

**DuPAGE AIRPORT AUTHORITY
REGULAR BOARD MEETING
Wednesday,
November 12, 2014**

**DuPage Airport Flight Center
2700 International Drive
West Chicago, Illinois 26185**

The Regular Meeting of the Board of Commissioners of the DuPage Airport Authority was convened at the DuPage Flight Center, 2700 International Drive, West Chicago, Illinois, First Floor Conference Room; Wednesday, November 12, 2014. Chairman Davis called the meeting to order at 3:00 p.m. and a quorum was present for the meeting.

Commissioners Present: Chavez, Davis, Donnelly, Gorski, Huizenga, LaMantia, Posch, Wagner.

Commissioners Absent: None

DuPage Airport Authority Staff Present: David Bird, Executive Director; Mark Doles, Director of Aviation Facilities and Properties; Patrick Hoard, Director of Finance; John Schlaman, General Manager Prairie Landing Golf Club; Anna Normoyle, Marketing Coordinator; Dan Barna, Procurement Manager; Pamela Miller, Executive Assistant and Board Liaison.

Others in Attendance: Phil Luetkehans, Schirott, Luetkehans and Garner; Michael Vonic, CH2M Hill; Dan Pape, Crawford, Murphy and Tilly; Michael Toth, J.A. Watts, Inc.; Steve Moulton, Burns & McDonnell; Marjorie Howard, Richmond Breslin; Ed Harrington, CenterPoint Properties Trust.

Members of the Press: None

PUBLIC COMMENT

None

APPROVAL OF MINUTES

Chairman Davis asked for additions or corrections to the minutes of the September 24, 2014 Regular Board Meeting and there were none. Commissioner Gorski made a **MOTION** to approve the minutes of the September 24, 2014 Regular Board Meeting and Commissioner Posch seconded this motion. The motion was passed unanimously by roll call vote (8-0).

Chairman Davis asked for additions or corrections to the minutes of the September 24, 2014 Capital Development, Leasing and Customer Fees Committee Meeting and there were none. Commissioner Gorski made a **MOTION** to approve the minutes of the September 24, 2014 Capital Development, Leasing and Customer Fees Committee Meeting and Commissioner Chavez seconded this motion. The motion was passed unanimously by roll call vote (8-0).

Chairman Davis asked for additions or corrections to the minutes of the September 24, 2014 Finance, Budget and Audit Committee Meeting and there were none. Commissioner Huizenga made a **MOTION** to approve the minutes of the September 24, 2014 Finance, Budget and Audit Committee Meeting and Commissioner Donnelly seconded this motion. The motion was passed unanimously by roll call vote (8-0).

DIRECTOR'S REPORT

Executive Director Bird advised that a draft 2015 meeting calendar was provided for the Board's review and the meeting dates can be adjusted as needed. The Board will have final approval of the 2015 meeting calendar at the Annual Board Meeting on January 14.

Executive Director Bird then reviewed the monthly operating statistics for September and October. He advised that Jet A fuel sales for September were up significantly; increased 30% and overall increased 14% for the year. He added that 100 LL fuel sales however are down. Executive Director Bird stated that for October this trend continues with respect to fuel sales and that Operations for the month of October were actually above the numbers seen for the Ryder Cup week in 2012. He continued that operations for DuPage are tracking with the other airports in the Chicagoland area. Discussion followed.

Executive Director Bird shared good news regarding the runway widening project advising the project was completed 30 days ahead of schedule and \$400,000 to \$500,000 under budget. The runway is now open for manual-visual operations and the ILS flight check is soon to be completed by the FAA for instrument (GPS landings).

Executive Director Bird reported on an incident that had occurred; a United Airlines Regional Jet lost flight controls and made an emergency landing at DuPage. The crew and 50 passengers were deplaned and remained in DuPage Flight Center awaiting transportation back to O'Hare Airport. All were very complimentary of staff's quick response and assistance.

Executive Director Bird advised that Byron Miller, Director of Operations had been planning his retirement from the Airport Authority for December 31, 2014, however decided to leave earlier, providing his notice and taking two weeks' vacation. Executive Director Bird discussed the plans for reorganization that were going to be implemented beginning January. And are now in effect. He advised that Mr. Miller's position would not be filled and his duties have been merged within the organization. Mark Doles has assumed management responsibilities for the Building Maintenance Department and Executive Director Bird has assumed responsibilities for management of the Field Maintenance Department. Discussion followed.

Executive Director Bird asked Mike Toth, JA Watts, to present a program summary regarding the ongoing Capital Improvement Program. Discussion followed.

REVIEW OF FINANCIAL STATEMENTS

Executive Director Bird then asked Patrick Hoard to provide a review of the Financial Statements and discussion followed.

