



## BOARD OF DIRECTORS MEETING

Minutes of July 15, 2015

The regular meeting of the Board of Directors was held in the first floor Conference Rooms 1A, 1B and 1C at 1 Aviation Circle. The Chairman called the meeting to order at 10:15 a.m. Sixteen Directors were present during the meeting:

Frank M. Conner III, Chairman	Richard A. Kennedy
Warner H. Session, Vice Chairman	Barbara Lang
Earl Adams, Jr.	William Shaw McDermott
C. Charles Caputo	Caren Merrick
Lynn Chapman	A. Bradley Mims
Bruce A. Gates	Thorn Pozen
Anthony H. Griffin	Nina Mitchell Wells
Katherine K. Hanley	Joslyn N. Williams

The Interim Secretary and Executive Management were present:

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

Mr. Conner reported that the Board had a full complement of members, and he welcomed Thorn Pozen from the District of Columbia, who had been confirmed and sworn in the prior day. He stated that Mr. Pozen, former Chief Ethics Council and Chief Freedom of Information Officer for the District of Columbia, is a partner in his own law firm.

Mr. Conner noted that the day's meeting was the first one at which Lisa Makle-Brooks would serve as Interim Secretary and stated that the Board was delighted she had the opportunity.

Mr. Conner congratulated Chuck Caputo on celebrating his 50<sup>th</sup> wedding anniversary.

## I. MINUTES OF THE JUNE 17, 2015 BOARD OF DIRECTORS MEETING

The Chairman called for the approval of the Minutes of the June 17, 2015 Board of Directors Meeting, which were unanimously adopted.

## II. COMMITTEE REPORTS

### a. Business Administration Committee – Earl Adams, Jr., Co-Chair

Mr. Adams reported that the Business Administration Committee had met that morning and on June 17. In June, the Committee had approved two recommendations to approve business agreements for the Authority to reimburse Southwest Airlines for the replacement of seven passenger loading bridges in Terminal A at Ronald Reagan Washington National Airport (Reagan National) and American Airlines for the installation of two secondary loading bridges on the North Pier and to make improvements to the outbound baggage system in Terminal B/C at Reagan National. Mr. Adams reported that he would offer resolutions for both business agreements later in the day's Meeting. Staff had also presented the Disadvantaged Business Enterprise 2014 Achievements for Concessions.

At the day's Meeting, the Committee had approved recommendations to award contracts for parking and shuttle bus concessions at both Airports and the fixed base operator at Washington Dulles International Airport (Dulles International). Mr. Adams reported that he would also offer these resolutions later in the day's Meeting. The Committee had also concurred with one of three pending procurements for unarmed security guard services at Dulles International and Dulles Toll Road Administration Building. Mr. Adams noted that the two remaining agenda items would be considered when the Committee reconvened its Meeting later that day.

### b. Dulles Corridor Committee – Tony Griffin, Co-Chair

Mr. Griffin reported that the Dulles Corridor Committee had last met that morning and on June 17. At both Meetings, staff had presented the

## Dulles Corridor Metrorail Project Monthly Cost and Schedule Updates for Phase 2.

At the day's Meeting, staff had also presented a reconsideration of a sole source contract award for the installation of underground power lines along Route 28 at Dulles International, which the Committee had approved. Mr. Griffin stated that he would offer a resolution later in the day's Meeting. He also reported that Capital Rail Constructors had presented its quarterly update on Package A for Phase 2.

### c. Executive and Governance Committee – Rusty Conner, Chair

Mr. Conner reported that the Executive and Governance Committee had last met June 17. In executive session, the Committee had discussed personnel matters and considered legal matters. In regular session, staff had presented the audit of travel and business expenses for the period of July 1, 2013 – June 30, 2014. He noted that travel expenses for the Board had been almost nonexistent.

### d. Human Resources Committee – Bruce A. Gates, Co-Chair

Mr. Gates reported that the Human Resources Committee had last met June 17. Staff had presented an information paper on the Benchmarking Study of the Airports Authority Employee Benefits Program and a recommendation on the Airports Authority-sponsored post-employment benefits. Mr. Gates stated that the Committee had approved the recommendation and that he would offer a resolution later in the day's Meeting.

