

SHREVEPORT AIRPORT AUTHORITY

April 21, 2022

Meeting No. 789-22

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

PRESENT:

Oliver Jenkins
Kay Medlin
Jonathan Reynolds
Tangela Sylvie

ABSENT:

Waynette Ballengee

STAFF:

Stacy Kuba
Mark Crawford
Tiffany Bagley
David Ebarb
Stephen Price
Bruce Hollander
Lisa Clark
Sergeant James Kyles
Officer Sergio Thomas
Teresa Pierce
Nelda Garza

David Kaplovitz – City Attorney’s Office
Marcus Edwards – Mayer, Smith and Roberts
Emily Horne– Tubreaux Aviation
Jerry Harper
James Graves
Kelly Byram
Dave Fortuna
Toye Mosley
Jim McCormic

Board Member Jonathan Reynolds provided the opening prayer. Vice-Chair Kay Medlin led the Pledge of Allegiance to the American flag. Mr. Jenkins welcomed Ms. Tangela Sylvie to the Board. Ms. Sylvie had been appointed by Mayor Adrian Perkins to serve on the Airport Authority Board effective March 1, 2022.

PUBLIC COMMENTS:

Mr. Jenkins said the Board and staff had received several constructive e-mails from tenants regarding the Aeronautical Ground Lease that was on the agenda for adoption this date. He said seven amendments were being proposed to incorporate the most constructive comments.

Mr. Jenkins said they would take public comments after each amendment was introduced. He said recognizing the comments that were provided, if those present had additional comments other than those provided previously, it would be more constructive to hold those comments until introduction of the amendments for the agenda item related to the Aeronautical Ground Lease.

Mr. Dave Fortuna clarified that he would have an opportunity to speak after introduction of each amendment. Mr. Jenkins confirmed that the Board would be taking each amendment separately.

Mr. James Graves welcomed the new Board member Ms. Sylvie. Mr. Graves expressed dissatisfaction with the rush to approve the Aeronautical Ground Lease since it had been stalled for two years. He said not one person who provided a comment received any acknowledgement from the staff that their comments had been received. Mr. Graves asked that the Airport amend the procedures.

Motion was made by Mr. Reynolds, seconded by Ms. Medlin to approve the minutes from the regular meeting held March 17, 2022. Motion passed 4 – 0.

CHAIRMAN’S REPORT:

Mr. Jenkins said that he traveled to Baton Rouge to speak at the Louisiana Legislature regarding two amendments that were proposed affecting Shreveport’s airports. The first bill had to do with making it a requirement that at least one board member had to be an aviator. This was a policy only for SHV, apparently it is thought that this is more important for Shreveport than other airports in the state. Mr. Jenkins said that we were neutral on this and did not oppose the amendment. The second bill had to do with whether State laws should apply to Shreveport Airports ground leases. This matter had been postponed.

BOARD MEMBER REPORTS:

Mr. Reynolds said that ADK was working with the Airport’s Marketing Division to provide information for the advertisement that would be published recruiting a new Director of Airports. He said the advertisement should go out in the next couple of weeks.

Ms. Tangela Sylvie introduced herself and said that she had been an educator for the past 19 years and currently served as the principal of Cherokee Park Elementary School. Ms. Sylvie said she was honored to be appointed and happy to serve on the Board.

DIRECTOR’S REPORT – Deputy Director Stacy Kuba was present to provide this report:

Ms. Kuba said the airport staff had started meeting with the students from the Harvard Business School who have been assigned to Airport to work on their graduation project. They will be offering a new perspective on why passengers may choose to travel from another airport and not Shreveport. Airport staff looked forward to working with them and reviewing their report.

Airport staff was working on PFC Application #6. If approved, this PFC will be used to reimburse the Airport for expenses related to the Jet Bridge Replacement project. This will

reduce operating costs for the airlines in Shreveport.

The Airport team was focusing on terminal improvements as the summer season approached. The airport staff had multiple RFP's on the street that focused on airport improvements at Regional Airport. These projects included new flooring for concourses and gate areas a new concessions program. An RFP was also out for financial services related to the terminal modernization project.

