

REQUEST FOR QUALIFICATIONS

Commercial Air Service Terminal Project

Airport Authority of the City of Gulf Shores



RFQ Release Date: November 30 2021

Non-mandatory Site Tour Date: December 14 (RSVP required by December 7)

RFQ Deadline for Questions: 4pm central time, December 21 2021

SUBMISSION DUE DATE: 4pm central time, January 14 2022

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INTRODUCTION

The Airport Authority of the City of Gulf Shores (the Authority) is preparing to construct a new commercial air service terminal at Gulf Shores International Airport - Jack Edwards Field (JKA or the Airport) as the final phase of the Airports' transition from a general aviation facility to a commercial service airport (FAR Part 139). Over \$12.2 million in improvements have been completed over the past six years, including a new commercial apron, Terminal Drive, utilities, and numerous airfield projects designed to meet Part 139 criteria. Also, a new air traffic control tower (ATCT), was commissioned November 17th, 2021.



Letters of Intent to provide commercial service to the Airport have been received from three airlines with a targeted start date for service in 2022 upon completion of suitable terminal facilities. As this is a new phase of the Airport's transition to commercial service, the Authority is interested in utilizing private sector partners for the design, construction, funding, and management of the terminal (the Project).

The Authority solicited Statements of Interest (SOI) in August 2021 to obtain feedback from potential respondents on operational, commercial, and financial issues. The Authority has now determined that a Request for Qualifications (RFQ) process is the preferred method for achieving its goals for the Project. The Authority intends to select a preferred partner for the Project based on qualifications, experience, the submitted Business Plan, and other factors. The Authority then anticipates entering into negotiations with the preferred partner for a long-term agreement subject to the minimum requirements stated in this RFQ. If a business arrangement suitable to the Authority is not able to be negotiated, the Authority may elect to enter into discussions with the next preferred respondent.

Goals of the Authority

- Ensure the safe, secure, and efficient operation of the Airport
- Promote economic development in the wider Gulf Shores and Orange Beach communities

- Operate the Airport in a financially self-sustaining manner
- Introduce commercial passenger service at the Airport and develop a commercial air service terminal

Goals of the RFQ

- Select a qualified long-term development partner to fund, design, construct, and operate the passenger terminal, related infrastructure, and other ancillary facilities
- Obtain responses that demonstrate a commitment to safety, security, sustainability, and operational excellence

SECTION I – HISTORY AND BACKGROUND

The Airport

The Airport (ICAO – JKA, IATA - GUF), originally named Canal Field, became operational in 1942 and was first used as an outlying field (OLF) for the Naval Air Station in Pensacola, Florida. The primary purpose of the airfield at that time was training for Naval Aviators. Due to transitions in training exercises, the airfield began to see a decrease in military operations and the facility was transferred to the State of Alabama in 1977. After the transfer, the name of the Airport was changed to Jack Edwards Airport in honor of the Congressman who was instrumental in transferring the property from the federal government to the State of Alabama.

In 1983, the Airport was purchased from the state by the City of Gulf Shores (the City) and has since become an asset in the growth and economic development of the surrounding communities. In 1988, the City of Gulf Shores established an Airport Authority to operate and manage the entire facility. A new general aviation terminal building was constructed in 1998 to accommodate passengers and serve as the Airport's welcome center for travelers. In 2003, Runway 9/27 was extended to 6,962 feet and an Instrument Landing System (ILS) with a Medium-Intensity Approach Lighting System (MALSR) also constructed. In 2008, the Airport saw the completion of the general aviation terminal expansion and adjoining 18,000 sf aircraft hangar, capable of housing large corporate aircraft.

The Airport is located approximately 2 miles north of the central business district of Gulf Shores, Alabama. The Airport is situated on approximately 1,100 acres of land bordered to the north by County Road 4 (Cotton Creek Drive), to the west by Alabama Highway 59 (Gulf Shores Parkway), and to the south by Waterway East Drive. Under design on the Airport's eastern boundary is a new spur road from the Baldwin Beach Expressway, which will tie into the new Waterway East extension and provide additional access to the new terminal. Details on the project can be found at <https://www.dot.state.al.us/projects/swregion/WaterwayBlvd.html>

The field elevation is 16 feet MSL and the existing airport reference point (ARP) is latitude 30° 17' 25.65" N, longitude 87° 40' 18.40" W.