REPORT OF COMMITTEES

Internal Policy and Compliance Committee:

Commissioner LaMantia advised that the Internal Policy and Compliance Committee had not met since the last Board Meeting.

Finance, Budget and Audit Committee:

Commissioner Huizenga advised a Special Finance Committee Meeting was held on October 28 for preliminary budget review. He related that Commissioner Chavez made a helpful suggestion for the budget summary sheet and that change will be implemented by staff. He advised that staff made an informative presentation and the budget format utilized is easy for Board Members to review and analyze. Commissioner Huizenga stated that the committee met earlier in the day at 1:00 p.m. and considered items 9.a. through 9.c. under the *New Business* portion of the agenda. He continued that the Committee is recommending all items for Board approval; the 2015 Tentative Budget and Appropriations Ordinance will be presented to the Board at this meeting for final approval. Commissioner Huizenga

advised that the financial statements were reviewed and discussed as presented by Patrick Hoard earlier in the Board Meeting.

Capital Development, Leasing and Customer Fees:

Commissioner Gorski reported the Capital Development Committee met earlier in the afternoon at 2:00 p.m. with all members present. He advised the Committee considered items 9.e. through 9.j. on the *New Business* portion of the agenda and all items were recommended favorably for the full Board's approval.

DuPage Business Center:

Ed Harrington of CenterPoint Properties advised that two concepts would be presented to the Board for consideration; Project Steel and Project Spectrum. Discussion followed and Mr. Harrington shared details with the Board relative to CenterPoint's efforts with these two potential tenants for the Business Center. Discussion followed. Mr. Harrington advised CenterPoint continues to pursue efforts to launch development for the DuPage Business Center.

Golf Committee:

Commissioner Donnelly stated that the Golf Committee did not meet in September and commented briefly on the ongoing projects at Prairie Landing. He reported that the course renovations are 85% completed and the Prairie Landing grounds crew will complete the outside construction. He stated that 2015 will be the 20th anniversary year for the Prairie Landing and a marketing plan in its preparation to develop promotional ideas for the golf course.

NEW BUSINESS

Ordinance 2014-278; An Ordinance of the DuPage Airport Authority Levying Taxes for the Fiscal Year Beginning January 1, 2014 and Ending December 31, 2014.

Executive Director Bird asked Patrick Hoard to review the Ordinance for the Fiscal Year 2014 Property Tax Levy. Mr. Hoard stated this Ordinance is asking for approval for the same amount as in past year for the levy and this amount has been included in the 2015 Tentative Budget and Appropriations. He stated that for the prior two years \$500,000 each year has been abated however, based upon future needs for Airport, the Authority does not anticipate abating for Fiscal Year 2015. Chairman Davis commented that the tax levy had been abated for the past 5 years with a permanent reduction in March 2012. He continued that \$500,000 was again abated for 2013 and 2014 Fiscal Years. Chairman Davis explained that in order to maintain good conditions for the airfield there are projects anticipated going forward and no abatement will be included for the 2015 Fiscal Year. The Airport Authority will continue to abate the property tax levy in future years as appropriate and Chairman Davis added that the Airport Authority wished to continue to be good stewards for the taxpayers of DuPage County. Mr. Hoard stated that the Board has designated these property tax funds to be utilized for capital and major maintenance expenditures only and these funds do not go into the Airport Authority's Operating Budget. Operating Revenues and expenses must come the profit produced by the Airport and any tax dollars collected are utilized to support the Airport.

A **MOTION** was made by Commissioner Huizenga to approve Ordinance 2014-278; An Ordinance of the DuPage Airport Authority Levying Taxes for the Fiscal Year Beginning January 1, 2014 and Ending December 31, 2014. The **motion was seconded** by Commissioner Gorski and was passed unanimously by roll call vote (8-0).

Ordinance 2014-279; Adopting the Tentative Budget and Appropriations Ordinance for the DuPage Airport Authority for the Fiscal Year Beginning January 1, 2015 and Ending December 31, 2015.

Mr. Hoard advised that the 2015 Tentative Budget and Appropriations has been reviewed on two separate occasions by the Finance Committee; October 28 Special Committee Meeting and again at the Committee Meeting held earlier this day. He reviewed one adjustment made to the Tentative Budget relating to Employee Group Insurance. The quote received from the current provide was 45% higher than

in 2014. Staff has been working with the Airport Authority's insurance broker, Wine Sergi, and the preliminary numbers from other carriers indicate a lower rate can be obtained by changing carriers. He advised that a lower rate of 28% has been reflected in the Tentative Budget and Appropriations document presented. Executive Director Bird advised that no new positions have been included for 2015 and he explained that two maintenance departments have been consolidated under one Manager going forward, eliminating one manager position. He continued that one director's position will not be filled at this time. More detailed review occurred and discussion followed.

