

SHREVEPORT AIRPORT AUTHORITY
February 20, 2020

Meeting No. 765-20

The Shreveport Airport Authority regular meeting was called to order by Chairman Waynette Ballengee at 10:00 a.m., in the Conference Room of the Shreveport Airport Authority located at Shreveport Regional Airport.

PRESENT:

Waynette Ballengee
Jonathan Reynolds
Margaret Shehee
Oliver Jenkins

ABSENT:

Mary L. Jackson

STAFF:

Wade A. Davis
Stacy Kuba
Mark Crawford
Paul Strahan
Lisa Clark
Pat Edwards
Stephen Price
Ernestine Manuel
Kimberly Harris
Nelda Garza

Mekisha Creal/Thea Scott – City Attorney’s Office
James Flurry – City Council
Bill Underhill
Whitney Boggs – Hangar 20
Buddy Camp – Tenant
Martin Wright/Joseph Carnes – DHS/TSA
Richard Cox – Hangar 11
Jim Graves/Monty Walford – SAHOA
Robert Osborne – Burns & McDonnell
Steve Ryberg – TAC Air
Steve Melvin – EJES
Vincent Price – Tenant
James McCormick
Varius Kumar Nagelli – DR GeoES, LLC
Ken Martin
Gloria Lee

Mr. Oliver Jenkins provided the opening prayer. Board Member Margaret Shehee led the pledge of allegiance to the American flag.

Motion was made by Mr. Jenkins to approve the minutes from the meetings held January 28, 2020. Motion seconded by Mr. Reynolds. Motion passed 4 – 0.

BOARD MEMBER REPORTS:

Mr. Jenkins recognized Councilman James Flurry who was in attendance at this meeting.

DIRECTOR'S REPORT – Director Wade Davis gave the following report:

- **FAA PART 139 INSPECTION** - Inspection was successfully completed with no major discrepancies identified. The Airport was awaiting the final FAA report. Mr. Davis complimented airport staff for their hard work.
- **AIR SERVICE DEVELOPMENT** – Mr. Davis said that a review of the per passenger cost structure was complete with changes recommended for privatization of the fire service to improve protection while reducing overall landing fees. Meeting with the Mayor's office was scheduled at the end of the month in advance of the Request For Proposal. Mr. Davis said that air service development remained a priority and an FAA compliant Low Cost Carrier Incentive Program would be developed for board approval.
- **PARKING IMPROVEMENTS** - The parking garage concept requested by the mayor's office was prepared. Conceptually, the \$13 million, 500-parking space project would be beneficial but cannot be funded by FAA or LADOTD. The need for parking expansion and the parking lot design was still needed. It is estimated that the expansion would add 265 spaces at a cost of \$1.5 million.
- **CONCESSION CONTRACT** – A meeting was held with the incumbent concessionaire to discuss the concession contract and the potential Request For Proposal (RFP). Based on this discussion and subsequent personal trial of the offerings over a two-week period, it was Mr. Davis' recommendation that the airport proceed to an RFP inviting the incumbent to apply.
- **SAA LEASE STATUS** - Mr. Davis said that compliance with ADA guidelines remained a concern as it related to the Aeronautical Ground Lease Agreement that was before the board in "Old Business". The City Attorney's office was working to address this concern. It was Mr. Davis' recommendation that the aeronautical lease format be approved for FAA compliance purposes.
- **ACTIVITY AND BUSINESS REPORT:** Joseph Russo, Manager of Business and Finance was introduced to the Board and then presented the Activity and Business report. The Board members had questions related to the likelihood of collecting some of the outstanding amounts shown on the aging schedule. Mrs. Kuba said all outstanding accounts had been assigned to outside counsel for collection.
- **MARKETING REPORT:** Mark Crawford was present to give the Marketing Report. Mr. Crawford said the air carrier report shows that Regional Airport had 50,686 passengers for January 2020 versus 45,415 in 2019 which was a 12% increase.

Mr. Crawford said he presented a breakdown from the air service consultant related to how many passengers SHV has going to the top 40 destinations. He said for the first quarter SHV had 98,000 and for the second quarter 111,000 seats.

- **PROJECTS REPORT:** Lisa Clark was present to provide this report. She gave updates related to on-going projects. Mrs. Clark said that each contractor is out 30 to 45 days because of inclement weather.
- **DOWNTOWN AIRPORT REPORT:** Paul Strahan, Interim Downtown Airport Manager, gave the Downtown Airport Report. Mr. Strahan said that open positions for Maintenance Mechanic III had been posted and he was very hopeful that they would be able to select a candidate before the summer season began. He said they had been able to get about 85% of the city-owned t-hangar security lights working. He said once the weather cleared the other lights which had ballast-related issues would be repaired. Mr. Strahan said once the weather warmed up there were numerous crack-seal projects scheduled.

PUBLIC COMMENTS:

Whitney Boggs – Hangar 20 at Regional Airport. Questioned Agenda Item No. 2 which was rejecting tenants' lease applications for modification of the lease. He requested to know who placed this item on the agenda. Legal counsel allowed Mr. Davis to respond to the inquiry. Mr. Davis said that he had placed the item on the agenda. He said there were a total of 37 applications that had additional language which fundamentally altered the ground lease terms offered by the Authority. Upon the recommendation of legal counsel, this item was placed on the agenda. Mr. Boggs said this item was a request not a modification. He said for the staff to have an agenda item to reject a lease application because individuals requested an opportunity to discuss a lease he didn't think was fair or an equitable solution to the problem. Mr. Boggs said he had been a pilot for over 50 years. He said when he purchased his hangar he thought that it would have an intrinsic increase in value and it would be marketable. He said airport management has caused a depreciation of his property and he had received a notice from the Caddo Parish tax assessor's office that the value had decreased 60%. Sheriff Prator had sent him a refund of property taxes that he had already paid. He said the new lease has included a stipulation of reversion which is nothing more than taking property for no compensation. Mr. Boggs said there is no vehicle in the new lease that gives him the opportunity to re-lease his property at the end of the lease term. He said this is harming the community, and he did not understand why the airport staff would not talk to the tenants about the lease and engage in an amiable conversation so that the tenants can get on with the enjoyment of their private property.

