



# MEETING AGENDA



District 1  
Matthew Wilson  
Chairperson

District 2  
Raevan Howard  
Vice Chairperson

District 3  
Norman Crow  
Member

District 4  
Lee Busby

District 5  
Kip Tyner  
Alternate

District 6  
John Faile

District 7  
Cassius Lanier

## SPECIAL CALLED Council Properties Committee Meeting Agenda

Tuesday, January 11, 2022 Council Chamber 4:00 p.m.

TOPIC	PRESENTER	SUPPORTING MATERIAL
<b>Approval of Minutes</b>		
<b>NEW BUSINESS</b>		
1. Adoption of Airport Advisory Committee Strategic Operating Plan	<b>Jeff Powell</b>	2-3
2. Support for IIJA Airport Grant opportunities	<b>Jeff Powell</b>	4-12
3. Approval of contract with Volaire	<b>Jeff Powell</b>	13-16
4. Adoption of updated ordinance related to Airport Landing Fee and Special Event Fee	<b>Jeff Powell</b>	
<b>ADJOURN</b>		

TO: Walt Maddox, Mayor  
Kip Tyner, City Council President / Councilor, District 5  
Matthew Wilson, Councilor, District 1  
Raevan Howard, Councilor, District 2  
Norman Crow, Councilor, District 3  
John Faile, Councilor, District 6  
Cassius Lanier, Councilor, District 7

FROM: Tuscaloosa National Airport Advisory Committee

RE: COMMITTEE RECOMMENDATIONS – ACTION REQUIRED

DATE: November 11, 2021

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### **RECOMMENDATIONS**

After a hiatus during the COVID-19 pandemic, the Tuscaloosa National Airport Advisory Committee has held regular meetings in 2021 and unanimously recommends the following to the Mayor and Tuscaloosa City Council for your urgent consideration:

1. Adoption of the attached Strategic Operating Plan for TCL
2. Approval of the attached contract with Volaire for renewed air service development efforts
3. Approval of the attached new landing and special event fee structure as well as change to the City statute to capture fees from all transient aircraft. These measures are estimated to generate approximately \$250,000 annually in new revenue for the airport.
4. Engagement of an expert aviation attorney to establish uniform, minimum standards for ground leases at the airport that are compliant with FAA regulations and policies as well as recommend a common fee structure acceptable to the FAA that would generate new revenues and capital investment in the airport.

### **IMMEDIATE & NEAR-TERM FEDERAL INFRASTRUCTURE GRANT OPPORTUNITIES**

The recently adopted federal infrastructure bill presents significant funding opportunities that align with the Airport Committee’s plan and Elevate Tuscaloosa. These include:

1. Funding to Replace/Upgrade the Control Tower with Radar/Satellite Imaging
  - a. Bill Language: “Not less than \$200,000,000 made available for air traffic control towers that are owned by the FAA and staffed through the contract tower program”
  - b. Required list of projects to Congress within 90 days of enactment of this Act
2. Airfield Capital Improvements
  - a. \$500,000,000 per year for General Aviation Airports through 2026 to be allocated/apportioned based on NPIAS airport category – TCL as a National Airport means more funding
  - b. Additional \$100 billion in discretionary funding for US DOT to allocate

3. Airport Terminal Replacement Program

- a. “Not less than 10% made available to non-primary airports”
- b. Approximately \$100,000,000 per year for our size airports through 2026
- c. 95% Federal Share

**Immediate Congressional Delegation support is needed to advise the FAA that our Air Traffic Tower needs consideration for renovation or replacement and sustained lobbying is needed to ensure federal funding for terminal and other projects. The Committee feels strongly that aggressively seeking federal grant funding for a new terminal, runway extension and other capital projects is the best way to leverage and maximize Elevate Tuscaloosa funds that have been allocated for TCL and we stand ready to marshal community support and advocacy around this effort.**

Please let David Pass (205-242-6822 or [david.pass@hotmail.com](mailto:david.pass@hotmail.com)) know if you have any feedback or questions on this plan or our activities moving forward.