A **MOTION** was made by Commissioner Huizenga to approve Ordinance 2014-279; Adopting the Tentative Budget and Appropriations Ordinance for the DuPage Airport Authority for the Fiscal Year Beginning January 1, 2015 and Ending December 31, 2015. The **motion was seconded** by Commissioner Donnelly and was passed unanimously by roll call vote (8-0).

Resolution 2014-1891; Approving the Use of Outside Auditors for the Year 2015.

Appointing the firm of Sikich LLP for auditing the Authority's 2014 financial statements for an all-inclusive maximum fee of \$37,000.

Mr. Hoard stated that last year, as the result of an (RFP) Request for Proposal process, the firm of Sikich LLP was selected to perform the Airport Authority's audit in 2014. For the Audit conducted in 2015, staff is recommending that Sikich be retained for one additional year as is provided for in their agreement and he discussed the terms and costs of this agreement. He advised that Sikich worked very well with staff and were very organized with the flow of work and provided a comprehensive report. He continued that preliminary work will begin very soon and the audit process will be completed by the end of April for presentation to the Board at the May 2015 meeting. Staff recommended approval. Discussion followed.

A **MOTION** was made by Commissioner Posch to approve Resolution 2014-1891; Approving the Use of Outside Auditors for the Year 2015 and the **motion was seconded** by Commissioner Donnelly. The motion passed unanimously by roll call vote (8-0).

Resolution 2014-1892; Authorizing the Execution of a Hangar and Office Lease Agreement with Exelon Business Services Company, LLC.

Authorizes the execution of a 5 year hangar and office building lease with Exelon Business Services Company LLC for the Authority hangar space known as 2722 International Drive, Hangar Bay #1, which contains approximately 30,240 square feet for a total rental amount of \$966,096 over the five year period. Executive Director Bird asked Mark Doles to discuss this new lease agreement with Exelon. Mr. Doles stated that in January 2012 a deal was negotiated with Exelon and at that time they did not have a flight department so negotiations occurred for a lease starting with only one aircraft. He continued that Exelon now has two aircrafts and will add a third aircraft in January 2015 which requires their need for additional space. He reviewed the additional space requested by Exelon and the terms and scope of the new lease agreement. Discussion followed. Mr. Doles advised that the Capital Development Committee and staff is recommending Board approval.

A **MOTION** was made by Commissioner Gorski to approve Resolution 2014-1892; Authorizing the Execution of a Hangar and Office Lease Agreement with Exelon Business Services Company, LLC. The **motion was seconded** by Commissioner LaMantia and passed unanimously by roll call vote (8-0).

Resolution 2014-1893; Ratifying the Execution of a Site Access Agreement between the DuPage Airport Authority and CenterPoint Properties Trust.

Ratifies the action of the Executive Director in executing a Site Access Agreement between the Authority and CenterPoint to allow access to the property located at 2500 Enterprise circle to perform testing and soil borings for the potential purchase and development of property.

Attorney Luetkehans advised this is a standard form site access agreement that has been utilized previous times with CenterPoint Properties Trust. He explained the scope of this agreement and advised that after reviewing with Chairman Davis and Vice Chairman Gorski, Executive Director Bird executed this agreement prior to the Board Meeting to expedite this process for CenterPoint. Staff is seeking ratification of this action.

A **MOTION** was made by Commissioner Posch to approve Resolution 2014-1893 ratifying the Execution of a Site Access Agreement between the DuPage Airport Authority and CenterPoint Properties Trust. The **motion was seconded** by Commissioner Donnelly and passed unanimously by roll call vote (8-0).

Attorney Luetkehans stated that the next three agenda items; 9.f., 9.g., and 9.h. are all relating to the discussion of Project Steel, a potential development for the DuPage Business Center. Discussion of the Concept Plan for Project Steel appears as agenda item 9.i. under the *New Business* portion of the agenda. He advised that all of these related agenda items have been considered by the Capital Development Committee on two occasions; a Special Committee Meeting held on November 4 and the regular committee meeting held this day. He reviewed each of the requested variances. Attorney Luetkehans stated that during today's Regular Meeting of the Capital Development Committee it was voted upon and passed by a 3-2 vote to remove the following deviation from the recommended modifications; this modification was originally added to the Minimum Design Standards at the Special Capital Development Committee Meeting on November 4:

(4) The applicant has appealed to the board by increasing the landscape design standards in order for the site to be architecturally pleasing.