Dave Fortuna - Hangar 126 Downtown Airport. Mr. Fortuna said he was sure that the Board was aware that most of the tenants were unhappy with what has going on. He said many of the tenants do not intend to sign the new agreement. Mr. Fortuna said he would like to know what the ramifications were for a tenant who did not choose to sign the new lease. Is there any punitive action against the tenants who choose not to sign the new lease. The City Attorney requested that the Board not answer this question. Mr. Reynolds requested that responses be provided later because this resulted in the 3-minute time period being extended. Mr. Fortuna said he wanted to be on record having asked the question. Mr. Fortuna wanted to know if the Airport was going to honor the lease agreement that a tenant currently held. He said he had seven years left on his lease. Mr. Fortuna wanted to know if he was correct in assuming that

if the airport allows him to finish out the seven years left on his lease, at the end of that time, the Airport will not lease to him in any way in the future. The city attorney stated that the lease agreement being discussed was subject to pending litigation and would not be discussed at this meeting. Mr. Davis said that the current lease would be allowed to run until it expired. The final question on whether no future lease would be provided at the expiration of his current lease was not answered due to pending litigation.

Jim Graves of SAHOA. Mr. Graves objected to Discussion Agenda Item No. 2 and Old Business Agenda Item No. 1. He said he reflected the comments of the previous speakers. He said he was renewing the same objection voiced in the December and January meetings as it pertained to Old Business Agenda Item No. 1. Mr. Graves disseminated a written copy of his objection, a memo requesting a relaxation of the lease deadline and a letter from the Harper Law Firm to the City Attorney. Mr. Graves said that Mr. Davis had miss-characterized the lease applications in the agenda item no. 2. He said that Mr. Davis also miss-characterized the meeting that took place with the Mayor. Mr. Graves said that Mr. Davis had also concealed from the public and the SAA Board a letter from the Federal Aviation Administration (FAA) dated the day before February 19, 2020, that basically said everything the tenants had said about reversion was right and everything the SAA Board and staff had said was wrong. Mr. Graves requested everyone's resignation.

Vincent Rice Hangar 35 Downtown Airport. Mr. Rice said he turned in his paperwork for the new lease and it had the addendum that Mr. Davis was talking about and he requested that it be honored. He also requested that the Board not approve the lease because it was totally unacceptable. Mr. Rice also felt that it would help everyone, if the Board and the staff would agree to negotiate with the tenants. He said the tenants had been asking for this for 2-1/2 years and were still asking for it. Mr. Rice said he had worked hard for the things that he had and resented that a government agency would come to him and take his property and not pay him for it. He said it is not mandated by the FAA and it is not lawful.

Monty Walford of SAHOA. Mr. Walford said that 5196(b) requires consultation with the tenants. He said it was a grant assurance. Mr. Walford said that in Mr. Reynolds somewhat clandestine confirmation, he said that the tenants of Downtown needed to be held accountable. Mr. Walford said the Board needed to be held accountable, but they were not. Mr. Walford said the Airport was really only held accountable when it takes FAA money. Mr. Walford said it was time that the Board be held accountable and he was going to do that for them. He said he was going to be the watchdog. Every time one of the grant assurances was violated he was going to be watching, and he would take action. He said he would urge SAHOA to do the formal complaint and if they wouldn't, he would. Mr. Walford said anything he felt was a violation or overreach, he would file a formal complaint with the Department of Transportation Inspector General. He said he would let the Board know each time they did something wrong and it would affect future grants. He then gave an additional copy of the FAA letter dated February 19, 2020.

Bill Underhill representative of hangars 115 and 118. Mr. Underhill said that he had been told that once the current lease expired, that if the new was not signed, he would not be offered any other lease. Mrs. Kuba said that was incorrect the aeronautical lease would be offered. He said it was ridiculous that the Board smirks at the tenants and does not answer questions. Mr. Underhill said he wasn't concerned about reversion because it was in the first lease that he signed that said the hangar was the Airport's if he signed the lease. He said that was not going to happen. He said no one is going to build hangar on this airport. Mr. Underhill addressed Mr. Reynolds because he was banker questioning whether he would loan money to someone to build a hangar because he would have no recourse if they signed the lease. Mr. Underhill said he had been talking to Stacy for over a year about the gates on Regional Airport. He said there is a tenant on the airport that can fix the gates but apparently the airport has a contract with someone who evidently cannot fix anything.

CONSENT AGENDA:**CONSENT AGENDA ITEM NO. 1 - TO APPROVE A REQUEST BY MR. JACK WYNNE TO EXERCISE THE FIRST OPTION OF THE NON-COMMERCIAL LEASE AGREEMENT FOR LOT 111 AT SHREVEPORT DOWNTOWN AIRPORT.**

Management has received a letter from Mr. Jack Wynne, advising the Airport that he would like to exercise the first option of the lease agreement for Lot 111 at Shreveport Downtown Airport. The primary term expired on December 31, 2019. If approved, the first option will commence January 1, 2020, and expire December 31, 2024. Mr. Wynne's account and insurance were in good standing.

Rental Rate: 16,500 sq. ft. x \$.15 = \$2,475.00 per year

Slab: 4,500 sq. ft. x \$.0575 = \$ 258.75 per year

\$2,733.75 per year

Management recommended approving this agenda item as presented.

Motion made by Mr. Jenkins, seconded by Ms. Shehee to approve Consent Agenda Item No. 1. Motion passed 4 – 0.

DISCUSSION AGENDA:**DISCUSSION AGENDA ITEM NO. 1 - AIRPORT AUTHORITY BOARD NOMINATING COMMITTEE TO RECOMMEND BOARD OFFICERS FOR 2020/2021.**

In the SAA Board's meeting held January 28, 2020, Chairman Waynette Ballengee appointed Board Members Dr. Mary Jackson and Mr. Oliver Jenkins to serve on a Nominating Committee to make a recommendation for the Board officers, Chairman and Vice-Chairman, for 2020/2021. The Committee was to announce recommendations for Board officers and present them for vote. Management recommended approving this agenda item as presented.

Motion was made by Mr. Jenkins, seconded by Ms. Shehee to nominate Mr. Jonathan Reynolds as the Chairman and Dr. Mary Jackson as Vice-Chairman of the Airport Authority Board for 2020/2021. Motion passed 4 – 0.

DISCUSSION AGENDA ITEM NO. 2 - APPROVAL OF REJECTION OF TENANT LEASE APPLICATIONS CONTAINING LANGUAGE WHICH MODIFIES THE TERMS OF THE NEW GROUND LEASE AGREEMENT FOR REGIONAL/DOWNTOWN AIRPORTS.