### e. Risk Management Committee – Warner H. Session, Co-Chair

Mr. Session reported that the Risk Management Committee had last met June 17. In regular session, staff had presented audits of both Airports' public parking contracts for the twelve-month period ending June 30, 2014 and the Agent Cashier's Office at Reagan National for the calendar year ended December 31, 2013.

[In executive session, reports of pending and recently closed litigation involving the Authority and from the new Vice President for Audit had been presented. Additionally, CliftonLarsonAllen LLP had presented the audits of the Authority's Retirement Plans.]

f. Strategic Development Committee – Lynn Chapman, Co-Chair

Mr. Chapman reported that the Strategic Development Committee had last met June 17. Staff had presented the Air Service Development Information Report and the pre-solicitation terms for architectural and engineering design services for the airfield pavement rehabilitation and geometric improvements at Reagan National. Mr. Chapman stated that the Committee had concurred with the pending procurement.

III. INFORMATION ITEMS

a. President's Report

On behalf of the Authority, Mr. Potter officially welcomed Mr. Pozen. He stated that the Authority looked forward to benefitting from his expertise and experience, especially with the District Government.

Mr. Potter noted the departure of Paul Wiedefeld as Chief Executive of Baltimore/Washington International Thurgood Marshall Airport. He acknowledged his service, thanked him for his generosity and professionalism and wished him the best in his next endeavor. Mr. Potter reported that the Authority looked forward to getting acquainted with Mr. Wiedefeld's successor, Ricky Smith, and to working with him in the years ahead.

With regard to the financial front, Mr. Potter thanked Chris Browne, Vice President and Airport Manager, and his team for their efforts to compete a new fixed-base operator (FBO) contract at Dulles International. He congratulated Landmark Aviation, one of the nation's leading fixed-base operators in the general aviation area. The contract would continue the Authority's longstanding relationship with Landmark and allow the FBO to continue its flagship operation for the National Capital Region while increasing revenue to the Authority by more than \$3 million annually.

Additionally, the financial team, led by Andy Rountree, Vice President and Chief Financial Officer, is continuing its series of successes with optimizing market conditions to save the Authority money. Mr. Potter reported that the recent bond deal, totaling more than \$345 million, produced nearly \$34 million in gross savings with a net present value of approximately \$25 million.

Mr. Potter thanked the Board's Finance Committee Co-Chairs, Warner Session and Michael Curto, who accompanied Mr. Rountree and his team to New York for the bond pricing and for their guidance and support throughout the process. He noted that the combined impact of the bond sale and the new FBO contract will have a positive effect on the cost per enplaned passenger at Dulles International, which is a significant step toward lowering costs for airlines serving Dulles International and helps to make the Airport more competitive. Mr. Potter thanked everyone throughout the Authority who had contributed to those important successes.

Mr. Potter reported that the success also continued in the Authority's concessions redevelopment program with the upcoming opening of Page Restaurant in the middle of the banjo area in Terminal A at Reagan National. The new restaurant will offer modern American cuisine with new customer service technologies, including the ability to order from iPads at their tables. Mr. Potter congratulated Steve Baker, Vice President for Customer and Concessions Development, and the concessions teams led by Rosa Minus at Reagan National and Stephanie Powers at Dulles International for their continued good work in transforming the face of the Airports and for giving customers a better shopping and dining experience.

Mr. Potter also reported that Authority staff had anticipated the release of language for the next Federal Aviation Administration (FAA) reauthorization bill, the vehicle in recent years for adding more slots and beyond perimeter flights at Reagan National, the prior week. He stated that the Authority has been opposing any efforts to add new slots and beyond perimeter flights because they are a large factor in the imbalance between Reagan National and Dulles International, which the Authority is working to rectify. The bill is being delayed by at least a month, which enables the appropriate Authority staff more time to talk to key Members of Congress and their staffs about slot and perimeter issues and other aspects of this important bill. Mr. Potter stated that staff will keep the Board apprised of developments as this legislative debate moves forward.

Mr. Potter recalled that Authority staff has been meeting with representatives from communities along the Potomac River in the District and Virginia and working with the FAA and the airlines to identify potential ways to mitigate the increasing noise concerns as the number of passengers at Reagan continues to grow. He reported that the most recent meeting had been held the prior week with representatives of

several neighborhoods in Northwest Washington. He then congratulated Ms. McKeough who had been leading this effort, along with Kevin Chapman from the Secretary of Transportation's office and the Authority's communications and noise office teams for their work on this important issue.

