

**DuPAGE AIRPORT AUTHORITY
CAPITAL DEVELOPMENT, LEASING AND CUSTOMER FEES COMMITTEE
WEDNESDAY, JUNE 20, 2018**

The meeting of the Capital Development, Leasing and Customer Fees Committee of the DuPage Airport Authority Board of Commissioners was convened at the Daniel L. Goodwin Flight Center Building, First Floor Conference Room, 2700 International Drive, West Chicago, Illinois on Wednesday, June 20, 2018. Committee Chairman Wagner called the meeting to order at 2:30 p.m. and there was a quorum present for the meeting.

Commissioners Present: Chavez, Posch, Wagner.

Absent: Ledonne, Sharp.

DAA Staff Present: Executive Director David Bird; Robb Walker, Senior Accountant; Dan Barna, Operations and Capital Program Manager; Pamela Miller, Executive Assistant and Board Liaison.

Others: Phil Luetkehans, Schirott, Luetkehans and Garner; Michael Vonic, CH2M; Mark Moran, NAI Hiffman; Randy Machelski, SmithGroup JJR; Dan Swanson, DuPage Pilots Association.

Press: None

CAPITAL DEVELOPMENT

NEW BUSINESS

Proposed Resolution 2018-2179; Award of Contract to Behm Pavement Maintenance, Inc. for Sealcoating and Crack Repair.

Authorizes a sealcoating and crack repair project in parking lots adjacent to International Drive and Aviation Avenue. Total costs not-to-exceed \$50,183.38, which includes a 10% owner's contingency. Dan Barna explained the contract's Base Bid and the two alternate bids for work to be accomplished on roads along the International Drive campus. He continued that three bids were received and upon evaluation Behm Pavement was determined to be the low, responsive and responsible bidder. Mr. Barna advised this contract amount is \$9600 below the amount budgeted for this project. Board approval was recommended. Discussion followed.

A **MOTION** was made by Commissioner Chavez to recommend Board approval for Proposed Resolution 2018-2179; Award of Contract to Behm Pavement Maintenance, Inc. for Sealcoating and Crack Repair. The **motion was seconded** by Commissioner Posch and was passed by roll call vote (3-0).

Proposed Resolution 2018-2180; Authorizing the Execution of a Design Phase Engineering Services Agreement with Burns & McDonald for the Airport Improvement Program Project known as: Construct North Perimeter Road Extension.

Authorizes design for the North Perimeter Road Extension Project. Not-to-exceed amount of \$36,832.03. Percentage of funding to be reimbursed by Federal and State funds.

Mr. Barna advised this Airport Improvement Program project is cosponsored by the Airport Authority and the Illinois Department of Transportation, Division of Aeronautics. This project is for the design of perimeter roadways connecting airport roads and will allow safer access for transporting equipment and for emergency vehicles. Mr. Barna reviewed the scope of this project and the costs associated and explained this is a 95% reimbursement for the Airport from Federal and State funding. The Airport Authority's local share of this project is \$12,298. The firm of Burns & McDonald will provide engineering services for this design phase project. Discussion continued, and Board approval was recommended.

A **MOTION** was made by Commissioner Chavez to recommend Board approval of Proposed Resolution 2018-2180; Authorizing the Execution of a Design Phase Engineering Services Agreement with Burns & McDonald for the Airport Improvement Program Project known as: Construct North Perimeter Road Extension. The **motion was seconded** by Commissioner Posch and was passed by roll call vote (3-0).

Proposed Resolution 2018-2181; Authorizing the Execution of a Design Phase Engineering Services Agreement with CH2M for the Airport Improvement Program Project known as: Rehabilitate Echo T-Hangar Pavement Phase II.

Authorizes design for the Phase II Echo T-Hangar Pavement Rehabilitation Project. Not-to-exceed amount of \$16,375.44. Percentage of funding to be reimbursed by Federal and State funds.

Mr. Barna stated this Airport Improvement Program project is for milling and overlaying pavement for taxiways and apron areas around the Echo T-Hangars. He continued to review the scope of this project and costs associated. CH2M will provide the Engineering Services for this design phase project. Discussion followed. Board approval was recommended.

A **MOTION** was made by Commissioner Posch to recommend Board approval of Proposed Resolution 2018-2181; Authorizing the Execution of a Design Phase Engineering Services Agreement with CH2M for the Airport Improvement Program Project known as: Rehabilitate Echo T-Hangar Pavement Phase II. The **motion was seconded** by Commissioner Chavez and was passed by roll call vote (3-0).

Proposed Resolution 2018-2182; Authorizing Change Order No. 1 to the Professional Services Agreement with Crawford, Murphy & Tilly, Inc. for the DuPage Airport Authority Master Plan Update and Airport Layout Plan GIS/EALP Update.

Authorizes a Change Order in the amount of \$12,490 for additional land use analysis, increasing the original not-to-exceed Agreement cost of \$709,905 to \$722,440.

