor protest.

Ms. Chadderdon stated that HMS Host and Mr. Kwan were no longer in negotiations. She stated, however, that HMS Host is in discussion with three potential DBE operators.

Mr. Stuto stated that subsequent to last month's ACAA meeting, a letter was sent to Mr. Kwan along with the Authority's bid protest procedures which state that a protest must be submitted in writing and a hearing will be scheduled if deemed necessary. Mr. Kwan also submitted a Freedom of Information request which was being responded to.

9. Public Affairs Report

Mr. Myers presented the Public Affairs Report for the month of December 2008.

Mr. O'Donnell stated that a proposal submitted by Interspace Advertising to jump start the advertising program in the Airport. He stated that the Minimum Annual Guarantee (MAG) of \$25,000 per month will expire in August 2009 and current sales projections show that sales will be decreasing from \$25,000 to \$15,000 per month. As a result, Interspace has notified the Authority that they will be decreasing their MAG in August 2009. In order to increase advertising revenues Interspace has proposed several new advertising concepts for consideration by the Board.

Mr. O'Donnell stated that the following concepts are acceptable to staff:

- Jetbridge advertising both on the inside and outside of the jetbridges;
- Carousel Advertising on the baggage carousels;
- Glass wrap and window cling advertisements;
- Tension fabric banner systems;

- Staffed booths with restrictions on approaching customers;
- Specialty displays;
- Free charging stations;
- Product sampling with no expectations that customers must buy; and
- Mobile media.

Mr. O'Donnell stated that the following concepts were also proposed and are under consideration by staff:

- Auto displays (Past policy was for green cars, i.e., smart cars with information boards.);
- Floor graphics (will be rejected);
- Sky bridge wraps (will be rejected); and
- Large format outside banner (will be rejected).

Chair Langdon stated that he would not like to see anything big on a regular basis, as passengers currently enjoy the space as it is. He stated that advertising on the outside of the jetbridges would be acceptable.

Mr. Myers stated that the larger the advertisements make it easier to create a larger splash.

Mr. Sleasman stated that he did not think the Airport, which was a public facility, was the place for large splashy advertisements. He stated that he understood budget constraints; however, he inquired as to what the dollar potential might be and where would you draw the line.

Mr. O'Donnell stated that \$120,000 will be lost annually if the advertisement program continues in decline.

Mr. Shaw inquired as to when the Interspace contract expires. Mr. O'Reilly stated that the contract expires August 11, 2009. He stated that the contract can be extended upon mutual consent and Interspace will not agree to the current MAG.

Mr. Shaw inquired if there were other advertising firms to provide this service. Mr. O'Donnell stated that there were and an RFP could be issued; however, Interspace currently has multiple advertisement contracts ongoing which would have to be resold.

Mr. Shaw stated whether their decline in revenues was transparent. Mr. O'Donnell stated that it was and that Interspace was not meeting the MAG of \$300,000 per year and at the current rate of sales, the projected revenues to the Airport would be \$14-15,000 per month; however, by contract the firm was required to pay the MAG.

Chair Langdon requested a report outlining their decline in revenues, where the declines were and what types of ads were affected.

Mr. Meyers stated that the Times Union cancelled their contract this month at \$900 per month which included advertisements on two 5' signs.

Chair Langdon stated that a Committee will be formed to review the proposals submitted by Interspace. He inquired as to who would like to be on the Committee. Mr. Shaw, Mr. Whitehead and Mr. Dennis volunteered to be on the Committee, along with staff.

Chair Langdon requested that the report previously requested outlining declining revenues be forwarded to the entire Board prior to the Committee meeting.

Mr. Sleasman stated that he had a philosophical issue regarding the proposed concepts, in that early on it was decided that there would be limited exposure to advertising in the Terminal. He requested that the Committee focus on how the advertising program can be as discrete as possible so as not to compromise Airport facilities.