Mr. Potter reported that the Authority had participated as a sponsor of the World Police and Fire Games, which had just concluded the prior week. He stated that Mr. Davis would provide additional details later in his report but noted that the role of the Authority's police and fire departments in this competition, which included teams from around 70 countries. The Authority's team, led by Bryan Norwood, Vice President for Public Safety, had performed amazingly. Mr. Potter congratulated the Authority's athletes who had won six gold medals and several other awards. He acknowledged Isaac O'Neill and Kim Mason, who were present at the day's Meeting and received a round of applause, for their gold medal achievements. Mr. Potter also acknowledged Brent Shewmaker and Melanie Zinger who had earned two golds.

Mr. Conner congratulated the participants.

b. Executive Vice Presidents' Reports

Ms. McKeough reported that the May passenger activity had increased at Reagan National and Dulles International by 9 percent and 1 percent, respectively. She noted that the increase at Dulles International had resulted from the slight increase in domestic activity, which staff continued to monitor. Ms. McKeough stated that the official airline statistics for June and July, although not yet reported, are forecasted to reflect a strong summer travel season.

Ms. McKeough also reported on the new air service at Dulles International. She recalled that South African Airways has provided service from Dulles International to Johannesburg for approximately 10 years. Beginning August 3, the carrier would add Accra as one of its daily stops that it would make in African markets.

With regard to the revision of the Airports' ground transportation regulations that the Board had authorized, Ms. McKeough reported that the public comment period had closed. She stated that the Authority had received additional formal comments on the last day of that public comment period. Staff is responding to all of the comments and

considering all of the points raised. Ms. McKeough reported that staff anticipated presenting its formal recommendation in September.

As Mr. Potter had reported, Ms. McKeough noted that two additional community meetings had occurred since the June 15 Board Meeting to address community concerns regarding noise from the operations at Reagan National. In addition to the continued dialogue with the D.C. community in the greater Georgetown area, Ms. McKeough reported that staff had also attended an Arlington County forum held by Board Member Libby Garvey. Although the conversations had been very productive and helpful, staff realized that addressing the needs of one community does not necessarily help all communities. Therefore, a roundtable would be established that includes all neighborhoods being represented simultaneously to work through the complicated issues with the Authority and FAA. Ms. McKeough noted that the Authority has been pleased thus far with the FAA's commitment to the issue.

Ms. McKeough reported that the Authority had recently completed a major milestone on a strategic project for the Dulles Toll Road (DTR). She recalled a Board presentation when staff had reported on the plan to migrate a substantial number of the cash and coin-only lanes on the DTR to E-ZPass-only lanes. Ms. McKeough stated that the project had been completed about two months ahead of schedule. She noted that while an increased penetration of E-ZPass had occurred, no correlation of increased usage at the full-service lanes existed, other than a third full-service lane at the main Toll Plaza booth. The success from the conversion of the cash and coin-only lanes had allowed traffic on the DTR to flow much quicker by not having users stop at coin baskets.

Ms. Hanley stated that the traffic jams, particularly at the Toll Plaza, usually occurred on the weekend and the prior Sunday had been no exception. She noted that a substantial amount of the additional traffic on the DTR resulted from mainly tourists, who did not possess an E-ZPass. Ms. Hanley reported that commuters often exited the capital beltway, traveled the DTR and accessed the Dulles International Airport Access Highway through the Toll Plaza, which impacted traffic for passengers on their way to Dulles International.

Mr. Conner stated that he believed that staff is doing a great job of assessing the communities' concerns and trying to develop a coordinated plan. He inquired how that input is communicated and used as part of the process with regard to the FAA reauthorization bill. While staff is

addressing the noise concerns in all of its outreach efforts on Capitol Hill, Ms. McKeough reminded everyone that Congresswoman Eleanor Holmes Norton, who is very familiar with the pending FAA legislation, had engaged noise discussions with the communities in the District. She stated that Congresswoman Norton is very engaged to ensure that the results of the FAA legislation would not result in increased noise concerns at Reagan National.