On January 9, 2020, the Authority notified SHV and DTN airport tenants of an opportunity to sign the new ground lease with SAA. Applications were due by 5:00 PM Monday, February 10, 2020, in order to be on the February Board Agenda for approval. As indicated by this letter, after February 10, 2020, no tenant will be able to receive the new ground lease and all current leases will end as the agreements expire. While the majority of tenants complied with the Authority's request and their leases are on the agenda for approval, several submitted a lease application containing the following language "Submitted under duress subject to the provisions of the attached letter." The added language fundamentally altered the ground lease terms offered by the Authority. On this basis the Authority must reject the modified applications as it fundamentally changes the terms of the ground lease. Rejected

applications are as follows:

Lot #1	Jesse W. Green	Lot #83	Mark Callaway
Lot #13	William Johnson	Lot #115	KIMAIR, LLC
Lot #16	Royal Wings Aviation, Inc.	Lot #118	Moran Air, LLC
Lot #18	Kenny Covington	Lot #126	Just Plane Fun, LLC
Lot #20A	Purple Sky, LLC	Lot #163	Robert Burgess
Lot #32	Blount Holdings, Inc. (SHV)	Lot #164	Robert Van Hoy
Lot #32	Shreveport Flyers LLC	Lot #TBD	James W. Graves
Lot #35	Vincent Rice, Jr.	Lot #172	Mark Brunettin
Lot #44	Gary R. Boucher	Lot #C-1	Horizon Aviation Land Co.
Lot #46	Joe Ferguson	Lot #C-2	Al Harlan
Lot #50	Danny Aiello	Lot #78	Directional Properties LLC
Lot #51	James William Poole	Lot #88	Directional Properties LLC
Lot #52	Steve Nicholson	Lot #91	Directional Properties LLC
Lot #55	Jay Smith	Lot #92	Directional Properties LLC
Lot #64.65	Randy Northcutt	Lot #93	Directional Properties LLC
Lot #73	Alias George Carroll	Lot #139	Directional Properties LLC
Lot #73A	Bert G. Moore	Lot #140	Directional Properties LLC
Lot #74	GrafteAire, Inc.	Lot #77	James M. McCormick
Lot #11	Robert M. Aiello		

The Authority rejects the counter offer and will allow all current leases to end as agreements expire for the ground leases of the modified applications and advise tenant of same. Management recommended approval of the Rejection of Tenant Counteroffer to Ground Lease as presented.

Mr. Davis said on the morning of February 10, 2020, about 15 tenants with a news crew appeared at the Airport Administration lobby submitting the application and letter provided as an attachment to the agenda item. At the end of the application there was a hand-written notation that read, "Submitted under duress subject to the provisions of the attached letter." This letter has the effect of modifying the proposed aeronautical ground lease according to legal counsel, therefore, should be rejected in its entirety.

Motion was made by Mr. Jenkins to remove Discussion Agenda Item No. 2 from the agenda, seconded by Ms. Shehee. Mr. Reynolds questioned the entry Lot #TBD James W. Graves. He wanted to know why there was a TBD with no lot number associated. Mr. Davis said that there was no lot number associated with this entry. Mrs. Kuba said that Mr. Graves submitted an application under SAHOA. Mr. Reynolds requested that the legitimacy of this be explained. He wanted to know if you did not have a lot how were you a tenant. Mr. Jenkins said he did not know, but the Board could certainly use one of the examples listed that did have a lot associated with it.

Mr. Jenkins wanted to know if the Airport was in litigation for the ground lease. He said he understood that there was pending litigation related to the aeronautical lease but wanted to clarify if the Airport was also being sued for the ground lease? City Attorney Ms. Creal said that the City had not been formally served with litigation but the City was aware of it. She said that she would not get into specifics but the litigation concerned both ground lease and the proposed aeronautical lease before the Board. Mr. Jenkins wanted clarification he said there are to different leases, the Ground Lease which tenants had been signing on to for months and the proposed Aeronautical Lease which was an Old Business Agenda Item this date. Mr. Davis said the applications were for the ground lease. Mr. Jenkins wanted to know if the Airport was being served relative to the Ground Lease or to the Aeronautical Lease or both. Ms. Creal responded that her understanding was that it was for both. Mr. Jenkins said that the Airport proposes to reject the lease applications of those that include the attached letter because it changed the terms of the lease. Mr. Jenkins said from his review of the letter it did not modify the terms. He said if this needs to be discussed in executive session, he would be happy to propose that the Board move into

executive session because he didn't see how the Board could move forward with any of the business unless it was established that the leases could be signed. Ms. Creal said the Board would not be able to go into executive session this date because they would be required to give public notice of their intent to do so. Mr. Jenkins then asked if the Board was in a posture to approve any of the leases in light of the pending litigation. Ms. Creal responded that if the Board chose to move forward with them they could do so. Mr. Reynolds said that if you submit anything in a contract form under duress, it should be rejected because you are under duress. He said there are options. They do not have to sign it under duress.

Mr. Reynolds addressed some of the complaints that were directed toward the board during public comments related to there being no negotiations related to the lease. Mr. Reynolds said he recalled in particular that Mr. Walford said in a public meeting and it is recorded in the minutes that he was supportive of the current ground lease. Mr. Reynolds said it wasn't even a year ago when Mr. Walford was extremely delighted about the lease. Mr. Reynolds said there was also a statement by Mr. Underhill related to his professionalism as a business banker. The fact is if you sign a 30-year lease on a hangar and get a loan from the bank, typically the terms of the loan reflect the life of the particular piece of collateral - your assets have depreciated as has the balance of that loan. Mr. Reynolds said the words describing reversion were in the first ground lease signed by Mr. Underhill. Mr. Reynolds said negotiations have been held.

Ms. Shehee said since the Board members were just provided the February 19, 2020, letter from the FAA, she was in favor of tabling Agenda Item No. 2.

