

## BOARD OF DIRECTORS MEETING

Minutes of June 19, 2019

The regular meeting of the Board of Directors was held in Conference Rooms A and B at Washington Dulles International Airport (Dulles International). The Chairman called the meeting to order at 9:00 a.m. Twelve Directors were present during the meeting:

Warner H. Session, Chairman  
Earl Adams, Jr.  
Judith N. Batty  
Albert J. Dwoskin  
Katherine K. Hanley  
Robert W. Lazaro, Jr.

A. Bradley Mims  
Thorn Pozen  
David G. Speck  
William E. Sudow  
J. Walter Tejada  
Mark E. Uncapher

The Secretary and Executive Management were present:

John E. Potter, President and Chief Executive Officer  
Jerome L. Davis, Executive Vice President and Chief Revenue Officer

### I. MINUTES OF THE MAY 15, 2019 BOARD OF DIRECTORS MEETING

The Chairman called for the approval of the Minutes of the May 15, 2019 Board of Directors Meeting, which were unanimously approved.



## II. COMMITTEE REPORTS

### a. Business Administration Committee – Robert W. Lazaro, Jr., Co-Chair

Mr. Lazaro reported that the Business Administration Committee had just ended its meeting. The Committee had approved two recommendations – 1) to Award a Contract for the Purchase and Delivery of Unleaded Gasoline to Dulles International and Ronald Reagan Washington National Airport (Reagan National) and 2) to Award Rental Car Concession Contracts at Dulles International. Mr. Lazaro stated that he would offer resolutions for Board approval for both recommendations later that morning.

### b. Dulles Corridor Committee – J. Walter Tejada, Co-Chair

As reported last month, Mr. Tejada stated that the Dulles Corridor Committee had met May 15 and briefly that morning. He reported that the Committee would reconvene after the day's Board Meeting. In May, staff had presented the Dulles Corridor Metrorail Project Monthly Cost and Schedule Update for Phase 2. Capital Rail Constructors had presented its Quarterly Update for Phase 2, Package A of the Dulles Corridor Metrorail Project.

### c. Finance Committee – A. Bradley Mims, Co-Chair

Mr. Mims reported that the Finance Committee had last met May 15. The Committee had approved two recommendations - Approval of the Proposed Resolution Authorizing Issuance of Airport System Revenue and Refunding Bonds, Series 2019AB and Approval of the Proposed Resolution Authorizing Issuance of Dulles Toll Road First Senior Lien Revenue Refunding Bonds, Series 2019A, which the Board subsequently approved. Staff had also reviewed the [April 2019 Financial Reports and the Financial Advisors' Reports for the] Aviation and Dulles Corridor Enterprises. Andy Rountree, Vice President for Finance and Chief Financial Officer, had reported that no Budget Reprogrammings occurred in the first quarter. Staff had presented the Quarterly Report on the Investment Program for the first quarter.

d. Risk Management Committee – Mark E. Uncapher, Co-Chair

Mr. Uncapher reported that the Risk Management Committee had last met May 15. Staff had reviewed the Recently-Completed Audited Report in regular session. In executive session the Committee had reviewed the same Recently-Completed Report and the Recently-Completed Consulting Report. Pursuant to Article IX, Section 3(c) of the Metropolitan Washington Airports Authority (Airports Authority) Bylaws, the Board and its Committees are permitted to move into executive session to discuss existing or prospective contracts, business or legal relationships in order to protect proprietary or confidential information of the Airports Authority; any person or company; the financial interest of the Airports Authority; or the negotiating position of the Airports Authority. Staff had also presented the Litigation Report in executive session pursuant to Article IX, Section 3(e) of the Airports Authority Bylaws which permits the Board and Committees to move into executive session for consultation with legal counsel and briefings by staff, consultants and/or attorneys, pertaining to actual or potential litigation, pending or proposed legislation, compliance with a specific constitutional, statutory or judicially imposed requirement, or other legal matters, and discussions of such matters by the Board without the presence of counsel, staff, consultants, or attorneys.

e. Strategic Development Committee – William E. Sudow, Co-Chair

Mr. Sudow reported that the Strategic Development Committee had last met May 15. Staff had presented the Airline Business Development Information Report and an update on Project Journey, including detailed information on the Washington Metropolitan Area Transit Authority's (WMATA) rail planned summer work.