# *TUSCALOOSA*

NATIONAL AIRPORT ADVISORY  
COMMITTEE

## *STRATEGIC OPERATING PLAN 2021-2022*



# *Major Accomplishments in 2020*

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- Supported securing a +/- \$9 million grant to fund the replacement of Runway 422
- Successfully marshalled community support around TCL's awarded \$750,000 SCASDP grant
- Educated 10+ community and stakeholder groups about the airport's value
- Hosted successful demonstration event for new aviation technology and options for air charter
- Promoted the Master Plan Open House to the community, resulting in 75+ attendees
- Recruited three new committee members
- Educating elected officials on the importance of the airport and requested their input
- Made recommendations as requested on airport policies and operations
- Secured funding for enhanced security
- Developed case for support, slide deck and secured community support for 2020 air service survey and study

# *Guiding Principles*

These are the guidelines which set the foundation for how our committee will operate. Said another way, they are the value lens through which all of our activities and decisions will be viewed.

- Advise Mayor, City Council and Staff as outlined in statute
- Be accountable and transparent while maintaining necessary confidentiality
- Serve as the primary advocate for TCL's importance to the City's future development
- Educate and engage the community on TCL and its value

# Goals

The following goals are our broad, long-term aims that will define our accomplishment of the mission.

1. Recommend policies that will put TCL on sustainable financial footing and position it for strategic growth
2. Develop commercial air service
3. Maximize TCL as an engine for the region's economic development and growth

# Goal #1 – Finance & Strategic Growth

## Objective A : Eliminate Operating Deficit

<u>CSFs/Barriers</u>	<u>Strategies</u>	<u>Priority Action</u>	<u>Team Lead</u>
<ul style="list-style-type: none"> <li>• Political will</li> <li>• Things have been the same for a long time</li> <li>• Competing interest among stakeholder groups</li> <li>• Needs of non-aviation tenants</li> </ul>	<ul style="list-style-type: none"> <li>i. Review special event fees and explore sliding scale pricing structure based on aircraft weight.</li> <li>ii. Promote capital funding and infrastructure support for the development of new hangars.</li> <li>iii. Confirm post-COVID market rate per foot and establish as base ground lease rate for new leases.</li> <li>iv. As leases expire, graduate current tenants 15-20% per foot per year until they an acceptable pre-designated rate relative to any investment made to the airport.</li> <li>v. Research and recommend City ordinance change to enable the collection of landing fees on all transient aircraft based on weight</li> <li>vi. Research the possibility of the creation and use of a security fee</li> </ul>	<ul style="list-style-type: none"> <li>• Participate in process with consultant engaged by the City (ongoing)</li> <li>• Advocate with City leaders for the establishment of a lockbox for new revenues to be used exclusively for non-FAA granted capex</li> <li>• Participate in process with consultant engaged by the City (ongoing)</li> <li>• Participate in process with consultant engaged by the City (ongoing)</li> <li>• Participate in process with consultant engaged by the City (ongoing)</li> <li>• Participate in process with consultant engaged by the City (ongoing)</li> </ul>	<ul style="list-style-type: none"> <li>• Group</li> <li>• Pass</li> <li>• Group</li> <li>• Group</li> <li>• Group</li> <li>• Group</li> </ul>



# Goal #1 – Finance & Strategic Growth

## Objective B: Increase strategic capabilities and governance model to stimulate growth.

<b>CSFs/Barriers</b>	<b>Strategies</b>	<b>Actions</b>	<b>Team Lead</b>
<ul style="list-style-type: none"> <li>• Political will</li> <li>• Competition for Funding</li> <li>• Siloed approach to regional planning</li> </ul>	i. Serving as the primary community representative, participate in, advise and guide the efforts of the City’s consultant in the timely development of the 10-year FAA master plan.	<ul style="list-style-type: none"> <li>• Following up on the Open House, ensure public input to the approval process before P&amp;Z and City Council</li> </ul>	<ul style="list-style-type: none"> <li>• Pass</li> </ul>
	ii. Develop a lease policy and standardized lease forms for all tenants, engaging aviation experts to ensure consistency with industry standards.	<ul style="list-style-type: none"> <li>• Participate in process with consultant engaged by the City (ongoing)</li> </ul>	<ul style="list-style-type: none"> <li>• Group</li> </ul>
	iii. Maintain if possible a minimum of two FBOs to promote competition and consumer choice.	<ul style="list-style-type: none"> <li>• Advise Mayor and Council as needed on possible consolidation among current providers</li> </ul>	<ul style="list-style-type: none"> <li>• Pass</li> </ul>
	iv. Explore the establishment of a Regional Airport Authority.	<ul style="list-style-type: none"> <li>• Develop model for what this might look like</li> </ul>	<ul style="list-style-type: none"> <li>• Group</li> </ul>