- **BUSINESS AND FINANCE REPORT:** Ms. Tiffany Bagley, Business and Finance Manager, provided this report. The overall aging to March 2022 was \$464,814. The revenues for March 2022 showed a gain of \$202,507 over the years 2020 and 2021. Revenues were trending upward. There was still work to reach the March 2020 level which was one month before COVID impacted the airport. The expenses for 2021 were higher than 2022 but this was as a result of higher insurance and software purchases. Mr. Jenkins clarified that it was the timing of the expenses in March 2021 that made the difference. Ms. Bagley responded affirmatively. Mr. Reynolds requested that April 2019 be added to the finance report starting the next month so the numbers could be compared.
- **MARKETING REPORT:** Mr. Mark Crawford was present to give the Marketing Report.. Allegiant Air had released their schedule for spring/summer. The full Destin schedule will begin on May 27, 2022 and go through September 5, 2022. Mr. Crawford reported Los Angeles was scheduled to return May 27th and continues through November 14. Orlando service returned June 2 through August 14. Las Vegas service will go to three flights per week through June and July. Airlines were projecting strong summer bookings. The payment machine had been installed in the new economy credit card lot which was located near TAC Air. This will add about 78 parking spaces. Should be on-line before the summer Allegiant schedule begins. Mr. Crawford said the fuel report showed increases year over year at SHV. Air carrier report showed that we were up 80.14% over 2021 numbers. In response to Mr. Reynolds question about advertising, Mr. Crawford explained that the staff was working with Regional Air Service Alliance (RASA) who would be spending approximately \$500,000 to advertise SHV in the region (not Shreveport/Bossier).
- **PROJECTS REPORT:** Ms. Lisa Clark was present to provide this report. Ms. Clark said the Terminal awning project Phase I was scheduled to be completed by the end of May. Upon beginning demo of the foundation for jet bridge at gate 11, they found live electrical cables underneath the foundation. Staff was working with the engineer on how far out they will have to go for the foundation because they cannot re-locate the cables. The cables provide power to Concourse B. There has to be a spacer installed between the jet bridge and the building. The delay is in ordering the spacer. Mrs. Kuba said that Allegiant would be moving to Gate 3 (which is a common use gate) while construction continues at Gate 11. This will prevent passengers from having to ground load. Ms. Clark provided pictures and updates of some of the other projects that were currently in progress.

- **DOWNTOWN AIRPORT REPORT:** Mr. Bruce Hollander, Manager of Downtown Airport presented this report. Mr. Hollander said the Experimental Aircraft Association was providing training the following Saturday. Shreveport Fire Department employees were coming out and they were going to explain the safety features on five different aircraft. Downtown Airport had 4,216 operations in March. He provided a presentation of the traffic counts for Downtown Airport over the past four years. Operations activity for April was trending a little lower, but overall, the airport was trending up.
- **ARFF** – Chief David Ebarb, ARFF, presented this report. Chief Ebarb said that ARFF had just finished with their annual certification burn. There were about 60 personnel across three shifts. He said they were getting ready for their mass casualty exercise scheduled for October. Personnel and equipment were all good at the fire station.

CONSENT AGENDA: None

DISCUSSION AGENDA

DISCUSSION AGENDA ITEM NO. 1 - TO APPROVE AN AERONAUTICAL HANGAR LEASE FOR SHREVEPORT DOWNTOWN AND REGIONAL AIRPORTS The City Attorney's office and Airport staff have developed a standard aeronautical lease agreement. This lease will be issued to applicants seeking to lease city-owned hangars. Each hangar will be individually assessed for Fair Market Value. The aeronautical lease was placed on the Shreveport Airports website beginning April 1- 15, 2022, for review and comments from the public. Finances: As determined by Fair Market Value. Management recommended approving this agenda item as presented.

Motion was made by Mr. Reynolds to approved Discussion Agenda Item No. 1, seconded by Ms. Medlin.

Ms. Medlin said today was her one-year anniversary serving on the Board and she wanted everyone present to understand. She said she had someone review the public minutes of the Board where this lease was discussed. Just so everyone is aware, yes this lease had been pending for the past couple of years. COVID was largely responsible for what happened. Mr. Davis was the Director and it was included on the agenda just before COVID hit. It was supposed to be put back on the agenda. There was nothing nefarious about it. It was a complete accident. The FAA had told us we needed an aeronautical lease and gave SHV a deadline. Ms. Medlin said she had been pushing to get it done. The City Attorney's office wanted to review it and approve it but this is where we are currently.

Mr. Jenkins offered Amendment #1 as follows: This amendment revises language in the final sentence of subsection 3.2 (Extension Option(2) of the Draft Aeronautical Hangar Lease Agreement, removing the words "or else the request is denied." from that sentence.

The final sentence of subsection 3.2 will now read as follows:

“Lessor must provide a written response to LESSEE’S request to extend this Lease within thirty (30) days of their request for an extension.”