### III. INFORMATION ITEMS

a. President's Report

Mr. Potter welcomed the Board Members to Dulles International, the premier golden gateway for the National Capital Region. He reported that Dulles International is currently in a great position in contrast to the changes it faced a few short years ago when the Cost per Enplanement (CPE) was among the highest in the nation and projected to keep rising

while passenger traffic declined. With a great deal of hard work, dedication and strategic thinking by everyone across the Airports Authority, combined by great support from the airlines and other business partners, as well as government partners in the Commonwealth of Virginia and on Capitol Hill, along with the strong support from the communities the Airports serve, Mr. Potter stated that Dulles International had turned an important corner. He reported that the Transportation Security Administration (TSA) had reported that Friday, June 14, was not only the busiest day this year for security checkpoints at Dulles International, but also the busiest single day in passenger traffic in nearly 10 years. On June 14, TSA processed 36,741 people at Dulles International and approximately 10,000 transit passengers so more than 46,000 passengers were handled, which represents a 5 percent increase over the same day last year and 22 percent above the average that occurred the prior year. Mr. Potter reported that the progress at Dulles International has been recognized with very positive media coverage, which includes many recent accomplishments, along with media acknowledgment of the great support of the Board. He noted the prior week's feature by the *Washington Business Journal* on Chairman Session's work on behalf of the Airports which was greatly appreciated. Mr. Potter shared the Chairman's photo that appeared in the *Washington Business Journal*.

As a result of so much work and support by so many people, Dulles International is presently in an excellent competitive position with very bright prospects for years ahead, as evidenced by the new international airlines and new destinations that are coming to the Airport. Mr. Potter advised that the inaugural flight for TAP Air Portugal had occurred the previous weekend. Progress at Dulles International is also illustrated by all the new and improved concessions and other services throughout the Airport, which Mr. Davis will discuss in his upcoming report.

As reported earlier that day by Charles Stark, Vice President, Dulles Corridor Metrorail Project, Mr. Potter stated that progress continues on the construction of Phase 2, which will provide passengers, employees, and business partners a new way to access Dulles International, and the Dulles Corridor will bring new economic development to the entire region once Phase 2 of the Silver Line is open. He advised that the media reports on issues related to the Silver Line and speculation on when Phase 2 will be completed are well known, noting that construction issues on a project comparable to the size and complexity of the Silver Line are quite common. Mr. Potter offered assurance that the Airports

Authority is working closely and collaboratively with WMATA and the construction contractors to address any issues that arise with the ultimate goal of delivering a safe, reliable and durable rail line that will serve the region well for many years to come, which will always take precedent over schedule pressures. He reported that Phase 2 is continuing to move forward, and staff will keep the Board updated on its progress.

With regard to financial matters, Mr. Potter reported that the Airports Authority continues its ongoing work to reduce its debt service costs by refinancing its debt, as recently evidenced. By taking advantage of the current low interest rate environment, the Airports Authority refunded \$183 million of Airport System Revenue Refunding Bonds on June 4, resulting in a savings of \$32 million. He further reported that the majority of savings apply to Dulles International and will further the Airport's effort to lower its CPE. Since 2010, the Airports Authority has refinanced \$3.6 billion of aviation debt reducing debt service costs by a total of \$464 million. In addition to the refunding, the Airports Authority also issued \$251 million in bonds for Project Journey. Mr. Potter reported that investor demand for these bonds was \$863 million which allowed the Airports Authority to achieve a record low interest rate of 3.14 points. On June 6 the Airports Authority refunded \$198 million in Dulles Toll Road First Senior Lien Revenue Refunding Bonds, resulting in a savings of \$48 million. Mr. Potter advised that June 6 was the first refunding transaction of the Dulles Toll Road bonds, which will decrease the Airports Authority's annual debt costs by \$2 million in years 2020 to 2029 and by \$3.6 million in years 2030 through 2044. He reported that investor demand for the Dulles Toll Road bonds was \$1.2 billion resulting in a very attractive interest rate of 3.58 percent. Mr. Potter stated that the successful outcome of these transactions was the result of continued focus on cost reduction, meticulous preparation, favorable market conditions and strong bond marketing efforts with investors to showcase the Airports Authority's credit strength, which is reflected in the Airport System's industry-leading credit ratings that were affirmed by the rating agencies at AA3 and AA-. He explained that the excellent credit ratings help drive demand for the Airports Authority bonds and allow the organization to achieve such favorable interest rates. Mr. Potter extended congratulations to Andy Rountree, Vice President for Finance and Chief Financial Officer, and his team, including Giedre Ball, Debt Program Manager; Mary Helou, Debt Analyst; financial advisors; and underwriters for achieving such phenomenal results. He also thanked the Board for its support, especially Chairman Session and Mr.

