

Meeting Agenda
City of Bangor Airport Committee
City Council Chambers 3rd Floor
April 14, 2015

The following City Councilors were in attendance: Airport Committee Chair Gibran Graham, Councilors, Nelson Durgin, Pat Blanchette, David Nealley, Pauline Civiello, Sean Faircloth, and Joshua Plourde. Also in attendance, City Manager Cathy Conlow, Airport Director Tony Caruso, Marketing Manager Risteen Bahr.

Agenda:

1. Maine Department of Public Safety: Lease amendment with Maine State Police

Airport Director Caruso indicated that this is an amendment of the current lease between Maine Department of Public Safety-Maine State Police and the City of Bangor, as they are requesting to lease the communications tower, located adjacent to the current building they lease which was previously used by the FAA. This amendment, defines the term of the amendment to coincide with the original lease, establishes an annual base rental rate of \$600 and stipulates that the State Police is responsible for electricity, lighting and communications equipment associated with the use of the tower. The amendment also requires that State Police to be responsible for obtaining all permits, certifications, authorizations and licenses for the use of this tower. The Maine State Police currently lease the old FAA Flight Service Station, Building #195, which they use at their headquarters and Building #92, which they use as a garage and vehicle maintenance facility. Both buildings have been vacant since early 1990's.

Motion approved by Councilor Civiello and seconded by Councilor Nealley.

Questions/Comments:

None

2. C & L Aerospace-Paint Facility lease amendment

Airport Director Caruso indicated this lease amendment is for the lease of hangar #12. This hangar is dedicated for aircraft painting and related maintenance activities. The City received a grant through the Economic Development Administration (EDA) for purchase and install of paint equipment. The EDA requires specific language in a lease agreement which meets the requirements of EDA's property management standards.

The lease amendment states that the premises were improved, in part, with funding from the EDA and further states that this hangar must be used for the purposes of operating an aircraft painting facility for the term of the lease agreement. This is basically a housekeeping item.

Motion approved by Councilor Civiello and seconded by Councilor Nealley.

Questions/Comments:

None

3. BGR-Property Management Review

Airport Director Caruso indicated that during the March 10th Airport Committee meeting, Committee Chair Graham requested an agenda item for discussion purposes for the different lease types and concession agreements at the Airport. Inside the Airport terminal we have the Highlands Café and the Refueler Pub & Grill. These leases are based on the percentage of gross sales. We recently have had this a makeover in the restaurant and bar area! We also have Stellar Partners, which operates Bangor News and Gifts and Montage Enterprises, which operates The Grasshopper Shop. Both of these are also based on the percentage of gross sales. Within the Domestic Terminal, we have the Car Rentals: Avis, Budget, Hertz, Alamo and National. These are leased spaces and we also collect minimum annual guarantees or MAG's. The car rentals also have a garage space outside the terminal area. In the next couple of months we will be issuing a new RFP for the car rentals. Also within the Domestic Terminal we have our Airlines- Delta, US Airways, Allegiant and United. For these lease agreements we collect exclusive use and Common use fees. Exclusive use is for each airline square footage area, and the Common use, is divided up between the airlines for the gates, holding room and passenger boarding and is based on usage. Lastly in the Domestic terminal we have the TSA. Outside of the terminal we have revenue from Republic Parking, for the parking lot and management. We also lease space to C & L Aerospace, Maine Aero, Life flight of Maine, LLC, SST Aero FAA, and privately leased hangars, and tie down parking. We also have some leases managed thru Ban Air, which include, BAFS (inflight kitchen), General Electric, LL Bean, Sheraton Hotel and Bangor Gas. We also have a contract with Interspace/Clear Channel, which is our kiosk, which are located in the terminal. The leasing and property management is a strong revenue stream for the airport, which is roughly 3 million annually.

Questions/Comments:

Airport Director Caruso discussed the Ban Air Management agreement and the LL Bean Lease which will be up next year.

4. Airport Construction projects-update

Airport Director Caruso indicated that the demolition is now complete. The Sheridan Company is doing an excellent job and they are right on schedule. The new construction is being started behind the wall, which includes the new TSA space and the new airline ticket offices!

5. Airport statistics

Marketing Director Bahr indicated that the month of March was another snowy month. The total monthly passengers was down by 11.40% and YTD was down by 8.47%. Total landings for the month was down by 17%. However the total operations was up by 4%. For fuel sales, the retail was up by 311% and YTD was up by 118%!!!! The DOD was down by 69% and YTD was down by 74%. Airport director Caruso indicated that he found out a reason the DOD was declining was because some of our military flights were now going thru Gander and not BGR or any other U.S. airport that can handle the DOD flights. Director Caruso and City Manager Conlow have been in contact with representatives in Washington to make them aware of this issue. Starting near the end of May beginning of June, Delta will be using Maine Line Service aircraft to replace the CRJ's. This includes aircraft upgrades to MD-80's and B-717's. This does result in fewer flights, but we will have larger aircrafts. US Airways will be increasing their flights in May and June. Allegiant flights will be slowing down in May and June. United will be starting up service again on June 4th!!!!

Questions/Comments

None

Meeting Adjourned.