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**ACAA**  
**APPROVED**  
 9/14/09

**Minutes of the Regular Meeting of the Albany County Airport Authority**

**August 10, 2009**

Pursuant to notice duly given and posted, the regular meeting of the Albany County Airport Authority was called to order on Monday, August 10, 2009 @ 6:03 PM in the 3<sup>rd</sup> 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.  
 Tony Gorman  
 John A. Graziano, Jr.  
 Elliott A. Shaw  
 Dorsey M. Whitehead

**MEMBERS ABSENT**

Dennis Fitzgerald

**STAFF**

John A. O'Donnell  
 Bill O'Reilly  
 Ginger Olthoff  
 Peter F. Stuto  
 Denise Zieske

Doug Myers  
 Steve Iachetta  
 Helen Chadderdon  
 Richard M. Meyers  
 Margaret Herrmann

**ATTENDEES**

Jeff Brisson, AvPorts  
 Pam Day, Million Air  
 John Tabner, Park, Ride N' Fly Attorney  
 Phil Wertheim, Park, Ride N' Fly

Eric Anderson, Times Union  
 Edward Duggan, Masterline  
 Susan Duggan, Masterline  
 Steve Duggan, Masterline

Chair Langdon noted there was a quorum.



1. **CHAIR'S REMARKS**

None

2. **MINUTES**

Mr. Shaw moved to approve the minutes of the June 8, 2009 and June 23, 2009 minutes. 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 August 2009.

Chair Langdon referred to the item related to McDonald's renovations and inquired as to whether there was a prohibition on coffee being sold at locations other than HMS Host locations. Mr. O'Donnell stated that there were no prohibitions, as exclusions were not allowed by the FAA.

Chair Langdon inquired as to whether HMS Host was aware of this policy when they executed their agreement. Mr. O'Donnell stated that they were aware of the non-exclusion policy.

4. **INTERESTING CORRESPONDENCE:**

Noted

Chair Langdon moved Agenda Item No. 11.3 to this point in the agenda. There were no objections.

**11.3 Operating Permit and Concession Privilege Fee Revision for Off-Airport Parking Concession**

Mr. Stuto stated that Jacobs Consultancy was hired to review Off-Airport Parking Operator Permit fees charged by the Authority. Mr. Peter Mandle, Director of Jacobs Consultancy, attended the June 8, 2009 Authority meeting and reviewed the report on Off-Airport Parking Operator Permit fees which was submitted to the Authority on May 18, 2009. One of the recommendations included in the report was to increase the Off-Airport Parking Operator Permit fees to 10 or 11% of gross revenues and a per trip fee of \$1.25 for each trip to the Airport. Upon review of the report, Authority staff is recommending a fee increase to 10% but is not recommending an additional per trip fee.

Mr. Stuto stated that a letter sent by Jack Tabner, attorney for Albany Park Ride N Fly, was received on July 31, 2009 in response to the Jacobs Consultancy report. He stated that this letter was included in the agenda item under consideration at this meeting.

Mr. Stuto introduced Mr. Jack Tabner and Mr. Phil Wertheim who were here to make a presentation on this matter.

Mr. Tabner referred to his letter dated July 31, 2009 which was included in the agenda package and stated that he would be happy to answer any questions regarding the letter.

Mr. Tabner stated that the Jacobs report did not provide a basis by which the recommendation to increase off-Airport parking concession fees was arrived at. He stated that he and his client were happy to hear that Authority staff is not recommending the per trip fee.

Mr. Tabner stated that he felt like he was working in a vacuum, as he and his client don't know the benefit formula. He stated that the NYS legislation creating the Authority required that the Airport be self-sustaining. In this regard, the courts have been involved, i.e., Northwest Airlines versus the County of Kent where it was decided that there has to be a fair and reasonable apportionment which cannot be excessive and must be without discrimination.

Mr. Tabner inquired as to how the recommendation to increase the fees to 10% was arrived at. Did Jacobs come up with a benefit formula? The Jacobs report refers to six northeast airports and the corresponding privilege/access fees charged:

Albany	6.77 %
Syracuse	10 %
Rochester	6 %
Buffalo	5 %
Bradley	4%
Providence	10%

Mr. Tabner stated that Syracuse and Rochester no longer have off-Airport parking.

Mr. Tabner inquired as to what formula was used to arrive at the increase to 10% and how was it attributed to Park N Fly? He stated that the proposed increase to 10% from 6.77% was a substantial increase which would represent approximately \$100,000 increase without the entrance fee.

Mr. Tabner stated that Jacobs was a competent firm; however, they did not provide any benchmarks. He referred to the fee charged hotels, i.e., \$600 per year per vehicle and stated that this should be looked at from a benefit standpoint whereby individuals stay at a hotel near the Airport and provide free parking and shuttle.

Mr. Tabner stated that from a revenue standpoint, Park Ride N Fly is willing to pay their fair share and is not asking for a reduction in fees since business is down. He stated that Park Ride N Fly offers a VIP program with good service to Airport passengers. He stated that he would like to know what the broad picture was and how Park Ride N Fly fits into the picture.

Chair Langdon stated that it has been his experience that the level of financial detail presented to Board members and available to the public was extensive and in great detail. He stated that business was down for Park Ride N Fly and business was down for the Airport. He stated that the numbers are all put forward in an abundance of financial data.