The Airport is currently served by two paved runways designated 9/27 and 17/35. Runway 9/27, the

primary runway, is 6,962' x 100' with a 462 displaced threshold to Runway 9. Runway 17/35, the crosswind or secondary runway, is 3,596' x 75'.

The Airport operates with a fully Secure perimeter, using a combination of FAA compliant fencing with electronically controlled gates. The Authority controls access through the issuance of security credentials with SIDA cards, and access points are monitored through a network of CCTV security cameras. These access areas are monitored and managed both by Airport staff and remotely by a contracted provider.

Yearly operations (takeoffs and landings) average approximately 90,000, making JKA the second busiest airport in the state of Alabama. Due to the seasonal nature of the Gulf Shores and Orange Beach communities, and the significant amount of second homes in the area, based aircraft at JKA fluctuate from 150 in winter to 250 in the spring through fall seasons.

The need for an air traffic control tower has long been recognized and applications for a control tower began in earnest after concluding a land sale/swap agreement with the City in 2014. The land transaction provided the Authority with the funds needed for the local match of the FAA funded project and the City obtained the site which now houses the freestanding emergency center and medical village immediately north of the Airport. Congressional funding for the FAA tower program was put on hold for a number of years and the application was unable to progress. Included in the 2020 FAA reauthorization five-year program championed by Senator Richard Shelby, the FAA was mandated to reinstitute a new tower process and add as many as three new control towers per year. The tower was commissioned and became fully operational on November 17, 2021.

As the Authority began to envision its future with a commercial passenger service facility, it proceeded to undertake a rebranding effort to assist with tourism, marketing, and airline development efforts. On October 25, 2021, the Authority voted to rename Jack Edwards National Airport to Gulf Shores International Airport - Jack Edwards Field and launched the new name on November 10, 2021.