Mr. Davis referred to several slides that reflected the continuing increase in non-airline and transportation-related revenue. The non-airline revenue had increased 11 percent year-to-date. When compared to June 2014, it had increased 13 percent for a total of \$3.4 million. Mr. Davis reported that transportation-related revenue had increased 11 percent for a total of \$8.7 million over the prior year. He stated that revenue from sources inside the terminals had increased 34 percent over the prior year noting that 17 new food and beverage locations and 14 retail locations had opened in the Airports since January. With regard to transportation-related revenue, parking continued to be the largest source of revenue, represented by a 9-percent increase in June for a total of \$862,000. Mr. Davis reported that taxi revenue is one of the few categories where different trends occurred at both Airports. At Reagan National, taxi revenue in June had increased by 28 percent year-to-date. At Dulles International, it had decreased approximately 2 percent, unlike parking and rental car revenue, which had increased over the prior year. Mr. Davis reported that the Authority's Police and Operations Departments had observed an increasing use of Transportation Network Companies (TNCs). He stated that the decline is particularly impactful at Dulles International where TNCs can be less costly than taxis because of the distance that passengers travel to get to the Airport. Mr. Davis reported that revenue from rental cars had increased approximately \$1.5 million, or 9 percent year-to-date. He also reported that that advertising revenue had continued to decline over the last few years. Mr. Davis stated that Mike Stewart, Manager, Business Development, and other Office of Revenue staff had prepared a Request for Proposals with regard to advertising, which would be shared later that day. He noted that the advertising revenue had increased 16 percent in June compared to the prior year. Mr. Davis stated that he believed that positive trends would result from a new advertising contract expected in the second quarter of 2016.

Mr. Davis shared pictures of the SpringHill Suites Comfort Zones (Comfort Zones) at Dulles International. He explained that SpringHill



Suites had partnered with the Authority to promote its brand and to make the seating at the Transportation Security Administration areas more comfortable for passengers at Dulles International. Mr. Davis noted that the installation of the Comfort Zones, which represented creative advertising between partners, had been completed on July 2 and positive comments were being shared on social media. He thanked JCDecaux, the Authority's advertising contractor, as well as Carol Gabriel of the Authority's concessions team and Larry Ferrigno of the Dulles International engineering and maintenance team for their roles.

Mr. Davis noted that Mr. Potter had provided results about the recent World Police and Fire Games, and he shared a video of the Authority's participants welcoming other athletes and informing viewers about the great services available at Dulles International. He also shared slides that demonstrated how the Authority had leveraged a number of channels to create awareness for the event, as well as a positive experience for the athletes. Additionally, advertising for Dulles International had been featured on all the World Police and Fire Games media channels, including websites, newsletters, Facebook and *INSIDENOVA* magazine.

Mr. Davis reported that the Authority had also co-sponsored the recent Smithsonian Folk Festival (Festival) in the District, which had proven the most economical way to advertise on the National Mall. The Authority's logo had also been displayed on banners at the Peruvian Embassy and on a giant video screen downtown, as well as locations such as the Metro stations, Telemundo and Latino television stations and in the Festival guide.

Mr. Davis also reported that the Airport Operations team had done an incredible job of raising awareness and ensuring a strong theme with regard to Independence Day. In a continued effort to connect the Airports' activities with the communities, Mr. Davis stated that approximately 2,000 flags had been distributed on July 4. Additionally, the Authority and Marketplace Developments had developed a gift idea, where customers received a free charger with a minimum purchase of \$75 in retail items throughout the terminals. Mr. Davis reported that the gift idea, which had generated approximately \$121,000, had been a successful promotional effort.

Mr. Davis reported that the Authority is preparing for the Dulles Day event in September, filled with 5K and 10K runs and other family

activities. The funds raised at Dulles Day would be donated to the Special Olympics in Virginia and other worthy causes. Mr. Davis noted that the day's activities would also be used to create excitement about services offered at both Airports.

Mr. Conner reported that he and Mr. Potter had made a presentation at a recent event, where they had been politely reminded of various suggestions for improving customer service at Dulles International. He stated that he was aware of some of the focus groups underway at the Authority and inquired about when staff would share some of its findings with the Board. Mr. Conner suggested that Mr. Davis' report also focus on metrics used to measure customer service in addition to revenue, which is relevant to creating a better environment and a more satisfying experience for the Authority's customers. Mr. Davis referenced a comprehensive research study underway with McGinn and Company. He explained that the intent of the research is to review the customer base at each Airport with regard to customer segmentation and identify the appropriate audiences for each Airport. Mr. Davis reported that the data should be available no later than September, and it will serve as a foundation to establish customer service metrics and help to identify how the Authority should best proceed.