Mr. Tabner stated that there is no question put forward on Airport financials, as he was sure they were audited. He stated that the question Park Ride N Fly has is how did Jacobs arrive at the recommended 10% increase. Why not use 11%? He stated that this increase of approximately \$100,000 annually could put Park Ride N Fly out of business.

Mr. Tabner stated that they have made a large investment on Wolf Road and have invested several millions of dollars in property. He stated that as the Airport prospers, Park Ride N Fly

prosper. He stated that the Economy Lot fees have been the same for many years and has been tough competition over the years whereby Park Ride N Fly is supporting the Economy Lot.

Chair Langdon stated that parking fees have been raised and each time they are raised there are comparisons made to what other airports are doing, i.e., are they city-owned? Are they bigger? Are they run by an Authority? Do they have revenues coming in from other sources?

Mr. Tabner stated that Jacobs did not make the case for an increase and did not justify their decision with supportive documentation.

Mr. Tabner distributed an aerial photograph of Park Ride N Fly operation and property and stated that they were looking at possibly leasing this to the Airport. He stated that the operation produces \$1.9 million in gross revenues with \$150,000 coming in from the car care service and \$140,000 coming in from Sun Belt. He stated that this could be available to the Airport via lease.

Mr. Wertheim stated that if the Airport was interested in providing valet service, Park Ride N Fly would be interested in contracting to provide this service.

Chair Langdon inquired if they provided this service at any other airports. Mr. Wertheim stated that they do not but they do operate this service in other cities.

Mr. Shaw stated that the contract with Park Ride N Fly requires submission of financial information to the Authority. He stated that there is a question as to whether this information has been submitted on a timely basis to the Authority.

Mr. Tabner stated that 2006-2008 financials have been submitted showing profit/loss, assets and tax returns. He stated that there was a change in accounting firms which did cause some delays.

Mr. Stuto stated that the information submitted is not what is required under the contract. Mr. O'Reilly stated that the financial information received does not comply with Generally Accepted Accounting Standards (GAAP).

Mr. Wertheim stated that they did submit 2006 financials. Mr. O'Reilly stated that the reports received were revenue reports which were fine; however, as noted, the full financial statements received did not comply with GAAP.

Mr. Stuto stated that the reports submitted make claims that the operation broke even; however, it is not easy to tell from the financials if this was actually the case.

Mr. Tabner stated that he could arrange to have the accountant meet with Authority staff.

Mr. Shaw inquired as to the firm used. Mr. Wertheim stated that the firm was from Farmington, CT.

Chair Langdon stated that this item would be deferred to the September 14, 2009 meeting. There were no objections.

Chair Langdon moved Agenda Item No. 11.4 to this point in the agenda. There were no objections.

**11.4 Construction Approval for Leased Property Located at 1050 Troy-Schenectady Road with Bucknell Construction Corp.**

Mr. O'Donnell stated that Mr. Ed Duggan who has been the owner of the Control Tower Ice Cream stand located at 1050 Troy Schenectady Road for the past 9 years was in attendance this evening. He stated that Mr. Duggan has subsequently subleased the ice cream stand. He stated that Mr. Duggan also subsequently built another facility on the property which is a recreational facility for children whereby they spend 45 minutes to 1 hour at the facility.

Mr. O'Donnell stated that approximately 6 months ago, Mr. Duggan requested to lease additional property to build a Go Kart track; however, subsequent to this request, the Authority received a letter from Mr. Duggan advising that he was no longer going to pursue this endeavor.

Mr. O'Donnell stated that a few weeks ago, as staff was driving by the property, it was noticed that construction was underway for a Go Kart facility. No formal request or notice was given to the Authority by Mr. Duggan that he was constructing the facility.

Mr. O'Donnell introduced Mr. Duggan who presented the following:

Mr. Duggan stated that he has received approval from the Town of Colonie Planning and Building Department in January or February of this year. He stated that he did mention this to Mr. Iachetta of the Authority staff when he inquired as to applying for an FAA height variance. He stated that he did get approval from the FAA. He stated that he thought that the FAA approval meant he had Airport approval. He stated that not coming to the Authority Board for approval was an oversight on his part.

Mr. O'Donnell inquired as to what had happened to Mr. Duggan's earlier plan to lease additional land. Mr. Duggan stated that there were problems with wetlands and the NYSDOT estimate to mitigate the wetlands was much higher than he had anticipated.

Chair Langdon inquired as to whether the Authority was notified when Mr. Duggan received approval from the Town of Colonie. Mr. O'Donnell stated that the Authority was not notified at that time.

Chair Langdon inquired as to the time frame in which Mr. Duggan received the Town and FAA approval. He also inquired as to the results of a letter survey that was sent out to local neighbors.

Mr. Duggan stated that he had to apply for a variance from the Town and received approval approximately 4 months ago. He stated that he began the process with the Town approximately 1 year ago, although, he stated that he wasn't really sure when he received approval.

Mr. Shaw inquired as to what facilities he owned and what facilities were being subleased. Mr. Duggan stated that he runs the mini-golf course and subleases the refreshment stand and the Tumbling Tykes operation. He stated, however, that he maintains the property meticulously.

Mr. Shaw inquired as to the process to receive FAA approval. Mr. Duggan stated that he submitted an application to the FAA and after a long period of time with no response, he made several telephone calls which helped to expedite the application which was subsequently approved.