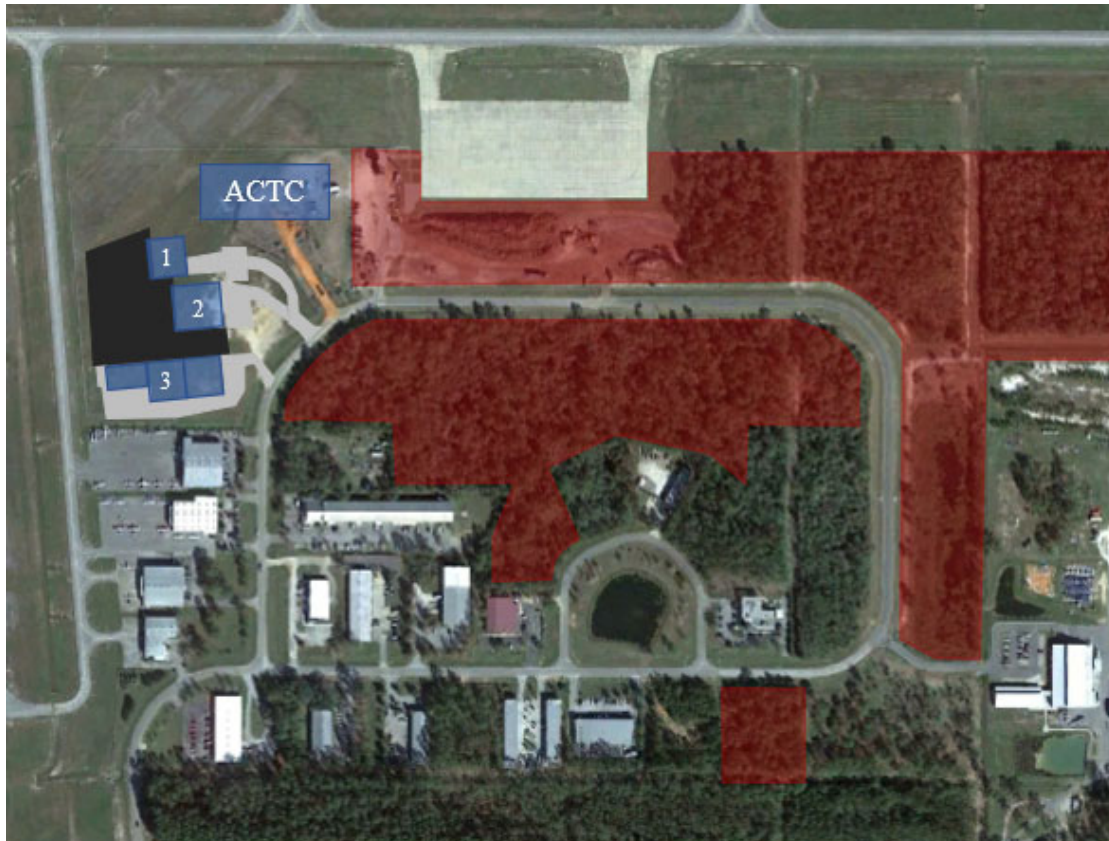
Significant Dates

1941 - Department of the Navy began the purchase of 25 parcels of land to construct an aircraft training field.

- 1942** - United States Naval Air Station Pensacola began aircraft training operations and designated the airfield OLF (Outlying Field) Canal.
- 1981**- Department of the Navy transferred the airfield to the State of Alabama.
- 1981** - Alabama Aeronautics Commission constructed the original “tiki style” terminal building and extended runway 9/27 and renamed the facility “Jack Edwards Airport”.
- 1983** - The City of Gulf Shores purchased the Airport from the State of Alabama.
- 1988** - City of Gulf Shores created the Airport Authority and leased the facility to the Authority.
- The lease was amended in 2008 to a 99-year term.
- 1995** - Created the Business and Industrial Park at Jack Edwards Airport, later renamed the Business and Aviation Park.
- 1998** - A new general aviation terminal building was constructed.
- 2001-2002** - Acquired a total of 200 acres of land and increased the runway safety areas and extended runway 9/27 (east-west) to 6,962’.
- 2003** - Installed a complete Instrument Landing System with approach lighting array.
- Constructed Taxiway “E” now home to Resicum/AeroPro, Coastal Aviation, M&B Holdings and Skywarrior (Navy IFS Program).
 - Acquired land for egress to County Road 4 from the north of the airport
 - Constructed new 18,000 sf hangar and airport administration building, ramp rehabilitation, constructed taxiway “C”, installed security fencing, and completed secure access to the air ops area.
- 2010-2011** - Constructed infrastructure for additional hangar area – S/W Corporate Hangar Area
- 2015** - Completed new 5.5-acre commercial concrete apron designed to accommodate B737 Aircraft.
- 2020** - City of Gulf Shores completed construction of Terminal Loop Road (Commerce Drive) and subsurface utilities (electrical, water/sewer) to serve a new terminal and Business Park tenants.
- 2021** - Completed new air traffic control tower facility (\$6.1 Million funded 100% by FAA).
- Completed rebranding resulting in new name – Gulf Shores International – Jack Edwards Field

Business and Aviation Park

The planned site for the commercial passenger terminal was relocated to the Business and Aviation Park on the Airport’s south side and a new 5-acre commercial apron designed to accommodate B-737 aircraft was completed in 2016. The area shaded red is an indication of the Airport property within, and adjacent to the Commerce Drive loop that can be utilized for the terminal, car parking, rental car operations, and other ancillary projects. Refer to Appendix 5 for the Revised Airport Layout Drawing.



The following projects are pending on Airport property along Commerce Drive:

1	17,000 sf	Storage/Hangar
2	19,500 sf	Resicum
3	26,000 sf	Magniflight sales and flight instruction

The Authority is in the process of updating Airport plans to preserve areas to the south and east of the

new apron site for the new terminal and future expansion. There are other developments in progress outside Airport property in the Business Park.

Southwest Corporate Hanger Complex:

Infrastructure for the Southwest Hanger complex was completed in 2012, which included power, water, sewer and phone, and is now seeing demand for the construction of new T-hangar and corporate hangars.