# Goal #2 – Commercial Air Service

## Objective A: Add at least one new to market commercial option by 2023.

<u>CSFs/Barriers</u>	<u>Strategies</u>	<u>Actions</u>	<u>Team Lead</u>
<ul style="list-style-type: none"> <li>• Regional cooperation</li> <li>• Cost</li> <li>• Pilot shortage</li> <li>• External factors beyond our influence</li> <li>• Involvement of UA and business community</li> <li>• Terminal and runway facilities</li> <li>• Repair and other capabilities</li> <li>• COVID’s impact on the airline industry</li> </ul>	i. Establish a process and matrix for processing and evaluating specific air service development opportunities to claim SCASDP grant by 2025	<ul style="list-style-type: none"> <li>• Establish matrix and prioritize opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Pass</li> </ul>
	ii. Establish desired minimum standards for potential carriers & secure participation by UA, the business community, SCASD, etc., in an acceptable risk mitigation package for specific ASD opportunities	<ul style="list-style-type: none"> <li>• Clarify needs with key industry and community leaders; Assemble group of key stakeholders who committed to SCASD matching funds to evaluate opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Group</li> <li>• Group</li> </ul>
	iii. Re-establish post-COVID connections with carriers who have shown interest in adding a route to Tuscaloosa	<ul style="list-style-type: none"> <li>• Participate in Air Service Symposia/conferences and reconnect with past connections</li> </ul>	<ul style="list-style-type: none"> <li>• Group</li> </ul>
	iv. Explore opportunities for boutique airlines, scheduled seasonal charter and special event service.	<ul style="list-style-type: none"> <li>• Participate in Air Service Symposia/conferences; consider RFP process</li> </ul>	<ul style="list-style-type: none"> <li>• Group</li> </ul>
	v. Advocate for ongoing City funding for necessary air service development activity efforts, renovation/replacement of the existing terminal through infrastructure bill and matching funds for federal grants	<ul style="list-style-type: none"> <li>• Advocate for the approval of the Volaire contract and lobby for federal infrastructure funds for new terminal</li> </ul>	<ul style="list-style-type: none"> <li>• Group</li> </ul>
	vi. Evaluate new terminal options giving special consideration to funding opportunities in the recently passed infrastructure bill	<ul style="list-style-type: none"> <li>• Host Elevate Subconnectivity Committee in September</li> </ul>	<ul style="list-style-type: none"> <li>• Group</li> </ul>

## Goal #2 – Commercial Air Service

### Objective B: Increase awareness and support in the community for TCL’s case for commercial service

<u>CSFs/Barriers</u>	<u>Strategies</u>	<u>Actions</u>	<u>Team Lead</u>
<ul style="list-style-type: none"> <li>• Cost</li> <li>• Time</li> </ul>	<ul style="list-style-type: none"> <li>i. Schedule presentations to key community groups (IDA, Chamber, County Commission, City of Northport, Rotary, UA, etc.)</li> <li>ii. Recruit broader group of community leaders/influencers to meet on an ad hoc basis and respond nimbly to opportunities.</li> <li>iii. Re-Engage TakeOff TCL group and secure their input into ASD efforts</li> <li>iv. Update case for support and slide deck</li> <li>v. Advise on engagement of air service development consulting firm/s</li> </ul>	<ul style="list-style-type: none"> <li>• Make new and update presentations as needed and requested</li> <li>• Establish a list of must-have meetings and begin to schedule</li> <li>• Schedule briefing</li> <li>• Work with ASD consultant and community leaders to update statistics and demonstrate local post-COVID economic resilience</li> <li>• Provide assistance to airport staff in evaluating proposals</li> </ul>	<ul style="list-style-type: none"> <li>• Spencer</li> <li>• New Cmte Member?</li> <li>• New Cmte Member</li> <li>• Buchanan</li> <li>• Group</li> </ul>