Mr. Barna stated that the original scope of the Master Plan Update included a component for land use analysis for the Northeast Quadrant, Southeast Quadrant and Pheasant Run Golf Course. He continued that this Change Order with Crawford, Murphy and Tilly will allow additional comparisons for land parcels North of North Avenue and Prairie Landing Golf Course, increasing the original contract to \$722,440. Discussion continued, and Board approval was recommended.

A **MOTION** was made by Commissioner Chavez to recommend Board approval of Proposed Resolution 2018-2182; Authorizing Change Order No. 1 to the Professional Services Agreement with Crawford, Murphy & Tilly, Inc. for the DuPage Airport Authority Master Plan Update and Airport Layout Plan GIS/EALP Update. The **motion was seconded** by Commissioner Posch and was unanimously passed by roll call vote (3-0).

Proposed Resolution 2018-2183; Authorizing the Execution of a Temporary Construction Easement Agreement Between the DuPage Airport Authority and FCL Builders, LLC.

Grants an Easement to FCL Builders to allow temporary storage of excess soil and construction trailer during construction of the SunCast Building. Easement expires December 31, 2019.

Attorney Luetkehans explained FCL Builders has asked to utilize the Pritzker (SunCast) option property as a location for their temporary construction trailer and to store soil. He reviewed the terms of this agreement and advised the easement agreement will expire on December 31, 2019. Discussion followed. Board approval was recommended.

A **MOTION** was made by Commissioner Posch to recommend Board approval of Proposed Resolution 2018-2183; Authorizing the Execution of a Temporary Construction Easement Agreement Between the DuPage Airport Authority and FCL Builders, LLC. The **motion was seconded** by Commissioner Chavez and was passed by roll call vote (3-0).

Proposed Resolution 2018-2184; Authorizing the Execution of the Sixth Amendment to the Intergovernmental Agreement with West Chicago.

Modifies the Intergovernmental Agreement between the Authority and the City of West Chicago to revise Section 10.5 of the West Chicago Zoning Ordinance. Also, provides that future revisions of Section 10.5 may be done by agreement of the Authority and the City without formal intergovernmental Agreement modification.

Attorney Luetkehans summarized the recommended changes to Section 10.5 of the West Chicago Zoning Ordinance. He added this primarily affects the Business Center and currently the Intergovernmental Agreement requires an amendment each time there is a variance requested. The City of West Chicago has asked that instead of amending the IGA each time there are modifications to Section 10.5 it would only be required to have the Airport Authority and the City Council approve the changes. Randy Machelski of SmithGroup JJR also commented on these recommended changes. Discussion continued. Board approval was recommended.

A **MOTION** was made by Commissioner Chavez to recommend Board approval of Proposed Resolution 2018-2184; Authorizing the Execution of the Sixth Amendment to the Intergovernmental Agreement with West Chicago. The **motion was seconded** by Commissioner Posch and was passed by roll call vote (3-0).

Proposed Resolution 2018-2185; Authorizing the Execution of the Second Amendment to Declaration of Covenants, Conditions, Restrictions and Easements for the DuPage Business Center.

Amends the Declaration for the Covenants, Conditions, Restrictions and Easements for the DuPage Business Center by Modifying the Minimum Design Standards for the Business Center.

Attorney Luetkehans continued the discussion and summarized the changes in the Second Amendment to the Declaration of Covenants, Conditions, Restrictions and Easements.

A **MOTION** was made by Commissioner Posch to recommend Board approval of Proposed Resolution 2018-2185; Authorizing the Execution of the Second Amendment to Declaration of Covenants, Conditions, Restrictions and Easements for the DuPage Business Center. The **motion was seconded** by Commissioner Chavez and was passed by roll call vote (3-0).

Proposed Resolution 2018-2186; Approving the Extension of the Inspection Period in the Vacant Land Purchase Agreement with Midwest Industrial Funds, Inc.

Grants an extension until August 31, 2018 to Midwest Industrial Funds, Inc. of the inspection period in the Vacant Land Sales Agreement for the purchase of up to approximately 27 acres in the DuPage Business Center.

Attorney Luetkehans reviewed the previously approved Vacant Land Purchase Agreement with Midwest Industrial Funds for property in the Business Center and advised the agreement includes an automatic 60-day extension at the request of Midwest. He explained that during their surveys it was discovered that ComEd-AT & T easements run through the area chosen for their building; the ComEd easement was of the most concern due to timing and cost of moving this easement. Attorney Luetkehans stated granting this extension will allow Midwest Industrial Fund time to reevaluate the feasibility of this deal. He advised the costs associated with moving this line will be discussed in the Executive Session of the Regular Board Meeting. Board approval is recommended for this extension.

A **MOTION** was made by Commissioner Chavez to recommend Board approval of Proposed Resolution 2018-2186; Approving the Extension of the Inspection Period in the Vacant Land Purchase Agreement with Midwest Industrial Funds, Inc. The **motion was seconded** by Commissioner Posch and was passed by roll call vote (3-0).