The following additions have recently been completed:

2015	11,736 sf	T-hangar facility – 11 units – Gulf Air Center
2017	17,000 sf	Conventional hangar – Gulf Air Center
2018	10,000 sf	Corporate hangar – Jetwinds
2018	8,100 sf	Corporate hangar – Gulf Shores Power Sports
2021	8,000 sf	Corporate hangar – Layton Hangar

The following additions are underway or at various stages of permitting and planning:

2020	25,500 sf	Multi-unit T's and corp. hangars – D. Blackett
2020	11,200 sf	Corporate hangar – Allen Air
2021	12,200 sf	Multi-unit T-hangar – Joiner & Byars
2021	8,100 sf	Corporate hangar – Alabama Skyway
2021	4,800 sf	Corporate hangar – Legal Air Properties
2021	15,500 sf	Multi-unit corp. hangar – Tellus Properties
2021	9,600 sf	Multi-unit corp. hangar – Tellus Properties
2021	10,000 sf	Corporate facility – Webster Development, LLC

Services Offered at JKA

- Full-Service FBO's – 1 each
- Aircraft maintenance and mechanics – 2 each
- Flight schools – 4 each
- Charter services available
- Aircraft management
- Hangars space for sale or lease
- AvGas 100LL and Jet A Fuel
- Long-term vehicle parking
- Aircraft rentals
- Rental cars on-site
- Crew & courtesy cars
- Conference Center
- Concierge services
- Catering available

SECTION II – CURRENT AIRPORT ORGANIZATIONAL STRUCTURE

Airport Authority Board and City of Gulf Shores

The Airport is owned by the City of Gulf Shores and leased to the Authority at an amount of \$10 annually under a 99-year agreement. The Authority Board (the Board) is comprised of seven members appointed by the Mayor of Gulf Shores.

- **Vic Roberts, Board Chairman** – Business Owner & Commercial Pilot
- **Craig Olmstead, Vice Chairman** – Olmstead and Olmstead, LLC
- **Herb Malone** – President/CEO Alabama Gulf Coast Convention & Visitors Bureau
- **Jason Dyken** – President/Founder of Caduceus Consulting, Gulf Shores City Council Member
- **Edgar McKee** – Principal, Cardinal Ventures, Inc.
- **Jerry Johnson** – Orange Beach City Council Member
- **Joe Garris** – Business Owner, Gulf Shores City Council Member

The lease for the terminal site will be executed by the Authority upon the Board's approval. The City will ratify the lease, but it will not be a party to any agreement.

Financial Support

Prior to 2016, the Authority had been reliant on the City for financial support to cover operational costs and the local match of federally funded projects. In recent years, the Authority has operated at break-even or better, generating sufficient revenues from tenant leases and usage fees to cover operating expenses and capital needs. The Authority has received \$35,000 annually for the last three years from the City of Orange Beach for marketing support.

The Authority is not a department of the City, and the Authority retains the ability to issue debt in its own name – although it has no intent to do so in the immediate future.

Authority Profit and Loss Statements for FY2019, FY2020, and FY2021 are included at Appendix 1. These exclude transactions through the Capital Account such as state and federal grants, depreciation,

and funds transfers.

Airport Authority Manager

Mr. Fuller acts as liaison with the FAA and State agencies in the acquisition of Airport grants and assures the Airport's compliance with FAA and other agency regulations concerning the operation of the Airport. In addition, the Manager also acts as liaison with the user community, the Airport tenants, the Safety Committee, and any others having an interest in the Airport's operation. This position also establishes policies, rules and regulations, designs administrative systems, and oversees all Airport operations, staff, economic development, security, and maintenance.

Finance & Administrative Assistant

Ms. Marisa Montgomery provides administrative support to the Airport Authority Manager, Airport contractors, Airport tenants, and City departments and users, as well as oversees the day-to-day operation of the Airport. She relieves the Airport Authority Manager of administrative details of the office by performing all accounting duties, property management compliance, billings, marketing assistance, insurance certificate and Airport licensees, security badging and monitoring, vehicle safety training and compliance, takes minutes at Airport Authority meetings, and generates and disseminates meeting agendas.

Security Services

Contracted to Security Engineering, Inc. of Pensacola.

Responds to issues and maintains state of the art airport security system, gate operators, cameras, and software.

Airfield Electrical

Contracted to Moody's Lighting, Inc. of Bay Minette, AL.

Responds to Part 139 work orders on lighting inspections, maintains airfield lighting and guidance signs.

Airfield Grounds and Maintenance

Contracted to City of Gulf Shores Public Works Dept.

Mows airfield, maintains drainage, fencing, and buildings under reimbursable agreement.

ARFF Services

ARFF services are provided by the City as a component of the Airport Operations Plan. Under the requirements of the FAR Part 139 process, the Airport's Operating Manual requires one ARFF personnel to be on site 15 minutes before and after a qualifying flight. The Authority currently operates an Index A ARFF Vehicle. The Authority is working towards acquiring the necessary ARFF equipment to support ARFF Index C.