Mr. Davis said he had minutes from meetings that were held with a Tenant Lease Committee appointed by Mayor Ollie Tyler under former Director of Airports Henry Thompson dated August 18, 2017, October 30, 2017, and November 30, 2017. The letter received from the Ignacio Flores of the FAA that went to Mayor Adrian Perkins and Mr. Davis the day before said a couple of things that were very interesting related to reversion. Quoted directly from the letter as follows:

“With respect to “Reversion Clauses”, the FAA does not require airport sponsors to include reversion clauses in their leases. This is a local airport sponsor decision. However, including a reversion clause in the lease agreements is a common industry practice and highly encourage by the FAA. Reversion clauses found in most airport leases are included solely to ensure that the airport sponsor does not enter into agreements that could surrender the airport's capability to control the airport in future development. For example, a typical airport ground-lease term will range from a 20 – 30 year, or a term that allows the tenant to amortize their investment. At the end of the term, industry “Best Practice” is for improvements to revert to the airport.”

Mr. Reynolds said that SAHOA was recently created but it is the same individuals that were in attendance at these committee meetings in 2017 that had formed SAHOA.

Mr. Davis said at the meeting held on August 18, 2017, present were Henry Thompson, Bill Cooksey, Anita MacQueen, Grant Nuckolls, Margaret Shehee, William Bradford, Brian Crawford, Mike Stanbury, Danny Aiello, Marcus Edwards, Chris Kinsey, Dr. Wyche Coleman and Mr. Jim Graves.

At the meeting held on October 17, 2017, present were Henry Thompson, Bill Cooksey, Anita MacQueen, Grant Nuckolls, Mary Jackson, Stacy Kuba, William Bradford, Brian Crawford, Mike Stanbury, Danny Aiello, Marcus Edwards, Chris Kinsey, Dr. Wyche Coleman and Mr. Jim Graves.

At the meeting held on November 30, 2017, present were Henry Thompson, Bill Cooksey, Anita MacQueen, Grant Nuckolls, Margaret Shehee, Stacy Kuba, William Bradford, Brian Crawford, Mike Stanbury, Danny Aiello, Marcus Edwards, Dr. Wyche Coleman and Mr. Jim Graves.

Ms. Shehee said she thought that most of the tenants who were a part of the original group had signed the leases. She said she knew that Mr. Kinsey, Mr. Stanbury and Dr. Coleman had signed the lease. So a majority of the representation that were recommended by the tenants to negotiate in good faith had signed the lease.

Mr. Reynolds said the meeting minutes from June 2019, would be helpful as well because they reflect the board's good faith efforts to negotiate with the tenants. He said we are going backwards at this stage. Ms. Shehee said she did not see the harm in tabling the matter for one more month. Mr. Jenkins said he wanted to propose that Agenda Item No. 2 be tabled until the Board can hold an executive session.

A motion was made Mr. Jenkins that Discussion Agenda Item No. 2 be postponed subject to a future Executive Session, seconded by Mr. Reynolds. Motion passed 4 – 0.

There was discussion on posting the agenda items with background information included publicly so that the items would not have to be read in the meeting in their entirety. The City Attorney's opinion was that there was no reason that the agenda items could not be posted for the public to view thereby negating the need to read the entire item in the meeting. Staff responded that they would consult with IT and determine how this could be accomplished.

DISCUSSION AGENDA ITEM NO. 3 - TO APPROVE CHANGE ORDER NO. 3 TO THE CONTRACT WITH EJES, INC., FOR CONSTRUCTION ADMINISTRATIVE SERVICES RELATED TO THE EXTENSION AND SHIFT OF RUNWAY 5 AND TAXIWAY E AT SHREVEPORT DOWNTOWN AIRPORT. In September 2018, the Shreveport Airport Authority approved Task Agreement #4 with EJES, Inc. for construction administration services related to the Extension and Shift of Runway 5 and Taxiway E Project at Shreveport Downtown Airport. The original estimated time for construction for the project was 260 calendar days. With the impact of weather delays and additional scope added to hold back the rising level of the river, an additional 94 days have been granted to the prime contractor, extending the project contract time to 354 days. As approved by the FAA, for the term of the contract, full time construction administration and phase services are required, which includes construction observation and the services of a full time Resident Project Representative (RPR). In February 2019, the Engineer of Record, EJES, Inc., delivered a proposal to the Airport Authority for an increase of \$ 71,192.44 for construction administration and phase services to cover the current term of the contract of 354 days. The FAA, LADOTD and Airport staff reviewed the proposal and approved the proposal. This project is 90% FAA funded and 10% LADOTD funded.

Original Contract Amount:	\$ 485,209.00
Change Order No. 1 increase	\$ 15,665.00
Change Order No. 2 increase	\$ 58,650.00
Change Order No. 3 increase	\$ 71,192.44
Total Contract Amount:	\$ 630,716.44

Management recommended approving this agenda item as presented.

Motion made by Mr. Reynolds, seconded by Ms. Shehee to approve Discussion Agenda Items No. 3. Steve Melvin of EJES, Inc., addressed the Board's questions related expansion of the contract time for 94 days. Mr. Melvin explained that the FAA required full time inspection/construction administration on this project. Basically this meant that every time the contractor is on site, EJES has to be there escorting them to ensure that they do not cross over runways inappropriately. He said the project mostly consists of dirt work so when it rains, the contractor will go on site to ensure that barricades are placed correctly, signs and lighting are OK and maybe do a little work. Weather had greatly extended the time because every work day that they had at the site was not a full work day. Motion passed 4 – 0.

DISCUSSION AGENDA ITEM NO. 4 - TO APPROVE A REQUEST BY WINDELL B. PHILLIPS D/B/A PHILLIPS OPERATING LIMITED PARTNERSHIP TO ENTER INTO A NEW NON-COMMERCIAL GROUND LEASE AGREEMENT FOR LOT 17 AT SHREVEPORT DOWNTOWN AIRPORT.

Management received an application from Mr. Windell B. Phillips d/b/a Phillips Operating Limited Partnership indicating that he has elected to enter into a new non-commercial ground lease agreement for Lot 17 at Shreveport Downtown Airport. Mr. Phillips has requested that he be approved for one primary term of ten (10) years and one ten (10) year extension for a total of twenty (20) years in consideration for making capital improvements during the initial term of the lease. These improvements must be valued in excess of TWENTY THOUSAND DOLLARS (\$20,000). If approved, the Authority will execute a new ground lease agreement for a primary term commencing March 1, 2020, and expiring February 28, 2030, with one additional ten (10) year option. To exercise the option LESSEE shall provide written notice to LESSOR 60 days before the expiration of the initial term of their intent to extend this lease and shall provide documentation that such improvements have in fact been made.