Ms. Hanley inquired whether the Airports' customers are able to distinguish between the Authority's responsibilities and those of the individual airlines. She suggested that the Authority determine the most efficient manner to appropriately address customers' concerns. Additionally, she inquired about opportunities for the Authority to learn about the customers' likes and dislikes at both Airports. Mr. Davis stated that additional work is underway to complement the data that McGinn and Company would soon provide. He noted that past customer service surveys had been used to compile benchmark studies but that he believed that the baseline of data needed to be more accurate.

Ms. Merrick observed that United Airlines, the largest carrier at Dulles International, had developed a process to provide instant market research results. She inquired how the Authority would integrate its process with those used by its partners. Mr. Davis responded that presently, Chryssa Westerlund, Deputy Vice President, Planning and Revenue, is working on an effort to provide real-time research results through the Authority's new website. Additionally, the Authority is considering options to help ensure that the customers' concerns reach the appropriate audience.

#### IV. NEW BUSINESS

- a. Recommendation to Approve a Business Agreement for the Airports Authority to Reimburse Southwest Airlines for the Replacement of Seven Passenger Loading Bridges in Terminal A at Ronald Reagan Washington National Airport

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

WHEREAS, Two of the nine Passenger Loading Bridges (PLBs) in use at Terminal A of Reagan National were replaced by JetBlue pursuant to an approved reimbursement agreement with the Airports Authority when the airline began its operations in Terminal A in 2010;

WHEREAS, Staff has recommended that a similar reimbursement agreement be entered with Southwest Airlines (Southwest) under which the airline will replace the remaining seven PLBs in Terminal A, which have already surpassed their expected useful life of 25 years, whose operational reliability is decreasing by the day, and for which replacement parts are increasingly unavailable;

WHEREAS, Funding for this reimbursement agreement in an amount not to exceed \$6 million, is included in the approved Capital Construction Program budget;

WHEREAS, Southwest has agreed to use full and open competition to procure the design of the bridges and installation of the seven replacement PLBs, subject to the Airports Authority's design and construction standards;

WHEREAS, Southwest will purchase the PLBs under its national contract which was previously competed and offers favorable pricing due to the airline's volume purchases;

WHEREAS, Southwest will be obligated under the agreement to achieve the Airports Authority's Local Disadvantaged Business Enterprise participation goal of 25 percent;

WHEREAS, Southwest will be required to submit originals of all paid invoices with a detailed accounting of the payments before the Airports Authority issues reimbursements;

WHEREAS, Southwest will ensure that title to the improvements will vest in the Airports Authority immediately upon substantial completion and acceptance by the Airports Authority; now, therefore, be it

RESOLVED, That the President and Chief Executive Officer is authorized and directed to enter into an agreement with Southwest pursuant to which the Airports Authority will reimburse Southwest, in an amount not to exceed \$6 million, for the replacement of seven passenger loading bridges in Terminal A at Reagan National following the completion of the replacement bridges and their acceptance by the Airports Authority.

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

- b. Recommendation to Approve a Business Agreement for the Airports Authority to Reimburse American Airlines for the Installation of Two Secondary Bridges on the North Pier and to Make Improvements to the Outbound Baggage System in Terminal B/C at Ronald Reagan Washington National Airport

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

WHEREAS, American Airlines currently utilizes 14 aircraft hardstand parking positions on the commuter ramp located to the north of the Terminal B/C North Pier at Ronald Reagan Washington National Airport (Reagan National);

WHEREAS, Construction of the New North Concourse project, which is a major component of the current Capital Construction Program at Reagan National, will require the removal of two of these 14 hardstand parking positions;

WHEREAS, The two removed hardstand parking positions can be, in effect, replaced by supplementing the current

Passenger Loading Bridges (PLB) on Gates 43 and 44 in the North Pier of Terminal B/C with a secondary PLB which will allow two regional jet aircraft to occupy each of these gates at the same time;

WHEREAS, A secondary PLB is currently in use on Gate 33 on the Middle Pier of Terminal B/C, and it can be relocated to Gate 44, while a secondary PLB at Gate 43 will need to be purchased;

WHEREAS, The current outbound baggage system in Terminal B/C was constructed in 1997;