Speck, who joined the finance team [in New York] on the very successful mission.

Mr. Potter reported that the Airports Authority continues to make good progress with Project Journey and the Operations, Airport Administration, Communications and Public Safety teams are doing a great job helping passengers navigate the terminals and roadways at Reagan National as construction moves forward. The teams are also helping the passengers navigate the Metrorail system's maintenance shutdown south of Reagan National, which is scheduled to last into September. The Airports Authority teams are working closely with WMATA to help keep the public informed of the changes and work-arounds and things have been running smoothly so far. Mr. Potter advised that customers are adjusting well to the new Metrorail and shuttle bus patterns, noting that any adverse effect on the Airport experience appears to be very limited. He stated that the Airports Authority is also receiving very positive customer reviews on the signage at Reagan National and at Metro stations, its communication efforts, and assistance that has been provided by staff and volunteers at Airport information counters. Mr. Potter reported that a message to passengers that trains are still running between the Airport to points north is resonating as WMATA reports that weekday Metrorail ridership at the Reagan National station increased 31 percent the first week of the shutdown as many commuters coming from the south came to the Airport to take the Metrorail. He advised that the Airports Authority will continue working with WMATA to ensure that smooth operations continue, particularly through the upcoming days.

With regard to workforce development and succession planning, Mr. Potter reported that 25 up and coming Airports Authority employees graduated from a year-long Leadership Development Program (Program). He advised that the Program consists of monthly classes, individual coaching sessions, emotional intelligence and leadership style assessments, and practical exercises, including projects aimed at improving some segment of the Airports Authority's business presented to the executive team. Mr. Potter reported that the Program is helping the Airports Authority shape its future leaders, and it also promotes greater collaboration across many business functions. He congratulated Tony Vegliante, Vice President for Human Resources and Administrative Services, and his team led by Tanisha Lewis, Human Capital Management (HCM) Performance and Business Readiness Manager; Cynthia Demnitz, Employee Development Specialist; and Edythe

Richards, Organization Development Specialist, for developing and implementing the Program. Mr. Potter recognized the following graduates, some of whom were in attendance at the day's meeting, and they received a round of applause:

- Customer and Concessions Development Director - Deven Judd
- Dulles Airport Engineer - Alison Fischer
- Acting Deputy Manager, Engineering and Maintenance - Olin Kinney
- Dulles Customer Service Manager - Dennis Hazell
- Reagan National Executive Staff Coordinator - Danielle Morgan
- Revenue Strategy and Analysis Director - Gene Sutch
- Federal Government Affairs Manager - Daniel Hoff
- State and Local Government Affairs Manager - Michael Cooper
- Corporate Strategy Manager - Phoejin Kim
- Principal Architect - Chad Menge
- Reagan National Operations Duty Manager - Kelvin Ampofo
- Dulles Airport Security Manager - Ben Vardiman
- Dulles Operations Construction Coordinator - Terrence Liercke
- Treasury Accountant - Jason Carroll
- Architect - Louis Lee
- Deputy Vice President of Supplier Diversity - Wande Leintu
- Dulles Engineering Project Administrator - Dawn Pantano
- Dulles IT Service Delivery Manager - John Pappas
- Assistant Controller - Yibeltal Tamir
- Dulles Engineer - Erik Bauserman
- Reagan National Airport Project Controls and Scheduling Analyst - Anthony Bello
- Assistant Controller - Akiko Kawashima
- Budget Analyst - George Kangha
- Marketing and Consumer Strategy Vice President - Chryssa Westerlund
- Network Operations Manager - Reagan Malone