Rental Rate: 28,970 sq.ft. x \$.2254 = \$6,529.84 per year

Management recommended approving this agenda item as presented.

Motion made by Ms. Shehee, seconded by Mr. Reynolds to approve Discussion Agenda Items No. 4. Motion passed 4 – 0.

DISCUSSION AGENDA ITEM NO. 5 - TO APPROVE A REQUEST BY TERRY M. SULLIVAN TO ENTER INTO A NEW NON-COMMERCIAL GROUND LEASE AGREEMENT FOR LOT 124 AT SHREVEPORT DOWNTOWN AIRPORT.

Management received an application from Mr. Terry M. Sullivan indicating that he has elected to enter into a new non-commercial ground lease agreement for Lot 124 at Shreveport Downtown Airport. Mr. Sullivan has requested that he be approved for one primary term of ten (10) years and one ten (10) year extension for a total of twenty (20) years in consideration for making capital improvements during the initial term of the lease. These improvements must be valued in excess of TWENTY THOUSAND DOLLARS (\$20,000). If approved, the Authority will execute a new ground lease agreement for a primary term commencing March 1, 2020, and expiring February 28, 2030, with one additional ten (10) year option. To exercise the option LESSEE shall provide written notice to LESSOR 60 days before the expiration of the initial term of their intent to extend this lease and shall provide documentation that such improvements have in fact been made. Rental Rate: 19,250 sq.ft. x \$.2254 = \$4,338.95 per year. Management recommended approving this agenda item as presented.

Motion made by Mr. Reynolds, seconded by Mr. Jenkins to approve Discussion Agenda Items No. 5. Motion passed 4 – 0.

DISCUSSION AGENDA ITEM NO. 6 - TO APPROVE A REQUEST BY HATFIELD ENTERPRISES, LLC TO ENTER INTO A NEW NON-COMMERCIAL GROUND LEASE AGREEMENT FOR LOTS 84 AND 85 AT SHREVEPORT DOWNTOWN AIRPORT.

Management received an application from Mr. George Eric Hatfield indicating that he has elected to enter into a new non-commercial ground lease

agreement for Lots 84 and 85 at Shreveport Downtown Airport. Mr. Hatfield has requested that he be approved for one primary term of ten (10) years and two ten (10) year extensions for a total of thirty (30) years in consideration for making capital improvements during the initial term of the lease. These improvements must be valued in excess of SIXTY THOUSAND DOLLARS (\$60,000). If approved, the Authority will execute a new ground lease agreement for a primary term commencing March 1, 2020, and expiring February 28, 2030, with two additional ten (10) year options for a total of thirty (30) years. To exercise the option LESSEE shall provide written notice to LESSOR 60 days before the expiration of the initial term of their intent to extend this lease and shall provide documentation that such improvements have in fact been made.

Rental Rate: 21,832 sq.ft. x \$.2254 = \$4,920.93 per year. Management recommended approving this agenda item as presented.

Motion made by Ms. Shehee, seconded by Mr. Jenkins to approve Discussion Agenda Items No. 6. Motion passed 4 – 0.

DISCUSSION AGENDA ITEM NO. 7 - TO APPROVE A REQUEST BY KENNETH J. WHITEHURST D/B/A KW INVESTMENTS TO ENTER INTO A NEW COMMERCIAL GROUND LEASE AGREEMENT FOR LOT 162 AT SHREVEPORT DOWNTOWN AIRPORT. Management received an application from Mr. Kenneth J. Whitehurst d/b/a KW Investments indicating that he has elected to enter into a new Commercial ground lease agreement for Lot 162 at Shreveport Downtown Airport. Mr. Whitehurst has requested that he be approved for one primary term of ten (10) years and one ten (10) year extension for a total of twenty (20) years in consideration for making capital improvements during the initial term of the lease. These improvements must be valued in excess of TWENTY THOUSAND DOLLARS (\$20,000). If approved, the Authority will execute a new ground lease agreement for a primary term commencing March 1, 2020, and expiring February 28, 2030, with one additional ten (10) year option. To exercise the option LESSEE shall provide written notice to LESSOR 60 days before the expiration of the initial term of their intent to extend this lease and shall provide documentation that such improvements have in fact been made. Rental Rate: 12,100 sq.ft. x \$.29 = \$3,509.00 per year. Management recommended approving this agenda item as presented.

Motion made by Mr. Jenkins, seconded by Ms. Shehee to approve Discussion Agenda Items No. 7. Motion passed 4 – 0.

DISCUSSION AGENDA ITEM NO. 8 - TO APPROVE A REQUEST BY DR. DAVID AUSTIN AND DR. CHRIS ERICKSON TO ENTER INTO A NEW NON-COMMERCIAL GROUND LEASE AGREEMENT FOR LOT 90 AT SHREVEPORT DOWNTOWN AIRPORT. Management received an application from Dr. David Austin and Dr. Chris Erickson indicating that they have elected to enter into a new non-commercial ground lease agreement for Lot 90 at Shreveport Downtown Airport. Dr. Austin and Dr. Erickson have requested that they be approved for one primary term of ten (10) years and one ten (10) year extension for a total of twenty (20) years in consideration for making capital improvements during the initial term of the lease. These improvements must be valued in excess of TWENTY THOUSAND DOLLARS (\$20,000). If approved, the Authority will execute a new ground lease agreement for a primary term commencing March 1, 2020, and expiring February 28, 2030, with one additional ten (10) year option. To exercise the option LESSEE shall provide written notice

to LESSOR 60 days before the expiration of the initial term of their intent to extend this lease and shall provide documentation that such improvements have in fact been made. Rental Rate: 13,200 sq.ft. x \$.2254 = \$2,975.28 per year. Management recommended approving this agenda item as presented pending the outcome of a hangar use inspection.

Motion made by Mr. Jenkins, seconded by Ms. Shehee to approve Discussion Agenda Items No. 8. Motion passed 4 – 0.