Mr. Fortuna said concerning Section 3.1, originally it said three years and two one-year options. Mr. Jenkins pointed out that this amendment was about Section 3.2 on this particular amendment. Mr. Fortuna asked if he could discuss Section 3.1. Mr. Reynolds offered that Mr. Fortuna had deferred his comments until the agenda item amendments were proposed. Mr. Jenkins suggested that the Board go through the seven amendments and if there were items of concern that were not covered by the amendments that he wanted to speak on, they would give him time to do so.

Motion was made by Mr. Reynolds that Amendment #1 related to subsection 3.2 be approved, seconded by Ms. Medlin. Motion passed 4 – 0.

Mr. Jenkins offered Amendment #2 as follows: This amendment revises subsection 4.5 (Card Access Fee) of the Draft Aeronautical Hangar Lease Agreement, adding the word “additional” before the word “Airport” in the first sentence of the subsection, and before the word “card” in the second and third sentences. The amendment also adds the words “beyond the two granted” in the first sentence. The amendment also removed the words “that LESSOR requires LESSEE to have” from the first sentence of the subsection.

Subsection 4.5 will now read as follows:

“LESSEE shall pay a fee for each additional Airport access card beyond the two granted pursuant to the current approved Airport Rates and Charges. Each additional card so issued to LESSEE shall be valid for the entire term of this Lease without payment of any additional care fee. If the additional card is lost, destroyed or stolen, LESSOR shall be entitled to a replacement fee pursuant to the approved Airport Rates and Charges.”

Motion was made by Mr. Reynolds that Amendment #2 related to Subsection 4.5 be approved, seconded by Ms. Medlin. Motion passed 4 – 0.

Mr. Jenkins offered Amendment #3 as follows: This amendment revises the first paragraph of Section 5 (Maintenance) of the Draft Aeronautical Hangar Lease Agreement, adding the following concluding sentence to the paragraph.

“Should any modification be mandated by the transfer of title to the LESSOR under the provisions of the Americans with Disabilities Act, the Uniform Development Code or the 2030 Master Plan, or any similar provisions, the LESSEE shall not be responsible for these modifications. LESSOR shall provide all such modifications at its sole expense.”

Mr. Jenkins said the amendment addresses the fact that a public entity may have certain requirements that are different from private entities. When the hangar owner transfers his improvements to the City, the financial responsibility of bringing the hangar into compliance with City Code is not the responsibility of the previous owner of the hangar.

Mr. Fortuna wanted to know if everything above this revision in Section 5 stayed the same. Mr. Jenkins said everything else in Section remains as is. Mr. Fortuna said if he understood what this section read: A person leasing a hangar his size would pay about \$8,000 for a three-year term. The City could require a broken driveway to be repaired which could cost \$10,000, replace a roof that could cost \$20,000.

Mr. Jenkins said there was flexibility in the lease terms. The Airport would allow the tenant to make the investment and set up a lease commensurate with their ability to amortize that capital investment for that improvement into the lease terms. Mr. Jenkins said the Airport would not lease a tenant a defective hangar, but if the tenant was insistent upon leasing a hangar that needed capital improvements, the Airport would allow the tenant to make the capital investment with a lease term commensurate to allow them to amortize that investment. Mr. Reynolds said leasing a hangar would be similar to leasing a commercial property. Ms. Medlin said the same decisions that you would make in leasing property, you would make here. You would look at what you anticipate your outflow is going to be, what risks you have to insure and what you personally can handle as risks. You do the inspections and you make those decisions for the term that we work out with you. Mr. Jenkins said in reviewing some of the other aeronautical leases around the state, including Baton Rouge, they all require the tenant to maintain the exterior of the leased hangar. Mr. Fortuna said the Airport was guiding people away from the airport because of the lease agreement arrangement. He said he was disappointed in the wording that placed the responsibility on the tenant. Mr. Fortuna said he felt that this was something that someone would read and say they were going to another local airport. He said all of those airports were doing really well because of what is happening in Shreveport.

Mr. Graves said first, the tenant must “recite and confess the structural integrity of the building upon signing the lease.” So even if there is a deficiency the tenant must confess that there isn’t at the very beginning. Furthermore, they were not just talking about an insurable event, they were talking about normal wear and tear, the accumulation of rust, which is not insurable. As this lease is written, the tenant could be faced with the limitless liability of having signed on day one that the hangar is structurally sound and then having the airport declare the very next day that the hangar is deficient. Then the tenant is required to replace the structure, exterior and roof. Mr. Graves said anyone would be a fool to sign the lease.

Motion was made by Mr. Reynolds that Amendment #3 related to Section 5 be approved, seconded by Ms. Medlin. Motion passed 4 – 0.