In light of the upcoming Fourth of July holiday, Mr. Potter reported that the Airports and their airline partners were extra busy earlier in the month marking the 75<sup>th</sup> anniversary of the famous D-Day invasion of World War II. To observe the solemn anniversary, a number of American veterans, many of whom are now in their 90s and older, boarded planes at Dulles International and flew to Normandy for a ceremony attended by President Trump and other world leaders. Mr. Potter advised that the

airlines, particularly United Airlines (United), has signage in key Airport areas commemorating the battle and welcoming the veterans. Additionally, United held events for area high school students to talk to some of the traveling veterans, who were their age or younger when they shipped off to war 75 years ago. Mr. Potter shared some of the news coverage of the recent event with the students and traveling veterans. He stated that the Airports Authority was able to assist one of the veterans who is 100 years old. Mr. Potter reported that Chairman Session heard about the veteran, a District resident, who needed assistance. Chairman Session placed a call to the Airports Authority's Communications team who arranged for media coverage while the Dulles Airport team and United arranged for a special welcome. He stated that he appreciated the tip that Chairman Session provided, and the Airports Authority was happy to be able to help the hero. Mr. Potter thanked everyone who helped to commemorate this important event in the Nation's history and honor those who served.

Chairman Session emphasized the effort that went into providing the help to the veteran on June 2. He stated that he received a call from Senator Paul Strauss [from the District of Columbia] on June 2 [about the veteran from the District]. Chairman Session further stated that he immediately called Mike Stewart, Vice President and Airport Manager, Dulles International, who immediately began to orchestrate the events to get everyone organized to provide the needed assistance. He thanked Mr. Stewart for his prompt response.

Chairman Session also emphasized the acknowledgment of the tremendous marketing efforts associated with the recent bond sales and results. He reported that Mr. Rountree had held 18 separate meetings [or calls and discussed each of the two credits] with investors [during the marketing period]. Chairman Session stated that he was proud to be a part of the June bond pricings. He acknowledged and introduced the Airports Authority Financial Advisors: Ken Cushine, Marvin Sun and Michael Wheat of Frasca & Associates, LLC and Jim Taylor of Mercator Advisors LLC. They received a round of applause.

Chairman Session thanked Mr. Potter for sharing his profile picture from the *Washington Business Journal*.



b. Executive Vice President's Report

Mr. Davis stated that it was great that the day's Board Meeting was held at Dulles International because the National Capital Region's premier international gateway Airport is undergoing such a strong period of growth and innovation, which is the result of great collaboration and teamwork across the Airports Authority, including all the Corporate Headquarters functions and the hundreds of colleagues from all the various departments at Dulles International who work together to bring in new business, expand and strengthen existing business and keep all the complex infrastructure and operations working well across the Airport. He advised that most importantly the team makes sure that customers have a great experience while they are at Dulles International and all this work is becoming evident. Mr. Davis shared the passenger's statistics report for the month. During April over 4 Million passengers traveled through both Reagan National and Dulles International, which is a 3 percent growth over the prior month. At Reagan National traffic was basically flat with a 0.6 percent decrease over the last 12 months. Mr. Davis advised that the growth in April at Reagan National was led by American Airlines and Delta Air Lines was somewhat affected by the continuing impact of service to Dallas Love Field that was discontinued last fall by Alaska Airlines.

Passenger traffic was up by nearly 5 percent at Dulles International over the last 12 months. Mr. Davis reported that domestic traffic continues to be strong, with an increase of more than 6 percent; international traffic is up nearly 3 percent. He advised that behind the passenger growth at Dulles International is United's commitment to strengthening its hub operation with an increase of 120,000 passengers in April. Additionally, five other airlines at Dulles International grew passengers by more than 20 percent in April - Air France, Qatar Airways, Avianca Airlines, Icelandair and Alaska Airlines but the growth at the Airport is obvious and a statistical report is not needed to see the growth, especially with international traffic. Mr. Davis advised that since the last Board Meeting the Airports Authority welcomed two new international airlines to the Dulles International family. Egypt Air launched its service to Cairo on June 4 and airline and industry officials, as well as Mr. Tejada, participated in the inaugural festivities. Additionally, TAP Air Portugal launched its new service to Lisbon on June 16. Mr. Davis reported that another very important new international route was added on May 22 when United launched its new service to Tel Aviv. He thanked Ms. Hanley, Mr. Lazaro, Mr. Sudow, Mr. Tejada, and Mr. Uncapher for

attending the event. Mr. Davis extended congratulations to Yil Surehan, Vice President for Airline Business Development, and his team for attaining another strong month of growth. He thanked everyone across the Airport and the Airports Authority who worked hard to make these airlines' launches a success.

