

# **SALT LAKE CITY DEPARTMENT OF AIRPORTS MINUTES OF ADVISORY BOARD MEETING**

March 21 2018

Members Present: Larry Pinnock, Chair  
Wade Bitner  
Roger Boyer  
J.T. Martin  
Karen Mayne  
Cyndy Miller  
Steven Price

Excused: Theresa Foxley  
Sam Granato  
Jim Riding

Mayor's Office: Mayor Jacqueline M. Biskupski  
Patrick Leary

Department of Airports: Bill Wyatt, Executive Director  
Treber Andersen, Operations Superintendent  
John Buckner, Director of Administration & Commercial Services  
Ed Cherry, Chief Information Officer  
LuJean Christensen, Administrative Assistant  
Eddie Clayson, Director of Maintenance  
Marco Kunz, Attorney  
Allen McCandless, Director of Planning  
Kevin Robins, Director of Engineering  
Ryan Tesch, Director of Finance  
Craig Vargo, Police Chief  
Nancy Volmer, Director of Public Relations & Marketing  
Mike Williams, TRP Program Director  
Brad Wolfe, Commercial Manager

Larry Pinnock called the meeting to order at 8:06 a.m. and welcomed Roger Boyer for his willingness to serve on the Board.

JT. Martin and Steve Price arrived at the meeting at 8:16 a.m.

## **AGENDA**

### **A. Director's Report**

Bill Wyatt, Executive Director, updated the Airport Advisory Board regarding current events.

- Wyatt stated that the Airport continues to have daily enplanements ranging from 22 – 28 thousand passengers daily. The Airport is heading for a 25 ½ - 26 million passenger year in a facility that was designed to handle 10 million passengers. It is incredibly crowded, the concessions and retail group have done great job of leasing every square centimeter of space for concessions.
- Wyatt informed the Board that he and key individuals, from the Airport and Delta Air Lines, traveled back to New York City to meet with the bond rating agencies. The meeting with the rating agencies is an immense undertaking where the current financial position is presented. The first rating agency report is back and it is maintaining the Airport as stable. Anticipate receiving the report from two more agencies in the upcoming two or three week timeframe. This is an annual review that is required by the Dodd-Frank Act. Another bond issuance is anticipated in late summer. Currently the Airport is in a strong position and would not anticipate any significant change with the next bond issuance.

Pinnock asked that Wyatt share the popularity of the last bond issuance. Wyatt answered that the bonds were oversubscribed about 10 to 1. Wyatt stated that it is important to acknowledge that Donnell Harvey and Andy Renner from Delta Air Lines attended the meetings to talk with the rating agencies of the importance of Salt Lake in the Delta system. The point made was that Salt Lake was absolutely vital to the success of Delta's overall western strategy. Both Seattle and Los Angeles hubs are constrained and the geographic location of Salt Lake is perfect for feeding those hubs with larger aircraft and receiving aircraft from those hubs.

## **B. Airport Redevelopment Program Update**

Mike Williams, Airport Redevelopment Program (ARP) Director, presented an update on the ARP (presentation on file). Main points included were:

- CGMP #4 – Landside and Airside enabling status
- CGMP #5 – Terminal/South Concourse West/Gateway status
- CGMP #6 – Roadways/Parking Garage/Central Utility Plant status
- CGMP #7 – Baggage Handling System status
- CGMP #9 – Apron Paving – Taxilane 20/21
- CGMP #9A – SCW Apron Paving and Hydrant Fueling status
- CGMP #15 – NCP Phase 1 enabling
- Project statistics
- Near term schedule
- Overall Airport Redevelopment Program budget
- Job progress photos
- North Concourse secure area
- North Concourse construction operational & staging area

Patrick Leary arrived at the meeting at 8:27 a.m.

Karen Mayne arrived at the meeting at 8:34 a.m.

### **C. Airport Budget for FY2019**

Ryan Tesch, Director of Finance, SLCD, presented an update on the Airport budget for FY 2019 (presentation on file). Main points included were:

- Budget goals and objectives
- Operating statement forecast
- Comparison of airline revenues
- Cost Per Enplaned Passenger (CPE)
- Comparison of concession revenues
- Operating expenses for FY 2019
- New Capital Improvement Projects for FY 2019

Martin asked if Lyft and Uber were impacting parking revenues resulting in reduced revenues for the Airport. Tesch responded that Lyft and Uber have not impacted the parking revenues in Salt Lake City. Discussion ensued regarding industry trends and the trends Salt Lake City is seeing regarding parking, ground transportation and rental cars and the impact to revenues for the Airport. Wyatt stated that the general topic of ground transportation, Uber, Lyft, Transportation Network Companies, parking, and transit is a topic at all major airports because it is in such a period of change right now. A unique aspect of this airport is its proximity to the central city and for the foreseeable future will continue to have demand for parking.