Commissioner LaMantia stated that at the Special Committee Meeting these deviations were discussed and agreed upon by the Committee and by CenterPoint. She continued that at the Committee meeting this day, CenterPoint voiced concern with one of the recommended variations stating they now felt this language to be burdensome to the process for attracting tenants. Commissioner LaMantia stated this deviation was not to create more burden but to give CenterPoint a position with the Board for all proposed developments. Commissioner Gorski stated the language was not intended to inhibit but to assist development. Discussion continued and these resolutions were then voted upon respectively.

Resolution 2014-1895; Authorizing the Execution of the Fourth Amendment to the Intergovernmental Agreement with the City of West Chicago.

Authorizes execution of the Fourth Amendment to the IGA with the City of West Chicago, amending Section 10.5 of the West Chicago Zoning Ordinance. Allows additional variations to be sought, modifies the light industrial maximum height, clarifies the definition of height and allows additional landbanking of parking on site.

A **MOTION** was made by Commissioner Gorski to approve Resolution 2014-1895; Authorizing the Execution of the Fourth Amendment to the Intergovernmental Agreement with the City of West Chicago and the **motion was seconded** by Commissioner Wagner. The motion passed unanimously by roll call vote (8-0).

Resolution 2014-1896; Authorizing the Execution of the First Amendment to the Amended and Restated Development Agreement to Develop and Lease between the DuPage Airport Authority and CenterPoint Properties Trust.

Authorizes the execution of the First Amendment to the Amended and Restated Development Agreement, which amends the exhibits to the document known as the Authority Applicable Documents and Minimum Design Standards. Sets forth the standards under which to review deviations from the Minimum Design Standards.

A **MOTION** was made by Commissioner Wagner to approve Resolution 2014-1896; Authorizing the Execution of the First Amendment to the Amended and Restated Development Agreement to Develop and Lease between the DuPage Airport Authority and CenterPoint Properties Trust; the **motion was seconded** by Commissioner Posch. The motion passed by roll call vote (6-2).

Resolution 2014-1897; Authorizing the Execution of the First Amendment to Declaration of Covenants, Conditions, Restrictions and Easements for DuPage Business Center.

Authorizes the execution of the First Amendment to Declaration of covenants, Conditions, Restrictions and Easements for the DuPage Business Center, which amends the exhibits to the documents known as the Authority Applicable Documents, Minimum Design Standards and Section 10.5 of the City of West Chicago Zoning Ordinance.

A **MOTION** was made by Commissioner Wagner to approve Resolution 2014-1897; Authorizing the Execution of the First Amendment to Declaration of Covenants, Conditions, Restrictions and Easements for DuPage Business Center. The **motion was seconded** by Commissioner Chevez and passed unanimously by roll call vote (8-0).

Resolution 2014-1894; Approving the Concept Plan for 2500 Enterprise Circle.

Approves the Concept Plan dated November 5, 2014 for a 299,250 square foot light industrial building on 14.55 acres at 2500 Enterprise Circle with variations related to parking and height under the Minimum Design Standards and Section 10.5 of the West Chicago Zoning Ordinance.

A **MOTION** was made by Commissioner Wagner to approve Resolution 2014-1894; Approving the Concept Plan for 2500 Enterprise Circle. The **motion was seconded** by Commissioner Donnelly and was passed unanimously by roll call vote (8-0).

Resolution 2014-1898; Authorizing the Execution of a Site Access Agreement between the DuPage Airport Authority and CenterPoint Properties Trust.

Authorizes the execution of a Site Access Agreement between the Authority and CenterPoint to allow access to the property located southwest of Enterprise Circle to perform testing and soil borings for the potential purchase and development of the property.

Attorney Luetkehans advised that approval of this site agreement would allow CenterPoint to move forward for Project Spectrum and he explained this is the same site agreement as previously approved with CenterPoint for Project Steel with the only difference being this is not a *ratification of execution* but *authorizing the execution* since the agreement has not yet been signed by the Executive Director.

A **MOTION** was made by Commissioner Gorski to approve Resolution 2014-1898; Authorizing the Execution of a Site Access Agreement between the DuPage Airport Authority and CenterPoint Properties Trust; the **motion was seconded** by Commissioner LaMantia. The motion passed unanimously by roll call vote (8-0).

RECESS TO EXECUTIVE SESSION

There was no Executive Session held.

OTHER BUSINESS

None

There being no other business for discussion, a **MOTION** was made by Commissioner Huizenga to adjourn the Regular Meeting of the DuPage Airport Authority Board of Commissioners. The **motion was seconded** by Commissioner Wagner and was passed unanimously by voice vote; the meeting was adjourned at 4:30 p.m.

**Approved at the January 14, 2015 Board Meeting
Stephen L. Davis, Chairman**