Mr. Davis reported that Dulles International is not the only Airport where exciting things are happening this month. He stated that he and Mr. Potter were joined the prior week by Chairman Session and Mr. Pozen, as well as other members of the Airports Authority team, at a ribbon cutting ceremony at Reagan National for its newest concessions offering featuring a kiosk called 'Made in DC.' As the name denotes, Mr. Davis reported that the unique shop has items handcrafted by local DC artisans, creators and makers that sell a variety of items ranging from snacks to socks. He thanked Chairman Session and the Board, along with the District's Department of Small and Local Business, which is the lead sponsor of the Made in DC program. Mr. Davis stated that some of the attendees at the ribbon cutting ceremony had the opportunity to meet many of the entrepreneurs who will be selling their products on a rotating basis at the kiosk. He further stated that he enjoyed meeting Rahama Wright, one of the business owners who sells shea butter products, and hearing about her enthusiasm for being a part of our Airport community. Mr. Davis reported that Made in DC is a new unique opportunity for passengers traveling through Reagan National to purchase a distinctly "Washington" item as part of their visit to the National Capital Region. He also thanked Kristi Whitfield, Director of the District of Columbia Department of Small and Local Business and a champion of women and minority-owned businesses, for joining the Airports Authority and being such an important part of this effort. Mr. Davis extended congratulations to the Airport's concessions team led by Deven Judd, and the concessions management firm, MarketPlace Development, for their work to make the Made in DC retail experience a reality. He shared photos and a short video from the Made in DC ribbon cutting, which were well received.

With regard to concessions opportunities at Reagan National, Mr. Davis reported that earlier that month MarketPlace Development, in conjunction with the Airports Authority's concession team, invited local, regional, and national retailers, quick-service food operators and restaurants to learn about leasing opportunities available in Reagan National's new 14-gate concourse. He reported that the New Concourse currently under construction is part of the Project Journey capital

improvement program at the Airport. Mr. Davis advised that the New Concourse will not only eliminate the frequently talked about Gate 35x and make for a better experience for passengers but will also provide the Airports Authority an opportunity to offer new and different concessions. He stated that 10 locations in the New Concourse will offer a range of options from pizza and burgers to coffee and healthy selections, to retail focused on travel essentials and technology. Mr. Davis reported that staff will keep the Board apprised as the plans for the New Concourse continue to develop.

Mr. Davis reported that the Airports Authority will once again partner this year in the annual Smithsonian Folklife Festival on the National Mall, a very popular event held near the Fourth of July to honor cultural traditions across the United States and around the World with music, craft, demonstrations, and celebrations of traditional foods and customs. The free family-friendly festival draws hundreds of thousands of local residents, as well as visitors in town to celebrate the Fourth and it is a great fit with the demographics of the Airports' customers. Mr. Davis stated that staff would provide more information about the partnership in the coming months but shared that the Airports Authority is pleased that the Smithsonian, along with other area museums and agencies like the National Aeronautics and Space Museum, are partnering in its Airport Arts and Exhibits program. Beginning June 29 throughout the Smithsonian Folklife Festival, visitors will see frequent displays of Airports Authority logos and other reminders that Dulles International is the National Capital Region's gateway to the world. Mr. Davis advised that the Smithsonian Folklife Festival is an excellent venue for raising a profile of Reagan National and Dulles International and the services provided to the traveling public.

Mr. Davis reported that the services to the traveling public are constantly expanding and improving, as everyone across the Airports Authority works together to further enhance the passenger experience and increase non-airline revenue in an effort to make both Airports more attractive for airlines and customers. He stated that new and upgraded stores and restaurants are available throughout the Airports, particularly at Dulles International. Mr. Davis advised that new passengers' lounges and amenities, such as SleepBox, have been developed. Additionally, the increasingly popular 'Valet Your Way' curbside parking service all contribute to the fact that Dulles International is better than ever and getting better all the time, as evidenced by the number of recent awards and recognitions that the Airport has received. Mr. Davis reported that