SECTION III – COMMERCIAL AIR SERVICE TERMINAL

Gulf Shores International Airport - Jack Edwards Field is in the process of converting from general aviation to FAR Part 139 commercial service. Some of the recent improvements made toward this effort are itemized below. In addition, the Airport has developed an airport certification manual, a Part 139 compatible emergency/contingency plan, a wildlife hazard assessment and is working with TSA to finalize its airport security plan and other requirements to enable passenger service.

Recent Airport Additions

- New JKA ATCT Facility
- Replacement of Taxiways “C”, “D”, and “E” lighting systems
- Re-marked all Runways and Taxiways to be 139 compliant
- Replaced Runway 9/27 runway lighting system and PCL
- Safety area improvements to RWY 9/27
- Purchase of new Index “A” ARFF apparatus, additional equipment available to meet all indexes
- Purchase of additional airport maintenance and inspections equipment

The Airport is currently eligible to receive AIP Entitlement Grants of \$150,000 annually under the non-primary designation. The Airport has been successful in obtaining additional Discretionary Grants in recent years for key capital projects. A summary of all recent AIP funded projects is included at Appendix 2. The Authority anticipates implementing a Passenger Facility Charge (PFC) once commercial passenger service commences at the Airport.

Airport Studies

JKA has conducted a number of studies and analysis in previous years. These include:

- A True Market / Leakage Study by Sixel from February 2017 – See Appendix 3
- ALP Narrative Report 2016 – See Appendix 4
 - Note this is provided for historical and informational purposes only. This document

anticipated the commercial passenger terminal would be built on the north side of the Airport, with possible cargo and GA sites on the south. This narrative report was based on the 2007 Master Plan and was a re-evaluation of current and future Airport needs at the time.

- Revised Airport Layout Drawing 12.21.20 – See Appendix 5
 - This shows a preliminary site identified several years ago for a passenger terminal (PB10) adjacent to the south apron, parking facilities, and future expansion to the east (PB11). Neither this specific location nor size is binding on respondents, who are encouraged to develop their own recommended site plans.
 - No development is currently planned at the site shown as PB9 west of the south apron.
 - This map shows the revised Airport property within the Business and Aviation Park that could be utilized for car parking and rental car facilities.
 - Commerce Drive is owned by the City. It is currently a two-way road but it is anticipated that this could become a one-way road as terminal activity increases to create a terminal loop.
 - It also shows the planned location of a new Airport access road from the east that would connect with a new bridge over Portage Creek and the Foley Beach Express
 - There are improvements planned for Airport access from the west at Gulf Shores Parkway, and from the south via an extension to E 27th Ave.
 - The improvements outside the property line would be funded by the City or ALDOT.
 - An agreement negotiated with the terminal operator would reflect the areas of the Airport required for the Project.
 - The Authority anticipates updating the ALP for the new terminal and possible ancillary projects in collaboration with a selected terminal operator. The Authority may also seek to undertake a Master Plan update in conjunction with the terminal operator to reflect the long-term vision for the Airport.
- Passenger Projection Report by BJSA from November 2021 – See Appendix 6
 - This Report is for informational purposes only and was developed for the Authority to evaluate the viability of the Project and support moving forward with this RFQ. Respondents should develop their own activity projections for the Gulf Shores market.

Current CIP

The current 5-yr CIP is included in Appendix 7, and includes a placeholder for a commercial terminal building. Respondents should develop their own cost estimates for the Project. Should a terminal operator be selected, private funding would be utilized for the terminal building and supporting infrastructure.

FAA Coordination

The FAA is supportive of the passenger terminal concept at the Airport. The Authority and the FAA have had several discussions regarding timing of the project, potential funding sources – including utilizing private sector funding, and environmental requirements. The Authority will continue frequent communications with the FAA on this critical project.

Environmental Analysis

The Authority is initiating an Environmental Assessment to cover a new terminal site plan and commencing Part 139 operations. The Authority will coordinate with the selected terminal operator to support any additional environmental analysis in advance of development. The selected terminal operator will be responsible for complying with all City, State, and community development requirements, including environmental considerations.