DISCUSSION AGENDA ITEM NO. 9 - TO APPROVE A REQUEST BY JAMES WYATT ADAMS D/B/A EXCEL FLM LEASING, L.P. TO ENTER INTO A NEW NON-COMMERCIAL GROUND LEASE AGREEMENT FOR LOT 146 AT SHREVEPORT DOWNTOWN AIRPORT. Management received an application from Mr. James Wyatt Adams indicating that he has elected to enter into a new non-commercial ground lease agreement for Lot 146 at Shreveport Downtown Airport. Mr. Adams has requested that he be approved for one primary term of ten (10) years and one ten (10) year extension for a total of twenty (20) years in consideration for making capital improvements during the initial term of the lease. These improvements must be valued in excess of TWENTY THOUSAND DOLLARS (\$20,000). If approved, the Authority will execute a new ground lease agreement for a primary term commencing March 1, 2020, and expiring February 28, 2030, with one additional ten (10) year option. To exercise the option LESSEE shall provide written notice to LESSOR 60 days before the expiration of the initial term of their intent to extend this lease and shall provide documentation that such improvements have in fact been made. Rental Rate: 22,950 sq.ft. x \$.2254 = \$5,172.93 per year. Management recommended approving this agenda item as presented.

Motion made by Ms. Shehee, seconded by Mr. Reynolds to approve Discussion Agenda Items No. 9. Motion passed 4 – 0.

DISCUSSION AGENDA ITEM NO. 10 - TO APPROVE A REQUEST BY ROBERT HAMILTON TO ENTER INTO A NEW NON-COMMERCIAL GROUND LEASE AGREEMENT FOR LOT 106 AT SHREVEPORT DOWNTOWN AIRPORT. Management received an application from Mr. Robert Hamilton indicating that he has elected to enter into a new non-commercial ground lease agreement for Lot 106 at Shreveport Downtown Airport. Mr. Hamilton has requested that he be approved for one primary term of ten (10) years and one ten (10) year extension for a total of twenty (20) years in consideration for making capital improvements during the initial term of the lease. These improvements must be valued in excess of TWENTY THOUSAND DOLLARS (\$20,000). If approved, the Authority will execute a new ground lease agreement for a primary term commencing March 1, 2020, and expiring February 28, 2030, with one additional ten (10) year option. To exercise the option LESSEE shall provide written notice to LESSOR 60 days before the expiration of the initial term of their intent to extend this lease and shall provide documentation that such improvements have in fact been made. Rental Rate: 15,000 sq.ft. x \$.2254 = \$3,381.00 per year. Management recommended approving this agenda item as presented.

Motion made by Mr. Reynolds, seconded by Ms. Shehee to approve Discussion Agenda Items No. 10. Mr. Jenkins said in reviewing the application Mr. Hamilton had a check on “Aircraft maintenance, repair and storage”. He said this didn’t seem to agree with what the

Board was being asked to approve. Mrs. Kuba said this item should be postponed until the staff had an opportunity to follow up with the tenant. Mr. Jenkins made a motion that Discussion Agenda Item No. 10 be postponed, seconded by Mr. Reynolds. Motion passed 4 – 0.

DISCUSSION AGENDA ITEM NO. 11 - TO APPROVE A REQUEST BY GERALD JUNEAU D/B/A J & R AVIATION, LLC TO ENTER INTO A NEW NON-COMMERCIAL GROUND LEASE AGREEMENT FOR LOT 143 AT SHREVEPORT DOWNTOWN AIRPORT. Management received an application from Mr. Jerry Juneau indicating that he has elected to enter into a new non-commercial ground lease agreement for Lot 143 at Shreveport Downtown Airport. Mr. Juneau has requested that he be approved for one primary term of ten (10) years and two ten (10) year extensions for a total of thirty (30) years in consideration for making capital improvements during the initial term of the lease. These improvements must be valued in excess of SIXTY THOUSAND DOLLARS (\$60,000). If approved, the Authority will execute a new ground lease agreement for a primary term commencing March 1, 2020, and expiring February 28, 2030, with two additional ten (10) year options for a total of thirty (30) years. To exercise the option LESSEE shall provide written notice to LESSOR 60 days before the expiration of the initial term of their intent to extend this lease and shall provide documentation that such improvements have in fact been made. Rental Rate: 22,950 sq.ft. x \$.2254 = \$5,172.93 per year. Management recommended approving this agenda item as presented pending the outcome of a hangar use inspection.

Motion made by Mr. Jenkins, seconded by Ms. Shehee to approve Discussion Agenda Items No. 11. Motion passed 4 – 0.

DISCUSSION AGENDA ITEM NO. 12 - TO APPROVE A REQUEST BY JASON R. JARRETT D/B/A JARRETT AIR, LLC TO ENTER INTO A NEW NON-COMMERCIAL GROUND LEASE AGREEMENT FOR LOT 66 AT SHREVEPORT DOWNTOWN AIRPORT. Management received an application from Mr. Jason R. Jarrett indicating that he has elected to enter into a new non-commercial ground lease agreement for Lot 66 at Shreveport Downtown Airport. Mr. Jarrett has requested that he be approved for one primary term of ten (10) years and one ten (10) year extension for a total of twenty (20) years in consideration for making capital improvements during the initial term of the lease. These improvements must be valued in excess of TWENTY THOUSAND DOLLARS (\$20,000). If approved, the Authority will execute a new ground lease agreement for a primary term commencing March 1, 2020, and expiring February 28, 2030, with one additional ten (10) year option. To exercise the option LESSEE shall provide written notice to LESSOR 60 days before the expiration of the initial term of their intent to extend this lease and shall provide documentation that such improvements have in fact been made. Rental Rate: 6,577 sq.ft. x \$.2254 = \$1,482.46 per year. Management recommended approving this agenda item as presented pending the outcome of a hangar use inspection.

Motion made by Mr. Jenkins, seconded by Ms. Shehee to approve Discussion Agenda Items No. 12. Motion passed 4 – 0.

DISCUSSION AGENDA ITEM NO. 13 - TO APPROVE A REQUEST BY RAY CODY MAYO, JR., TO ENTER INTO A NEW NON-COMMERCIAL GROUND LEASE AGREEMENT FOR LOT 89 AT SHREVEPORT DOWNTOWN AIRPORT.