J.D. Power and the Points Guy recognized Dulles International on their surveys of 'best airports in America.' The Airport also received kudos from Upgraded Points and Mamava for kid- and parent-friendly amenities. Mr. Davis advised that the entire team at Dulles International always goes the extra mile to ensure that passengers have the best experience possible. He stated that all these efforts, along with the resulting growth of airlines, destinations, and passengers are contributing to Washington Dulles International Airport's undisputed position as the leading international airport in the region. To illustrate this distinction, Mr. Davis reported that Dulles International offers more than 140 nonstop flights compared with 90 at another airport in the area. Additionally, Dulles International is especially strong internationally with nonstop flights to 16 cities in Europe and four cities each in Asia and the Middle East. Mr. Davis advised that the other international airport has no nonstop flights to these places. In total, Dulles International offers 79 daily departures to destinations outside the United States compared with 16 at the region's other international airport. Mr. Davis thanked everyone whose dedication, hard work, strategic thinking, and collaboration are making the Dulles International growth story possible and keeping Dulles International the undisputed number one Airport in the region.

Mr. Speck thanked Mr. Davis for providing the Aviation Statistics Summary to focus on some of the highlights that may not have been captured by Directors. He expressed interest in the increase of passenger traffic by Air France as a result of its replacement of A380 aircraft with B777. Mr. Speck recalled a discussion a couple months prior when the A380 was first introduced. He stated that there were expectations of much higher levels of use, which had not occurred. Mr. Speck asked Mr. Davis to share his views and provide details about other airlines' activities regarding A380s. Mr. Davis advised that he believed it was too early to offer any insight and stated that much would be learned within the next several months. Mr. Speck inquired as to whether the Air France passenger increase was solely the result of a larger aircraft, to which Mr. Davis responded affirmatively. He also inquired about other airlines at Dulles International that routinely use A380s. Mr. Davis stated that British Airways and Emirates Airline also use A380s. Mr. Speck requested that Mr. Davis keep the Board apprised of future A380 impacts since the change is contrary to other airlines' actions. Mr. Davis reported that the next iteration of the Aviation Statistics Summary will include a varied compilation of graphics and data to provide more context around the statistics. He stated that the summary provided for

the day's meeting was in response to comments from Mr. Speck and Ms. Hanley. Future summaries will include more data to illustrate the yields regarding airlines and their customers, as well as the airlines' changes as a result of the Boeing situation.

#### IV. NEW BUSINESS

- a. Recommendation to Award a Contract for the Purchase and Delivery of Unleaded Gasoline to Washington Dulles International Airport and Ronald Reagan Washington National Airport

Mr. Lazaro moved the adoption of the following resolution, which was unanimously approved:

WHEREAS, The Airports Authority requires unleaded gasoline to operate its fleet of operations and maintenance, public parking, and public safety vehicles;

WHEREAS, Section 1.3.1 of the Contracting Manual provides that the Airports Authority may use, when appropriate, contracts competitively procured by other governmental units;

WHEREAS, On behalf of COG members, Montgomery County, Maryland served as the lead procurement agency for a solicitation for unleaded gasoline and performed a reverse auction bid and PAPCO, Inc. was the successful low bidder;

WHEREAS, Utilizing the contract procured by Montgomery County will result in volume discounts and lower pricing than the Airports Authority could expect to achieve by soliciting pricing from vendors based on the Airports Authority's requirements alone;

WHEREAS, The staff has estimated that, under the contract with PAPCO, Inc., the cost of unleaded gasoline to be consumed by the Airports Authority over a five-year period is \$3 million; and

WHEREAS, The Business Administration Committee has reviewed the terms of the contract as presented by staff, and

recommended that the Board approve its award; now, therefore, be it

RESOLVED, That the award of a one-year contract with four one-year options for the purchase and delivery of unleaded gasoline at Ronald Reagan Washington National and Washington Dulles International Airports to PAPCO, Inc., consistent with the terms presented to the Business Administration Committee at its June 19, 2019, meeting is approved, and the President and Chief Executive officer is authorized and directed to enter into the contract.