Mr. Graziano inquired as to whether Interspace was ever over the MAG. Mr. O'Donnell stated that during the first three years of their contract, revenues were at \$400,000. He stated that this has declined steadily as the Terminal ages and has declined more quickly over the last few years. He stated that advertising revenue was much higher when the facility was brand new and there was a good deal of excitement over the new facility.

Chair Langdon requested that the Committee look at other airports comparably sized as to what types of advertising programs are being utilized.

10. Business and Economic Development Report

Ms. Zieske presented the Business and Economic Development Report for the month of December 2008.

ACTION ITEMS:

11. Authorization of Contracts/Leases/Contract Negotiations/Contract Amendments

11.1 Lease Agreement No. L533: 11 Northway Lane North – ACAA Bldg. No. 412 with Ashley Construction Services, LLC

Ms. Zieske recommended authorization of a two-year lease extension of Lease Agreement No. L533: 11 Northway Lane North – ACAA Bldg. No. 412 with Ashley Construction Services, LLC. She stated that the monthly lease payment was \$ 538.25. She also referred to a hand out which includes a personal guarantee that will be used in place of the guarantee included in the agenda item.

Mr. Dennis moved to authorize said lease extension with replacement of said guarantee. The motion was adopted unanimously.

11.2 Lease Extension to Lease No. L537: 74 Sicker Road ACAA Bldg. No. 212 with Leroy Holding Co., Inc.

Ms. Zieske recommended authorization of a two year lease extension of Lease No. L537: 74 Sicker Road ACAA Bldg. No. 212 with Leroy Holding Co., Inc. She stated that the monthly lease payment was \$2565.29 and will increase annually by the existing Consumer Price Index

in March 2009. She also referred to a hand out which includes a personal guarantee that will be added to the lease.

Mr. Sleasman referred to the language in the lease regarding the Consumer Price Index. He stated that the language should clarify that the adjustment will be made for increases only.

Mr. Sleasman moved to authorize said lease extension with the addition of said guarantee and additional language being included to state that the Consumer Price Index adjustment will be made only for increases. The motion was adopted unanimously.

11.3 Lease Extension to Lease No. L497: 70 Sicker Road Bldg. No. 214 with Custom Auto Radio Distribution, Inc.

Ms. Zieske recommended authorization of a three year lease extension of Lease No. L497: 70 Sicker Road Bldg. No. 214 with Custom Auto Radio Distribution, Inc. She stated that the monthly lease payment was \$2488.28 and will increase annually by the existing Consumer Price Index in March 2009. She stated that the language in the lease will be changed to clarify that the adjustment will be made for increases only.

Mr. Sleasman moved to authorize said lease extension with additional language being included to state that the Consumer Price Index adjustment will be made only for increases. The motion was adopted unanimously.

11.4 Construction Contract No. 441SC: Runway 19 Approach Obstruction (Tree) Removals - Phase Two

Mr. Iachetta recommended authorization to award Construction Contract No. 441SC: Runway 19 Approach Obstruction (Tree) Removals - Phase Two, to the lowest responsible bidder, Trees Unlimited, in the amount of \$71,697, to be funded from Capital Improvement Project Account No. 2014.

Mr. Sleasman moved to authorize award of said contract. The motion was adopted unanimously.

11.5 Lease Extension: 743 Albany-Shaker Road ACAA Bldg. No. 202 - NYS Office of General Services; Governor's Office of Homeland Security

Ms. Zieske recommended authorization of a three year Lease Extension for 743 Albany-Shaker Road ACAA Bldg. No. 202 with the NYS Office of General Services and Governor's Office of Homeland Security. She stated that the monthly lease payment was \$7,519.11 and the Authority will continue to contract for cleaning of the building which will be reimbursed by the tenant.

Chair Langdon inquired as to who paid the utilities on the building. Mr. O'Donnell stated that the utilities are paid by the Authority and reimbursed by the tenant.

Mr. Whitehead moved to authorize said lease extension. The motion was adopted unanimously.