Proposed Ordinance 2018-326; Approving the Execution of an Intergovernmental Agreement between the City of West Chicago, the DuPage Airport Authority, West Chicago Library District, West Chicago Fire Protection District, West Chicago Elementary School District 33, Community High School District 94, West Chicago Park District and Ball Horticultural Company in Regard to a Property Tax Abatement Relative to the Redevelopment of the Ball Horticultural Company Property.

Approves an Intergovernmental Agreement for the purpose of granting a real estate tax abatement to the Ball Horticultural Company up to a maximum amount of \$4,000,000 over ten years.

Attorney Luetkehans reviewed the previous actions of the City of West Chicago and the other local taxing bodies' agreement to provide a tax abatement for both Norix and Pritzker and advised others will be seeking these abatements as well. He continued that West Chicago is now asking the Airport to participate in a tax abatement program for the redevelopment of the 59-acre Ball Horticultural Company; the other taxing bodies have also agreed to this abatement. It is recommended that the Airport Authority agree to this abatement. Attorney Luetkehans continued to review both Ordinances relating to this abatement process; the first Ordinance is approving the Intergovernmental Agreement with the other local taxing bodies and the second Ordinance will be filed with the DuPage County Clerk's Office effectively abating the real estate tax for the Ball Horticultural Company property. Discussion followed.

A **MOTION** was made by Commissioner Posch to recommend Board approval of Proposed Ordinance 2018-326; Approving the Execution of an Intergovernmental Agreement between the City of West Chicago, the DuPage Airport Authority, West Chicago Library District, West Chicago Fire Protection District, West Chicago Elementary School District 33, Community High School District 94, West Chicago Park District and Ball Horticultural Company in Regard to a Property Tax Abatement Relative to the Redevelopment of the Ball Horticultural Company Property. The **motion was seconded** by Commissioner Chavez and was passed by roll call vote (3-0).

Proposed Ordinance 2018-327; Ordinance Providing for Real Estate Tax Abatement.

Requires that the DuPage County Clerk abate real estate taxes for Ball Horticultural Company pursuant to an Intergovernmental Agreement with certain local taxing bodies.

Attorney Luetkehans stated, as explained during discussion of the previous Ordinance, this is the second step in the abatement process and recommended approval.

A **MOTION** was made by Commissioner Posch to recommend Board approval of Proposed Ordinance 2018-327; Ordinance Providing for Real Estate Tax Abatement. The **motion was seconded** by Commissioner Chavez and was passed by roll call vote (3-0).

OLD BUSINESS

Proposed Resolution 2018-2175; Approving the Concept Plan for 1 Innovation Drive.

Approves the Concept Plan for Norix Group, Inc. of a 163,451-square foot manufacturing and warehouse facility at 1 Innovation Drive in the DuPage Business Center.

Attorney Luetkehans reviewed the Board's previous approval of the Vacant Land Purchase Agreement with Norix for property in the DuPage Business Center. Norix has now submitted a Concept Plan for review and approval. Attorney Luetkehans explained the deviations from the current Minimum Design Standards requested by Norix and discussion followed. Randy Machelski of SmithGroup JJR also offered comments regarding this deviation. Board approval was recommended.

A **MOTION** was made by Commissioner Posch to recommend Board approval for Proposed Resolution 2018-2175; Approving the concept Plan for 1 Innovation Drive. The **motion was seconded** by Commissioner Chavez and was passed by roll call vote (3-0).

RECESS TO EXECUTIVE SESSION

There was no Executive Session.

OTHER BUSINESS

Proposed Resolution 2018-2187; Resolution Approving a Modification to the Purchase Agreement dated January 24, 2018 with Discovery Drive Investors, LLC.

Approves a modification to the purchase price of the property located at 805 Discovery Drive due to unforeseen site conditions.

A **MOTION** was made by Commissioner Chavez to make no formal recommendation for Proposed Resolution 2018-2187; Resolution Approving Modification to the Purchase Agreement dated January 24, 2018, pending discussion at the Regular Board Meeting during Executive Session. The **motion was seconded** by Commissioner Posch and was unanimously passed by roll call vote (3-0).

Committee Chairman Wagner asked the Capital Development Committee to review and discuss the concept of selling land versus leasing land related to the DuPage Business Center and other Airport owned properties. He stated that when the Business Center was originally conceived there were various concepts for land development reviewed to determine what would best provide a permanent revenue sources for Airport; the Technology Park was developed. He continued that ultimately, leasing land to provide revenues was not happening and lands were then offered for sale. Committee Chairman Wagner added that currently there is much activity in the Business Center and suggested it may now be time to reevaluate what is best for future development of Airport owned lands. Executive Director Bird shared with the Committee the information obtained from other airports around the Country regarding the current industry trends for selling land for nonaviation development versus leasing these lands. He advised research indicates trends are moving more for airports to sell lands versus land leases. Discussion followed.

Commissioner Posch made a **MOTION** to adjourn the Capital Development, Leasing and Customer Fees Committee Meeting; the **motion was seconded** by Commissioner Chavez and was passed by unanimous voice vote. The committee meeting was adjourned at 3:05 p.m.



Daniel J. Wagner, Chairman

Capital Development, Leasing and Customer Fees Committee