The final resolution as filed in the Board of Directors Office includes a copy of the staff recommendation paper.

b. Recommendation to Approve the Proposed Resolution Authorizing Issuance of Dulles Toll Road First Senior Lien Revenue Refunding Bonds, Series 2019A

Mr. Lazaro moved the adoption of the following resolution, which was unanimously approved:

WHEREAS, In February 2019, the Business Administration Committee concurred with staff's recommendation to issue a solicitation for four on-Airport rental car concession contracts at Washington Dulles International Airport (Dulles International) using an Invitation for Bid (IFB) methodology;

WHEREAS, The IFB provided for four parcels on which to bid: three larger parcels, Parcels 1, 2 and 3, that each required a Minimum Annual Guarantee (MAG) of \$4.8 million and one smaller parcel, Parcel 4, that required a MAG of \$1 million and bidders could submit one bid for Parcels 1, 2 or 3 and/or one bid for Parcel 4;

WHEREAS, Bidders were required to submit a MAG bid for each contract year, including the five base years and the two, one-year options, escalated by at least three percent annually, and the contract will require payment of the greater of the MAG bid or 10 percent of gross receipts;

WHEREAS, The MAG bids received from the four bidders over the seven years of the contract total \$125,667,861;

WHEREAS, The successful bidders for Parcels 1, 2 and 3 selected their respective parcels, with the highest bidder selecting first;

WHEREAS, The contracts will require payment of monthly facility rent for use of Airports Authority-owned premises at a rate of \$2.59 per square foot per annum for contract year one, escalating by three percent each year thereafter;

WHEREAS, The contracts will also require the companies to collect a Customer Facility Charge of \$3.00 per rental day, which will be used to fund initial and future fixed improvements that benefit rental car operations;

WHEREAS, Additionally, the contracts will include (i) a Green Vehicle Requirement (GVR) which requires each contractor to maintain an annual average number of Green Vehicles (Hybrid Electric Vehicles, Plug-in Electric Vehicles, or Electric Vehicles) equal to or exceeding two percent of the contractor's total vehicles available for rent at the Airport in the second and third contract years before increasing to three percent in the fourth and remaining years and (ii) a requirement that each contractor promote the availability of Green Vehicles to its customers and take reasonable steps to exceed the GVR, with a goal of having Green Vehicles represent at least eight percent of the contractor's total vehicles available for rent at the Airport by the end of the fifth contract year;

WHEREAS, The contracts will include an Airport Concession Disadvantaged Business Enterprise participation goal of 10 percent; and

WHEREAS, The Business Administration Committee is satisfied with the results of the competitive procurement process, as presented at its June 19, 2019 meeting and recommended that the Board of Directors approve the selection of the following four rental car companies for the operation of on-airport rental car concessions at Dulles International:

Enterprise RAC Company of Maryland LLC doing business as Alamo Rent-A-Car, Enterprise Rent-A-Car and National Car Rental (Enterprise)  
The Hertz Corporation (Hertz)  
Avis Budget Car Rental LLC (Avis)  
Sixt Rent a Car LLC (Sixt);

now, therefore be it

RESOLVED, That the following four rental car companies are selected to operate rental car concessions for five-year contract terms, with two, one-year options, at the locations indicated below, at Dulles International:

Enterprise (Parcel 2)  
Hertz (Parcel 1)  
Avis (Parcel 3)  
Sixt (Parcel 4)

2. That the President and Chief Executive Officer is authorized and directed to enter into contracts with these four rental car companies, consistent with the terms presented to the Business Administration Committee at its June 19, 2019 meeting.

The final resolution as filed in the Board of Directors Office includes a copy of the staff recommendation paper.

## V. UNFINISHED BUSINESS

Chairman Session announced the creation of an Ad Hoc Labor Committee that will be tasked with reviewing the Airport Workers Wage Policy (Policy). He recalled that a little over two years ago the Board adopted an Airport Workers Wage Policy (Resolution No. 17-8). Chairman Session reported that Resolution No. 17-8 requires the Board to review the policy and the Airports Authority experience under the required procedures issued by the President (Jack Potter) pursuant to paragraph 4 of the Resolution. The review [to determine whether the revisions to the Policy are warranted] is required to be completed by no later than December 31, 2019 [pursuant to paragraph 7 of the Resolution]. He announced that the following Board Members will serve on the Ad Hoc Labor Committee: David Speck, Chair, Kate Hanley, Earl



Adams, Brad Mims, Thorn Pozen, Walter Tejada, Mark Uncapher, and Joslyn Williams. Chairman Session will serve on the Committee as an *ex officio* member.

VI. OTHER BUSINESS & ADJOURNMENT

There was not any other business.

The Meeting was thereupon adjourned at 9:40 a.m.

Respectfully submitted:

A handwritten signature in cursive script that reads "Monica R. Hargrove".

Monica R. Hargrove  
Vice President and Secretary

Approved July 17, 2019