Martin inquired if Lyft and Uber have impacted the rental car market. Tesch answered that no impact has been seen. Miller stated that passengers come to Salt Lake for vacation. They arrive at the airport and rent cars to be able to go to Park City to ski or southern Utah to visit the national parks. Wyatt stated that there is a unique situation in Salt Lake because tourism drives a rental business here.

The motion was made by Cyndy Miller and seconded by Larry Pinnock to recommend the FY 2019 budget to the Mayor and City Council for adoption as presented. All votes were affirmative; motion passed.

### **D. Future 5th Runway**

Allen McCandless, Director of Planning and Environmental, presented an overview of the future 5<sup>th</sup> runway to the Board (presentation on file). Main points included were:

- Existing runways
- Reasons a new runway may be needed
- Aircraft operational delay
- Reasons for operational delays
- Potential improvements
- New runways and taxiways should be evaluated
- Passenger enplanements

- Challenges for a new runway

Mayne asked how many years does a runway last before repairs are needed. Wyatt answered that there are two kinds of runways, asphalt or concrete. Concrete lasts longer but is more expensive to build than asphalt. The concrete runway will last about 40 years until major maintenance is needed.

Bitner inquired as to what type of aircraft would be utilizing the new runway. Bitner asked if it would be high commercial or the lighter executive aircraft business. McCandless answered that would be one of the questioned answered with the master plan. The industry trend is for aircraft to get wider wing spans and longer fuselage. The runway would need to be able to accommodate larger aircraft. Bitner wondered how that would impact the executive aircraft business. McCandless answered that the executive aircraft are located on the east side of the airport and function separately from commercial traffic. A component of the master plan is to take a look at the general aviation airports and how they will function.

Mayor Biskupski stated that the map included with SB234 that was signed last week, took in some of the area the Airport would need for the additional runway. Biskupski stated that currently the Airport has been slowly acquiring the property and currently owns approximately 80% of the property needed in order to construct the future runway. The Airport owns the property where the runway would be constructed, the City owns the property on which the NWQ development would occur and yet we have this additional overlay which will complicate matters.

Martin asked on how long from conception to completion a new runway would take. McCandless answered that it would take approximately 15 to 20 years to complete a runway project.

#### **E. Concessions Program RFP Update**

John Buckner, Director of Commercial and Administration, introduced Brad Wolfe, Commercial Manager, who presented an update on the concession program RFP to the Board (presentation on file). Main points included were:

- Planning
- Overview
- Goals
- Considerations
- Scope and timing
- Broader objectives
- Outreach efforts over the past twelve months
- Project RFP release dates

Pinnock asked what the expectations as far as local versus regional would be. Wolfe responded that there are no set percentage goals. The same language that was used seven years ago on the current program will be used in this RFP and that an ideal mix is requested. The concessionaires on the last RFP responded with good mix of local versus national brands. Wyatt stated that he

has meet with a lot of the firms that are sure going to be bidding and they are all out pounding the streets in Salt Lake City to insure robust local participation.

Miller stated that because of the active interest, as well as to ensure the integrity of the program is maintained, in the event board members are contacted during this process where should the board members refer them to. Wolfe stated that a paragraph will be sent to board members and elected officials that they can read if they get contacted. Martin asked if someone has an issue with the process how would that be resolved and where would they be referred. Buckner answered that the City has very prescribed procurement process, whether it is concessions, purchasing commodities or services, it is very prescribed. There is a process for which someone can lodge a concern or discuss the issue. The process is very structured and prescribed within City ordinance. Refer individuals to Marco Kunz or the City Attorney's office.

JT asked if employee screening would be separate from passenger screening in the new facility. Wyatt stated that employee screening will be separate from passenger screening. It was presented to the airlines and we are talking with the airlines regarding a separate employee screening facility that would be separate from the terminal. During the last airline meeting there was a discussion regarding this and the airlines seemed favorable to the idea. Buckner stated that currently the Airport is in the early stages of designing a lot that would be remote for anyone that works airside. The employees would park in a different lot, go through a separate security screening area, get loaded on a bus and be delivered to the concourses.

Mayor Biskupski left the meeting at 9:30 a.m.

Larry Pinnock adjourned the meeting at 9:35 a.m.

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Larry Pinnock, Chair

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Date

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Jacqueline M. Biskupski, Mayor

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Date