Mr. Jenkins offered Amendment #4 as follows: This amendment revises the first paragraph of Section 8 (Rights, Reservations and Obligations of Lessor) of the Draft Aeronautical Hangar Lease Agreement, including language that will:

- ▶ Amend the Required Period the SAA must provide all tenants under the Agreement prior to being able to enter any Leased Premises from 24 to 72 hours.
- ▶ Clarify that upon cases of emergency, the Lessor (SAA) will have an immediate right of entry onto the Leased Premises, defining the circumstances that would qualify as emergency situations, such as fire, crime and or other hazard.

The amended first paragraph of Section 8 will read as follows:

“LESSOR, its agents and assigns shall have the right to enter the Leased Premises, at any reasonable time throughout the terms of this Lease for any reasonable purpose, including inspection of the general condition and state of repair of the Leased Premises in accordance with the Airport’s Rules and Regulations. LESSOR must provide at least 72 hours-notice prior to entering the Leased Premises, provided that LESSOR has an immediate right of entry in cases of emergency on the Leased Premises (such as crime, fire or other hazard).”

Mr. Graves said that the emergency procedures for municipal governments assumes that those people entering private property or the leasehold premises of someone with the anticipation of the

peaceful possession of such leasehold...that that entry will be by a commissioned police officer or a commissioned firefighter, not any municipal employee. He said he requested that the emergency entry be limited to commissioned firefighters or police officers. He also asked that the 72 hours be extended to one week.

Motion was made by Mr. Reynolds that Amendment #4 related to Section 8 be approved, seconded by Ms. Medlin. Motion passed 4 – 0.

Mr. Jenkins offered Amendment #5 as follows: This amendment revises language in Section 9 (Rights, Reservations and Obligations of Lessee) of the Draft Aeronautical Hangar Lease Agreement, removing all of the language in that section after the word “use”.

Section 9 will now read as follows:

“LESSEE shall have the right in common with others so authorized to have access to and use of the common areas of the Airport and any appurtenant structures and additions thereto which may hereafter be designated by LESSOR from time to time for common use together with facilities, equipment, improvements and services which have been or may hereafter be provided at the Airport for common use.”

Motion was made by Mr. Reynolds that Amendment #5 related to Section 9 be approved, seconded by Ms. Medlin. Motion passed 4 – 0.

Mr. Jenkins offered Amendment #6 as follows: This amendment revises language in Section 10 (non-Exclusive Rights) of the Draft Aeronautical Hangar Lease Agreement, removing the following phrasing at the end of the first sentence of the section: “and payment by LESSEE of such rates, fees and/or changes as may be specified levied by LESSOR from time to time.”

The first sentence of Section 10 will now read as follows:

“LESSEE shall have the nonexclusive right with others so authorized to use the common areas of the Airport and any appurtenant structures and additions thereto which may hereafter be designated by LESSOR from time to time for common use, including runways, taxiways, aprons, roadways, floodlights, landing lights, signals and other conveniences for the takeoff, flying and landing of aircraft, subject, however, to compliance by LESSEE with such applicable regulations and practices.”

Motion was made by Mr. Reynolds that Amendment #6 related to Section 10 be approved, seconded by Ms. Medlin. Motion passed 4 – 0.

Mr. Jenkins offered Amendment #7 as follows: This amendment removes Section 13 (Taxes) from the Draft Aeronautical Hangar Lease Agreement in its entirety.

Mr. Jenkins said it will not be the responsibility of the lessee to pay property taxes for the hangar that he is leasing.

Motion was made by Mr. Reynolds that Amendment #7 related to the removal of Section 13 be approved, seconded by Ms. Medlin. Motion passed 4 – 0.

Mr. Jenkins then requested anyone who had comments about the Aeronautical Hangar Lease Agreement in its entirety to come forward to address the Board. Mr. Jenkins said anyone present was welcome to speak on anything they would like related to the Lease Agreement. He said it was clear that the Board and staff had read the amendments that had been sent to them and had been very diligent in going through which ones they could amend. He said he didn't expect everyone to agree with them, but he felt that they had performed due diligence with the input received.

Mr. Graves thanked Mr. Jenkins for his diligence in looking at the input provided by the tenants. He requested that in the future someone acknowledge receipt of comments or note in the board agenda item that the comments had been received and considered. Mr. Graves said he hoped that the Board would revisit the requirement for repairs. Mr. Graves summarized that in spite of Ms. Medlin's experience in lease law, relying on one of their (SAHOA) members who was experienced in commercial real estate, he felt that the provisions requiring the tenant taking on the unlimited liability for the repair of the structure, the exterior and the roof to be commercially non-viable. He said many lease agreements require tenants to take care of repairs to the interior of the structure but wear and tear which is not covered by insurance is the responsibility of the lessor. Mr. Graves said he didn't think this lease agreement was enforceable. He said with mediation scheduled related to this lease, what is the hurry to approve it this date.

