Master Plan Workshop – Initial Meeting Northeast Florida Regional Airport (UST/KSGJ)

Airport Conference Center, Tuesday, May 2, 2023, 10am

Presumptive Committee Members (present):

Alan Bock, Joe Duke, Jack Gorman, Bruce Kreis, Jose Riera, Jaime Topp Authority Board Members (present): Michele Cash-Chapman, Dennis Clarke, Reba Ludlow, Bob Olson Authority Staff (present): Kevin Harvey Passero Associates LLC - Engineering Consultant (present): Andrew Holesko, Chris Johnson, Matt Singletary Members of the Public (signed in): Philip Jufko, Michael Baker International, pjufko@mbakerintl.com

Emanuel Manusythaks, 954-593-5000

Mr. Clarke started the meeting by stating that the Airport Authority had chartered a Master Plan Committee to seek technical expertise from the stakeholder community to review capital plans and to advise the Authority on the future growth and development of the airport. Mr. Clarke further stated that this was a public meeting under the Florida Government in the Sunshine Law.

The purpose of this initial meeting is to brief the attendees on the current state of capital planning initiatives, federal (Federal Aviation Administration - FAA) and state (Florida Department of Transportation – Aviation Division - FDOT) grant funding processes, operational aspects of the airport, and any other topics of interest to the attendees.

A brief discussion ensued concerning the Committee's potential findings, deliberations, and recommendations to the Airport Authority, and whether such activities and meetings are subject to the Florida Sunshine Law. A participant noted that at a recent regular meeting of the Authority, the answer to the foregoing question was inconclusive and that further guidance from the Authority's General Legal Counsel would be forthcoming.

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In consideration of that open question, Mr. Clarke suggested that the current meeting be treated as a public workshop and that the provision within the Master Plan Committee charter regarding the appointment of a Chairperson and Vice Chairperson be deferred until a future meeting, if at all.

Mr. Holesko of Passero Associates LLC provided a list of topics for review along with summaries of several projects in various stages of planning and copies of the Master Plan and Airport Layout Plan (ALP).

Mr. Holesko stated that an FAA approved Master Plan and ALP had to be current, and that any requests for grant funding from the FAA and FDOT had to comply with both plans. He further stated that the Plans allowed for some variation due to engineering and operational considerations, and that the current plan was completed and approved/accepted by the Airport Authority, FAA and FDOT in 2020.

The three broad stages in the FAA approval process were: 1) accurate forecasts of demand for airport services; 2) the accommodation of the largest potential Design Aircraft that might operate at the airport, and 3) the detailed ALP master drawing sheet depicting the future build-out concept of the airport.

Mr. Holesko then reviewed the complex matrix of available grant funds available to the airport.

FAA Funding

- Annual entitlements, comprising 90% funding, ranging from \$150,000 to \$1,000,000, depending on number of enplanements of commercial and charter passengers. Up to 10,000 enplanements per year at KSGJ. A short discussion ensued regarding the Authority's ability to monitor the number of enplanements. Mr. Holesko explained that reporting enplanements by Part 135 carriers was voluntary. A participant suggested that the Fixed Base Operator (FBO) Atlantic Aviation be contacted to see if they record enplanements that originate from their facility. This issue will be discussed at a future meeting.
- 2) Discretionary funding, which is a high priority to the FAA, can provide up to 90% funding, with another 5% coming from the FLDOT and the remaining 5% coming from the Authority. Mr. Holesko noted that the grant funds are exactly equal to the successful bid.
- 3) **BIL-AIG**, the Bipartisan Infrastructure Law, Airport Infrastructure Grants, include formula allocations and competitive (FAA Contract Tower Competitive) funds of up to \$14.55 billion. This is a five-year

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program whereby funds must be obligated by September 30, 2025, through September 30,2029. Mr. Holesko noted that the Authority will receive \$844,000 from this program this year.

4) **FAA** proposed projects under consideration per the attached list. Mr. Holesko emphasized that the FAA will not fund revenue producing projects, for example, T-Hangars.

FDOT Funding – JACIP/CIP

- 1) Matching funds for non-FAA-share, which is 5%, plus FAA 90%, leaving 5% as the Authority's obligation. Mr. Holesko noted that the Authority should continuously update a 6-year CIP. He also said that matching funds can come from non-aeronautical sources, such as ground leases from off-airport property. The FAA also requires the payment of "prevailing wages" to contractors for projects funded by these grants. Our Authority has a very good record of completing projects on time and on budget and we have a good relationship with both the FAA and FLDOT.
- 2) Stand alone airfield (non-FAA), ranging from 80% to 20%.
- 3) Stand-alone revenue producing (example: T-Hangars) non-FAA, 80%-20% or 50%-50%. The latter program is preferred by most airports as more projects can be funded.
- 4) State Infrastructure Bank (SIB) which is a new opportunity for the Authority. A copy of the draft application form is attached. The SIB functions somewhat like a line-of-credit.
- 5) FDOT proposed projects in the Authority's approved work program per the attached list.

Current Projects – status update

- 1) **Taxiway B**, FAA-FDOT funded the project is going very well, and we are very pleased with the contractor's performance.
- 2) The Commercial Terminal access road this is an FDOT funded, non-revenue producing project that is currently on hold. Mr. Holesko explained that the Authority could request the FDOT to repurpose the \$2.9 million grant for either the relocation of Hawkeye View Lane or, more likely, the construction of a public road connecting US 1 to the Airport Conference Center Building. A participant suggested that the Authority could see if the County would be willing to participate in the funding of that project.

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- 3) T-Hangars (A and J, plus K-L-M and T), this is an FDOT only funded project, and is underway. A discussion ensued regarding the future potential to bifurcate the "horizontal" (site-work) project costs from the "vertical", (hangar foundation and building), cost. Mr. Clarke reported that he has had discussions with the Authority's General Counsel regarding the creation of a subsidiary entity for the purpose of financing, building, owning, managing, and repairing T-Hangars. This type of arrangement would allow the Authority to utilize grant funds exclusively for site work while the subsidiary would separately fund the construction of hangars from non-aeronautical commercial or government sources. Mr. Clarke noted that the lease revenue from the T-Hangar tenants may have to be adjusted to service any debt plus a margin for maintenance, repair and a reserve for depreciation.
- 4) Gun Club Area. Mr. Holesko and Mr. Harvey reported that they have been having fruitful discussions with representatives of the Gun Club, which is located adjacent to the northeast quadrant of the airport. The acquisition of that land will be substantially funded by FDOT grant funds. The acquisition of this property will give the Authority area to relocate and extend the main access road on the east side of Runway 13-31 and provide access to 20 to 30 additional developable acres for aviation development.

Upon the conclusion of Mr. Holesko's briefing, a discussion focused on the construction of large community or shade hangars. Many airports have such facilities for transient visitors, normally managed by an FBO. Mr. Holesko noted that there are three development zones east of Runways 13/31: the south, the central and the north, and that once the sites are prepared for construction, there should be sufficient room to build such facilities.

The participants expressed their satisfaction with the information provided at the workshop and that they all had a positive impression of the Authority's planning efforts of the Authority. Mr. Clarke said he would draft a summary of the proceedings and that a follow-up meeting could be scheduled within four to five weeks.

The meeting ended around noon.