WHEREAS, The current system's baggage conveyor lines take baggage from ticket counters in Terminal B/C to one of three separate baggage make-up areas, one located in the North Pier, another in the Center Pier and a third in the South Pier, and the transfer of baggage from one of these make-up areas to another must be done manually;

WHEREAS, A reconfiguration and reconstruction of the outbound baggage system in Terminal B/C is required to enable baggage originating at any ticket counter in the North or Center Pier to be sent via the system to any baggage make-up area in those two piers and to the new baggage make-up area within the New North Concourse, without manual transfer;

WHEREAS, Staff has recommended that a reimbursement agreement be entered with American Airlines under which the airline will relocate the existing secondary PLB on Gate 33 to Gate 44, will acquire and install a new secondary PLB on Gate 43, and will design and construct the necessary modifications to the current outbound baggage system in Terminal B/C;

WHEREAS, Funding for this reimbursement agreement in amounts not to exceed \$7 million for the secondary PLB project and \$36.9 million for the outbound baggage system project is included in the approved Capital Construction Program budget;

WHEREAS, American Airlines will be obligated under the reimbursement agreement to achieve a Local Disadvantaged Business Enterprise participation goal of 25 percent;

WHEREAS, American Airlines will be required to submit originals of all paid invoices with a detailed accounting of the payments before the Airports Authority issues reimbursements;

WHEREAS, American will be required to convey title to these improvements to Airports Authority upon their substantial completion and acceptance by the Airports Authority; now, therefore, be it

RESOLVED, That the President and Chief Executive Officer is authorized and directed to enter into an agreement with American Airlines pursuant to which the Airports Authority will reimburse American Airlines in amounts not to exceed \$7 million for the secondary PLB project and \$36.9 million for the outbound baggage system project in Terminal B/C at Reagan National.

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

c. Recommendation to Award Contracts for Parking and Shuttle Bus Concessions at Washington Dulles International Airport and Ronald Reagan Washington National Airport

Mr. Adams moved the adoption of the following resolution, which was adopted:

WHEREAS, In November 2014, staff presented a pre-solicitation paper to the Business Administration Committee in connection with the upcoming procurement for the management of public parking facilities and the operation of shuttle buses at the two Airports;

WHEREAS, In February 2015, a Request for Proposals (RFP) in this procurement was issued;

WHEREAS, On July 15, 2015, the Business Administration Committee received the results of the procurement; accepted the staff's recommendation that Five Star U Street Metropolitan Washington Airport, LLC be awarded a contract to operate the parking and shuttle bus concessions at each Airport, a recommendation which was based in part on a combined management fee of \$5.7 million over the five-year life (including option years) of the contracts; and in turn recommended that the Board of Directors approve the award of these contracts to Five Star U Street Metropolitan Washington Airport, LLC; now, therefore, be it

RESOLVED, That the award of contracts to operate the parking and shuttle bus concessions at both Airports to Five Star U Street Metropolitan Washington Airports, LLC, is approved; and

2. That the President and Chief Executive Officer is authorized and directed to enter into two contracts with Five Star U Street Metropolitan Washington Airport, LLC, to operate the parking and shuttle bus concessions at the two Airports, with each contract beginning on October 1, 2015, having a base term of three years with two one-year options, and otherwise consistent with the terms and conditions presented to the Business Administration Committee at its July 2015 meeting.

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

[Mr. Conner read a recusal statement at the day's Business Administration Committee Meeting indicating that he had recently had a professional contact with one of the proponents of the procurement. Although the conflict was apparent and not actual according to the Code of Ethics, he also recused himself from the Board consideration of the award of contracts for parking and shuttle bus concessions at the Airports.]

d. Recommendation to Award the Fixed Base Operator Contract at Washington Dulles International Airport

Mr. Adams moved the adoption of the following resolution, which was unanimously adopted:

WHEREAS, The current contract for the provision of fixed-base operator (FBO) services to the General Aviation (GA) market at Washington Dulles International Airport (Dulles International) is held by Piedmont Hawthorne Aviation, LLC, dba Landmark Aviation (Landmark Aviation), and it is scheduled to expire on August 31, 2015;

WHEREAS, The Business Administration Committee in October 2014 concurred in the pre-solicitation terms for the procurement of FBO services at Dulles International;

WHEREAS, The contract grants the right to operate as one of two FBOs at Dulles International to provide primary support services, including fuel sales, for GA aircraft and passengers;