# Goal #3 – Economic Development

## Objective A : Increase aeronautical and non-aeronautical capabilities at TCL

<u>CSFs/Barriers</u>	<u>Strategies</u>	<u>Priority Action</u>	<u>Team Lead</u>
<ul style="list-style-type: none"> <li>• FAA requirements</li> <li>• Changes at local economic development agencies</li> <li>• Insufficient facilities and infrastructure</li> <li>• Regional cooperation and coordination</li> </ul>	i. Support and advocate for grant funding for runway expansion as reflected in Master Plan	<ul style="list-style-type: none"> <li>• Develop plan; ensure expanded length in master plan is acceptable; explore opportunities with current infrastructure bill</li> </ul>	<ul style="list-style-type: none"> <li>• Pass</li> <li>• Pass</li> </ul>
	ii. Recruit 145 repair capability at TCL	<ul style="list-style-type: none"> <li>• Develop plan / RFP</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>
	iii. Advocate for federal funding for new tower from recently adopted infrastructure bill	<ul style="list-style-type: none"> <li>• Organize lobbying effort</li> </ul>	<ul style="list-style-type: none"> <li>• Group</li> </ul>
	iv. Position TCL as a resource for local industry when needs arise	<ul style="list-style-type: none"> <li>• Need input from TCEDA</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>
	v. Collaborate with TCEDA on recruitment of aerospace/ advanced manufacturing / research industry	<ul style="list-style-type: none"> <li>• Develop plan / promote parcels identified in new Master Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Group</li> </ul>
	vi. Develop strategies for converting vacant land into performing strategic assets for TCL, especially land with runway access	<ul style="list-style-type: none"> <li>• Support Jeff Powell in meetings w/ local &amp; State leaders to secure permanent funding for infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Group</li> </ul>
	vii. Advocate for funding and coordination of airport planning at the State level to support development	<ul style="list-style-type: none"> <li>• Support Jeff Powell in meetings w/ local &amp; State leaders to secure permanent funding for infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Group</li> </ul>

## CONSULTING SERVICES AGREEMENT

This Consultancy Agreement (the “Agreement”) is made and entered into by and between Volaire Aviation, Inc. (the “Consultant”) and the City of Tuscaloosa (the “City”) (hereinafter referred to individually as a “Party” and collectively as “the Parties”).

### 1. Engagement and Services

(a) Engagement. The Airport hereby engages the Consultant to provide and perform the services set forth in this section of the agreement (the “Services”), and the Consultant hereby accepts the engagement.

(b) Term. This agreement will begin upon signing and be in effect for 12 consecutive months. Either party can terminate the contract on 90-day notice with or without cause.

(c) Scope of Work. Consultant will complete each of the following deliverables for the Airport as part of a monthly retainer:

#### 1) **Air Service Development Strategic Plan**

Consultant will work with Airport to develop and maintain an Air Service Development Strategic Plan, which would be used as a road map for air service development goals and initiatives. Plan will follow a SWOT analysis format to establish a baseline of Airport’s opportunities and challenges in a post-COVID world.

#### 2) **Airline Headquarters Meetings and Presentations (One Per Year)**

Consultant will prepare all materials for one airline headquarters meeting, including a specific business case for targeted service. Presentation will include specific demographic analysis of the airport catchment area, economic analysis of the market region, overview of current airline market conditions, and a specific business case and analysis of proposed new service or expanded service.

Consultant will attend the airline headquarter meeting with Airport and present the full business case for current, new, and expanded service.

Consultant will provide all requested follow-up information requested by the airline following the meeting.

#### 3) **Air Service Development Conference Meetings (Max Three Per Year)**

Consultant will work with Airport to identify target airlines for meetings and to identify which conferences Airport should attend, which could include: TakeOff North America, Routes Americas, ACI Jumpstart, or the Volaire Service Forum. Consultant will work with conference organizers to schedule meetings.

Consultant will prepare all materials for airline conference meetings, including a specific business case for targeted service. Presentations will include specific demographic analysis of the airport

catchment area, economic analysis of the market region, overview of current airline market conditions, and a specific business case and analysis of proposed new service or expanded service.

Consultant will attend all airline conference meetings with Airport and present the full business case for current, new, and expanded service.

Consultant will provide all requested follow-up information requested by the airline following the meeting.