Management received an application from Mr. Ray Cody Mayo, Jr., indicating that he has elected to enter into a new non-commercial ground lease agreement for Lot 89 at Shreveport Downtown Airport. Mr. Mayo has requested that he be approved for one primary term of ten (10) years and two ten (10) year extensions for a total of thirty (30) years in consideration for making capital improvements during the initial term of the lease. These improvements must be valued in excess of SIXTY THOUSAND DOLLARS (\$60,000). Upon approval, the Authority will execute a new ground lease agreement for a primary term commencing March 1, 2020, and expiring February 28, 2030, with two additional ten (10) year options for a total of thirty (30) years. To exercise the option LESSEE shall provide written notice to LESSOR 60 days before the expiration of the initial term of their intent to extend this lease and shall provide documentation that such improvements have in fact been made. Rental Rate: 11,000 sq.ft. x \$.2254 = \$2,479.40 per year. Management recommended approving this agenda item as presented.

Motion made by Mr. Jenkins, seconded by Ms. Shehee to approve Discussion Agenda Items No. 13. Motion passed 4 – 0.

DISCUSSION AGENDA ITEM NO. 14 - TO APPROVE A REQUEST BY HENRY C. MULLIN, JR., TO ENTER INTO A NEW NON-COMMERCIAL GROUND LEASE AGREEMENT FOR LOT 60 AND THE EAST HALF OF LOT 59 AT SHREVEPORT DOWNTOWN AIRPORT. Management received an application from Mr. Henry C. Mullin, Jr., indicating that he has elected to enter into a new non-commercial ground lease agreement for Lot 60 and the east half of Lot 59 at Shreveport Downtown Airport. Mr. Mullin has requested that he be approved for one primary term of ten (10) years and one ten (10) year extension for a total of twenty (20) years in consideration for making capital improvements during the initial term of the lease. These improvements must be valued in excess of TWENTY THOUSAND DOLLARS (\$20,000). Upon approval, the Authority will execute a new ground lease agreement for a primary term commencing March 1, 2020, and expiring February 28, 2030, with one additional ten (10) year option. To exercise the option LESSEE shall provide written notice to LESSOR 60 days before the expiration of the initial term of their intent to extend this lease and shall provide documentation that such improvements have in fact been made. Rental Rate: 8,263 sq.ft. x \$.2254 = \$1,862.48 per year. Management recommended approving this agenda item as presented pending the outcome of a hangar use inspection.

Motion made by Mr. Shehee, seconded by Mr. Reynolds to approve Discussion Agenda Items No. 14. Motion passed 4 – 0.

DISCUSSION AGENDA ITEM NO. 15 - TO APPROVE A REQUEST BY DR. WILLIAM DARRELL PARKER TO ENTER INTO A NEW NON-COMMERCIAL GROUND LEASE AGREEMENT FOR LOT 87 SHREVEPORT DOWNTOWN AIRPORT. Management received an application from Dr. William Parker indicating that he has elected to enter into a new non-commercial ground lease agreement Lot 87 at Shreveport Downtown Airport. Dr. Parker has requested that he be approved for one primary term of ten (10) years and one ten (10) year extension for a total of twenty (20) years in consideration for making capital improvements during the initial term of the lease. These improvements must be valued in excess of TWENTY THOUSAND DOLLARS (\$20,000). If approved, the Authority

will execute a new ground lease agreement for a primary term commencing March 1, 2020, and expiring February 28, 2030, with one additional ten (10) year option. To exercise the option LESSEE shall provide written notice to LESSOR 60 days before the expiration of the initial term of their intent to extend this lease and shall provide documentation that such improvements have in fact been made. Rental Rate: 11,000 sq.ft. x \$.2254 = \$2,479.40 per year. Management recommended approving this agenda item as presented pending the outcome of a hangar use inspection.

Motion made by Ms. Shehee, seconded by Mr. Reynolds to approve Discussion Agenda Items No. 15. Motion passed 4 – 0.

DISCUSSION AGENDA ITEM NO. 16 - TO APPROVE A REQUEST BY JOHN R. FULCO D/B/A WILCO PARTNERSHIP, LLC TO ENTER INTO A NEW NON-COMMERCIAL GROUND LEASE AGREEMENT FOR LOT 45 AT SHREVEPORT DOWNTOWN AIRPORT. Management received an application from Mr. John R. Fulco, indicating that he has elected to enter into a new non-commercial ground lease agreement for Lot 45 at Shreveport Downtown Airport. Mr. Fulco has requested that he be approved for one primary term of ten (10) years and two ten (10) year extensions for a total of thirty (30) years in consideration for making capital improvements during the initial term of the lease. These improvements must be valued in excess of SIXTY THOUSAND DOLLARS (\$60,000). If approved, the Authority will execute a new ground lease agreement for a primary term commencing March 1, 2020, and expiring February 28, 2030, with two additional ten (10) year options for a total of thirty (30) years. To exercise the option LESSEE shall provide written notice to LESSOR 60 days before the expiration of the initial term of their intent to extend this lease and shall provide documentation that such improvements have in fact been made. Rental Rate: 5,400 sq.ft. x \$.2254 = \$1,217.16 per year. Management recommended approving this agenda item as presented pending the outcome of a hangar use inspection.

Motion made by Ms. Shehee, seconded by Mr. Reynolds to approve Discussion Agenda Items No. 16. Mr. Jenkins pointed out that the paperwork attached to the agenda item indicated that tenant was not in good standing with the Secretary of State. City Attorney Creal recommended that the Board postpone the matter until she had an opportunity to look into it. Motion was made by Mr. Jenkins to postpone action on this agenda item to allow verification of the status with the LA Secretary of State. Mr. Jenkins wanted to ensure that it was noted that this tenant applied before the deadline, seconded by Mr. Reynolds. Motion passed 4 – 0. Mr. Reynolds said he would recommend that going forward that everything be confirmed before it is placed on the agenda.

DISCUSSION AGENDA ITEM NO. 17 - TO APPROVE A REQUEST BY MS. LIZ SWAINE D/B/A DOWNTOWN HANGAR, LLC TO ENTER INTO A NEW NON-COMMERCIAL GROUND LEASE AGREEMENT FOR LOT 3 AT SHREVEPORT DOWNTOWN AIRPORT. Management received an application from Ms. Liz Swaine indicating that she has elected to enter into a new non-commercial ground lease agreement for Lot 3 at the Shreveport Downtown Airport. Ms. Swaine has requested that she be approved for one primary term of ten (10) years and two ten (10) year extensions for a total of thirty (30) years in consideration for making capital improvements during the initial term of the lease. These improvements must be valued in excess of SIXTY THOUSAND DOLLARS (\$60,000). If approved, the Authority will execute a new ground lease agreement for a primary

term commencing March 1, 2020, and expiring February 28, 2030, with two additional ten (10) year options for a total of thirty (30) years. To exercise the option LESSEE shall provide written notice to LESSOR 60 days before the expiration of the initial term of their intent to extend this lease and shall provide documentation that such improvements have in fact been made. Rental Rate: 23,303 sq.ft. x \$.2254 = \$5,252.50 per year. Management recommended approving this agenda item as presented.