WHEREAS, The contract is intended to expire at the same time as that planned for the second existing Dulles International FBO contract with Signature Flight Support, which will allow for concurrent rebidding of both contracts in 2022;

WHEREAS, The Minimum Annual Guarantee offered by Landmark over the contract period totaled \$82,250,000, as well as a capital improvements investment offer of \$2.5 million to renovate the interior and exterior of the FBO facility, \$1 million to improve existing facility conditions, and \$1.4 million for repair and maintenance during the contract period;

WHEREAS, The Business Administration Committee is satisfied with the results of the competitive procurement process, as presented at its July 15, 2015 meeting; now, therefore, be it

RESOLVED, That the President and Chief Executive Officer is authorized and directed to enter into a seven-year and two-



month contract, with Landmark, effective September 1, 2015 and running through October 31, 2022, consistent with the terms presented to the Business Administration Committee at its July 15, 2015 meeting.

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

e. Reconsideration of Award of a Sole Source Contract for Installation of Underground Power Lines along Route 28 at Dulles International

Mr. Griffin moved the adoption of the following resolution, which was unanimously adopted by all 16 Directors present:

WHEREAS, As required by the Contracting Manual, notice of this sole source contract award has been published on the Airports Authority's website for the required time period;

WHEREAS, On January 21, 2015, the Board of Directors adopted Resolution No. 15-1 in which the Board approved a sole source contract award to Dominion Virginia Power (DVP) to install underground ductbanks, cables and manholes, and to undertake related work, on property of Washington Dulles International Airport adjacent to Route 28, as part of a DVP project to supply power to Phase 2 of the Dulles Corridor Metrorail project;

WHEREAS, Following the January 21, 2015 Board of Directors meeting, staff reported that, in estimating the cost of this contract (\$850,000), which had been presented at that meeting, staff had not anticipated various site conditions that DVP would be required to address during construction, and that a new independent cost estimate, together with the other pricing information, had produced a higher estimated contract cost of approximately \$2.3 million; and

WHEREAS, The Dulles Corridor Committee has reviewed the new cost and pricing information, as presented by staff at its July 15, 2015 meeting, and has recommended that the Board of Directors again approve the award of this sole source contract to DVP; now, therefore, be it

RESOLVED, That Resolution No. 15-1 is hereby rescinded;  
and

2. That the President and Chief Executive Officer is authorized and directed to enter into a sole source contract with Dominion Virginia Power for the installation of ductbanks and related cables and manholes on property of Washington Dulles International Airport adjacent to Route 28.

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

f. Recommendation on the Airports Authority Sponsored Post-Employment Benefits

Mr. Gates moved the adoption of the following resolution, which was adopted with two abstentions:

WHEREAS, The Airports Authority currently pays 80 percent of a retiree's healthcare benefits if the retiree worked for five or more years of service with the Authority, including service as a police officer or firefighter;

WHEREAS, A benchmarking study recently conducted by the Airports Authority reports that many of the government employers in the Washington, DC, region have lengthened the eligibility period for retiree healthcare to ten or more years of employment service;

WHEREAS, Based on this study and other reasons, staff have recommended that the eligibility period for retiree healthcare be extended from five to ten years of service with the Airports Authority, and that this new eligibility requirement become effective on January 1, 2016, and be applied prospectively to all employees, including police officers and firefighters, hired on or after that date; now, therefore, be it

RESOLVED, That all Airports Authority employees hired on or after January 1, 2016, shall be required to have served a minimum of ten years in the employment of the Airports Authority in order to be eligible for Airports Authority-provided retiree healthcare.

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

V. UNFINISHED BUSINESS

There was not any unfinished business.

VI. OTHER BUSINESS & ADJOURNMENT

In an effort to improve revenue at Dulles International, Mr. Caputo introduced an idea that the unused space at the Airport be structured as a tourist-attraction venue. He suggested that the unused space on the lower level be dedicated to commercial use for tourist activities and offer passengers opportunities to choose among tourist attractions or other offerings by providing booths or concessions in the terminal. Mr. Caputo asked staff to consider the options for public sector offerings and private firms and to determine if it would be a viable option for the Authority to take advantage of the tremendous opportunities available in the Washington area.

The Meeting was thereupon adjourned at 11:10 a.m.

Respectfully submitted:



Lisa R. Makle-Brooks  
Interim Vice President and Secretary

Approved 9/16/15