#### **4) Community Visits and Quarterly Calls (Max Two In-Person Visits Per Year)**

Consultant will prepare State of the Industry information, market detail, and other pertinent information for community meetings at Airport's request for up to two in-person visits per year. Consultant will also be available for quarterly calls with local stakeholders to fine-tune Airport's efforts to win air service.

#### **5) Development of Formal Incentive Policy**

Understanding the Airport seeks to differentiate itself from its competitors, Consultant will develop a cost-benefit analysis of potential Airport incentive policies, including fee waivers, marketing support, ground handling support, etc. The cost-benefit analysis will be based on Consultant forecasts of the performance of each type of targeted new service. Forecasts will include new passengers and potential new revenue to the Airport in each potential cost center.

Based on these forecasts, Consultant will determine the most effective possible standard incentive policy for the Airport. Consultant will write the incentive policy to ensure it meets Federal Aviation Administration (FAA) standards and rules. Consultant can travel to Airport to present the proposed policy to the Airport governing board.

#### **6) Negotiation of Revenue Guarantee**

Consultant will negotiate a revenue guarantee and incentive agreement between Airport and an airline beginning new service. Consultant will analyze the revenue target against airline financial filings and work to develop a baseline of required revenue per segment and seat before agreement is finalized. Consultant will advise Airport, based on previous experience, in risk and reward of potential agreement.

#### **7) On-Demand *Ad Hoc* Analysis**

Consultant will assist the Airport with *ad hoc* analyses or questions related to air service data and schedules sourced by Airline Data Inc. Consultant would also advise Airport on best practices for collecting data from local businesses or chambers to help with marketing Airport to prospective airlines.

#### **8) News & Subscription Service**

Consultant will provide Airport with regular updates on news and intelligence pertinent to the ongoing impact of COVID-19 on the airline industry.

**9) Air Service Strategy and Industry Contacts**

Consultant will provide airport with key industry contacts and as-needed input on near-term strategic air service re-development efforts throughout the COVID-19 period. Communications will be via e-mail and semi-regular calls, as needed.

**2. Consultancy Fee and Expenses**

(a) Retainer Fee Schedule. Consultant will invoice Airport an equal retainer of \$3,700 per month for all services listed as included as part of the retainer scope of work for a period of twelve (12) months. Invoices will be issued on the first of each month. In the event taxes are required by any U.S. (local, state, or federal) government to be assessed on services provided by Volaire Aviation Inc., the Airport shall pay all applicable sales or use taxes or any other assessment levied upon the Airport's consulting services and will be reflected upon invoicing for services.

(c) Expenses. Consultant shall be entitled to reimbursement for expenses reasonably incurred in the performance of the Services, upon submission and approval of written statements in accordance with the then regular procedures of the Airport. Reasonable expenses include, but are not limited to: travel (airfare, hotel, rental car, and meals), printing of materials, electronic device usage fee of \$50 at air service development conferences (in lieu of printing materials), and shipping of materials. Consultant will invoice all expenses at cost plus a 10% administrative fee.

In the case of air service development conferences, Consultant will allocate expenses based on the total expenses of the firm divided by the total number of meetings covered by the firm.

The NTE (Not-To-Exceed) amount of the Agreement (Retainer + Expenses) will be \$47,000.

(c) Payment. The Consultant shall submit to the Airport invoices detailing the Services performed, expenses, and the amount due. All such invoices shall be due and payable within thirty (30) calendar days after receipt thereof by the Airport. Payments made after 30 days after receipt of invoice will be subject to a \$100 late fee.

**3. Performance Bonus Program**

Airport will be responsible for bonus payments to the Consultant based on the initiation of new scheduled air service. For each new route announced during the term of this agreement, Airport will be invoiced a \$2 per enplanement service initiation bonus, beginning the month that flights begin, and continuing for a period of 365 days, or until service ends, whichever comes first. Total performance bonus will be capped at \$20,000.



IN WITNESS WHEREOF, the Parties have duly executed this Agreement by their authorized representatives as of the date first written above.

Signed for and on behalf of  
City of Tuscaloosa

Signed for and on behalf of  
Volaire Aviation, Inc.

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By: Walter Maddox  
Title: Mayor - City of Tuscaloosa

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By: Michael Mooney  
Title: Managing Partner