Motion was made by Mr. Jenkins to approve Discussion Agenda Item No. 17, seconded by Mr. Reynolds. Motion passed 4 – 0.

DISCUSSION AGENDA ITEM NO. 18 - TO APPROVE CHANGE ORDER NO. 4 TO SUPPLEMENTAL TASK AGREEMENT NO. 4 WITH KSA ENGINEERS INC., FOR CONSTRUCTION ADMINISTRATION SERVICES RELATED TO THE EXTENSION OF RUNWAY 6 AND TAXIWAY C AT SHREVEPORT REGIONAL AIRPORT. In August 2018, the Shreveport Airport Authority Board approved Supplemental Task Agreement No. 4 for construction administration services related to the Extension of Runway 6/24 and Taxiway C project at Shreveport Regional Airport. The original construction materials concrete testing proposal allowed for concrete output of 600 square yards per day, but weather impacts have limited concrete output from 200 to 300 square yards per day. Due to the limited output, 24 additional concrete pours will be needed, bringing the total number of concrete pours to over 40. Per the FAA, the specification requires testing on a per day or lot basis. This requirement will increase testing by \$46,000. This will also include addition 45 calendar days of Construction Administration and Resident Project Representative services in the amount of \$32,790, resulting in a total increase of contract of \$78,790.00. The FAA, LADOTD and Airport staff reviewed the proposal and found the decrease acceptable. This project is 90% FAA funded and 10% LADOTD funded.

Original Contract Amount:	\$ 618,050.00
Change Order 1 increase:	\$ 56,950.00
Change Order 2 increase	\$ 129,730.00
Change Order 3 decrease	\$ -22,050.00
Change Order 4 increase	<u>\$ 78,790.00</u>
Total Contract Amount:	\$ 861,470.00

Management recommends approving this agenda item as presented.

This agenda item initially erroneously read as “deductive change order”. Mr. Davis pointed out that this was not a deductive change order.

Motion was made by Mr. Jenkins to approve Discussion Agenda Item No. 18 as amended by the Director, seconded by Mr. Reynolds. Motion passed 4 – 0.

DISCUSSION AGENDA ITEM NO. 19 - TO APPROVE A REQUEST BY ALBERT T. MOORE D/B/A HANGAR 24, LLC TO ENTER INTO A NEW COMMERCIAL GROUND LEASE AGREEMENT FOR LOT 24 AT SHREVEPORT REGIONAL AIRPORT. Management received an application from Mr. Albert T. Moore indicating that he has elected to enter into a new commercial ground lease agreement Lot 24 at Shreveport Regional Airport. Mr. Moore has requested that he be approved for one primary term of ten (10) years and one ten (10) year extension for a total of twenty (20) years in consideration for making capital improvements during the initial term of the lease. These improvements must be valued in excess of TWENTY THOUSAND DOLLARS (\$20,000). Upon approval, the Authority will execute a new ground lease agreement for a primary term commencing March 1, 2020, and expiring February 28, 2030, with one additional ten (10) year option. To exercise the

option LESSEE shall provide written notice to LESSOR 60 days before the expiration of the initial term of their intent to extend this lease and shall provide documentation that such improvements have in fact been made. Rental Rate: 20,000 sq.ft. x \$.305 = \$6,100.00 per year Management recommended approving this agenda item as presented pending the outcome of a hangar use inspection.

Motion was made by Ms. Shehee to approve Discussion Agenda Item No. 19, seconded by Mr. Reynolds. Motion passed 4 – 0.

DISCUSSION AGENDA ITEM NO. 20 - TO APPROVE A REQUEST BY WHELESS HANGAR COMPANY, LLC TO ENTER INTO A NEW NON-COMMERCIAL GROUND LEASE AGREEMENT FOR LOTS 28 AND 29 AT SHREVEPORT REGIONAL AIRPORT. Management received an application from Mr. James Devan, Manager of Wheless Hangar Company, LLC indicating that he has elected to enter into a new non-commercial ground lease agreement for Lots 28 and 29 at Shreveport Regional Airport. Mr. Devan has requested that he be approved for one primary term of ten (10) years and one ten (10) year extension for a total of twenty (20) years in consideration for making capital improvements during the initial term of the lease. These improvements must be valued in excess of TWENTY THOUSAND DOLLARS (\$20,000). Upon approval, the Authority will execute a new ground lease agreement for a primary term commencing March 1, 2020, and expiring February 28, 2030, with one additional ten (10) year option. To exercise the option LESSEE shall provide written notice to LESSOR 60 days before the expiration of the initial term of their intent to extend this lease and shall provide documentation that such improvements have in fact been made. Rental Rate: 42,100 sf x .271 = \$11,409.10 per year. Management recommended approving this agenda item as presented.

Motion was made by Mr. Reynolds to approve Discussion Agenda Item No. 20, seconded by Ms. Shehee. Motion passed 4 – 0.

OLD BUSINESS

OB DISCUSSION ITEM NO. 1 - TO APPROVE AN AERONAUTICAL HANGAR LEASE FOR SHREVEPORT DOWNTOWN AND REGIONAL AIRPORTS. The Airport has developed a standard aeronautical lease agreement. This lease will be issued to applicants seeking to lease city-owned hangars. This lease has been reviewed by the FAA and was found to be acceptable. Each hangar will be individually assessed for Fair Market Value. As determined by Fair Market Value. Management recommended approving this agenda item as presented.

Motion made by Mr. Reynolds to approve Old Business Discussion Agenda Item No. 1, seconded by Ms. Shehee.

Substitute Motion made by Mr. Jenkins to postpone Old Business Discussion Agenda Item No. 1, seconded by Mr. Reynolds to facilitate an executive session due to pending litigation. Mr. Davis said he did not see harm in postponing the matter. Motion passed 4 – 0.

There being no further business, the meeting was adjourned.

WAYNETTE BALLENGEE, CHAIRMAN

WADE A. DAVIS, SECRETARY