Mr. Jenkins said that not responding to receipt of the e-mailed comments could have been an organization policy. However, Mr. Graves comments were duly noted.

Motion was made by Mr. Reynolds to approved Discussion Agenda Item No. 1 as amended, seconded by Ms. Medlin. Motion passed 4 – 0.

DISCUSSION AGENDA ITEM NO. 2A - TO APPROVE A REQUEST BY JASON R. JARRETT D/B/A JARRETT AIR, LLC TO BE RELEASED FROM ANY AND ALL RESPONSIBILITY IN AND OBLIGATION TO THE NON-COMMERCIAL LEASE AGREEMENT FOR LOT 66 AT SHREVEPORT DOWNTOWN AIRPORT Management received notification from Mr. Jason Jarrett indicating that Mr. Stan Guidroz d/b/a Toucan Property Holdings, LLC had purchased the improvements located on Lot 66 at Shreveport Downtown Airport. Mr. Jarrett is requesting that he be released from any and all responsibility in and obligation to the non-commercial lease agreement effective May 1, 2022. Mr. Jarrett's account is in good standing. Rental Rate: 6,577 sq.ft. x \$.2254 = \$1,482.46 per year. Management recommended approving this agenda item as presented.

Motion was made by Mr. Reynolds to approve Discussion Agenda Item No. 2A, seconded by Ms. Medlin. Motion passed 4 – 0.

DISCUSSION AGENDA ITEM NO. 2B - TO APPROVE A REQUEST BY MR. STAN GUIDROZ D/B/A TOUCAN PROPERTY HOLDINGS, LLC TO ASSUME THE NON-COMMERCIAL LEASE AGREEMENT FOR LOT 66 AT SHREVEPORT DOWNTOWN AIRPORT Management received notification from Mr. Stan Guidroz d/b/a Toucan Property Holdings, LLC that he had purchased the improvements located on Lot 66 at the Shreveport Downtown Airport from Mr. Jason Jarrett. Mr. Guidroz submitted an application dated April 12, 2022, to assume the remainder of the lease term previously assigned to Mr. Jason Jarrett. Mr. Guidroz will be using the hangar for personal use only. Mr. Guidroz has requested to assume the remainder of the non-commercial ground lease agreement that was approved for one primary term of ten (10) years and one ten (10) year extension in consideration of the capital improvements which will be valued in excess of TWENTY THOUSAND DOLLARS (\$20,000) for the ten (10) year option that are made during the initial term of

the lease. If approved, the Authority will execute an Assumption to the Ground Lease Agreement for a primary term which commenced March 1, 2020, and will expire February 28, 2030, with one additional ten (10) year option for a total of twenty (20) 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. A copy of the application is attached for your information. Rental Rate: 6,577 sq.ft. x \$.2254 = \$1,482.46 per year
Management recommended approving this agenda item as presented.

Motion was made by Mr. Reynolds to approve Discussion Agenda Item No. 2B, seconded by Ms. Medlin. Motion passed 4 – 0.

DISCUSSION AGENDA ITEM NO. 3 - TO ENTER INTO SUPPLEMENTAL TASK AGREEMENT #8 WITH GARVER, LLC FOR DESIGN, BIDDING AND CONSTRUCTION PHASE SERVICES RELATED TO THE PERIMETER FENCE REPLACEMENT-PHASE II AT SHEVEPORT DOWNTOWN AIRPORT In May 2019, the Shreveport Airport Authority entered into a Master Services Agreement with Garver, LLC, which includes design, bidding and construction phase services for perimeter fence replacement at Shreveport Downtown Airport. Airport Management has received a proposal from Garver, LLC for perimeter fence replacement-phase II, in the amount of \$28,690.00. Upon review of the fee proposal, LADOTD and airport management determined the fee proposal from Garver, LLC was acceptable. This project will be 100% funded by LADOTD. Amount not to exceed: \$ 28,690.00
Management recommended approving this agenda item as presented.

Motion was made by Ms. Medlin to approve Discussion Agenda Item No. 3, seconded by Mr. Reynolds. Motion passed 4 – 0.

There being no further business, the meeting was adjourned.

OLIVER JENKINS, CHAIRMAN

STACY KUBA, SECRETARY