Commercial Airline Fuel

The current FBO operates three separate fuel facilities and annual throughput is more than 1m gallons. The terminal operator may choose to evaluate the construction and operation of a new fuel facility for commercial airlines.

Ground Handling

The terminal operator may choose to offer ground handling services to a commercial airline. Alternatively, an airline may elect to contract directly with local service providers to provide these services.

TSA Coordination

The Authority has initiated discussions with the TSA regarding passenger and baggage screening equipment and staffing for the Project. The Authority will fully support the engagement of the selected terminal operator with ongoing discussions as the Project advances to design, construction, and operation.

Local Permits and Approvals

The Airport is exempt from certain City planning and zoning requirements, but the Project would be subject to local fire marshal and building life safety approvals. The Authority will fully support and assist the terminal operator in securing the requisite approvals and certifications.

Baggage Services

There are several large property management firms that operate major condo developments in the Gulf Shores and Orange Beach areas. Respondents may wish to consider the provision of off-site baggage collection services and on-site processing capability for the new terminal.

Future ARFF and Law Enforcement Services

The Authority anticipates acquiring a new Index C truck in 2022 and building a new ARFF facility in 2023 with support from federal grants. Respondents should indicate whether they can provide trained and certified ARFF personnel, and the Authority may seek to include the provision of such services as part of the agreement.

It is anticipated that the City of Gulf Shores would provide law enforcement services at the terminal as required under an approved Airport Security Plan. These costs would be the responsibility of the terminal operator although the Authority would seek reimbursement for eligible law enforcement expenses from any applicable grants which may off-set these costs for the terminal operator.

Interim Terminal Facility

As the Authority has received interest from airlines desiring to commence passenger service in 2022,

the Authority is evaluating the viability of an interim passenger terminal for use until the new terminal is constructed.

It is anticipated that the interim terminal would be located on the apron, and incorporate portable and/or modular facilities. Vehicle parking would be accommodated either on the apron, at the existing parking lot immediately west of the apron, or at a newly constructed lot.

The Authority is working with the FAA, TSA, and others to identify the critical path items for the interim facility (including a release for a temporary concurrent use of the apron), and will coordinate the completion of the facility (if deemed viable) with the terminal operator after a selection has been made. The terminal operator would be responsible for the cost, installation, and operation of the interim facility, and respondents should consider the use of an interim facility in their Business Plan. The Authority aims to provide an update on the status of interim facility developments at the site visit and/or via addenda to this RFQ.

SECTION IV – ROLE OF THE AIRPORT AUTHORITY

The Airport Authority currently maintains a staff of two employees, and utilizes maintenance, construction, and service contracts to provide and deliver the majority of required services and facilities at the Airport. The Authority anticipates maintaining a similar role moving forward, by entering a combination of leases and agreements to further grow the Airport and achieve its goals. While the two Authority staff are not City employees, the City administers payroll and benefits for convenience.

The Authority intends to retain under its direct control the strategic and control functions listed below. The Authority may obtain support services for any of these functions by either working with the terminal operator or by using the Authority's own staff.

These retained functions include, but are not necessarily limited to, the following:

- The responsibilities and obligations of an Airport Sponsor
- Once obtained, maintaining a Part 139 Operating Certificate
- FAA/AIP Regulatory and Grant Assurance compliance
- Policy for issuance of debt in the Authority's name or which would encumber the Authority's assets
- Aeronautical rates and charges regulation
- Long-range planning
- Environmental mitigation policy
- Maintenance and operation of the airfield and all areas outside the terminal operator's leased premises
- Final terminal design concept approval

Compliance and Oversight

The Authority anticipates providing compliance and oversight of the terminal operator through the

terms of the agreement and applicable operating standards and performance goals. This will include reporting requirements and evaluation criteria to ensure the terminal facility and leased property are maintained in accordance with Authority, FAA, and community standards. The Authority would also review compliance with key lease terms including any revenue share calculations through audit rights, and any reporting and performance obligations that are handled by the terminal operator on behalf of the Authority.

Business Arrangements and Economic Development

The Authority is interested in improving the performance of the Airport as a community asset, with the realization that this may require capital investment, and evaluation of revenues and operating costs across various areas.

To provide opportunities for improved performance, the Authority is interested in economic development benefits that may result from ancillary projects in addition to the passenger terminal. Therefore, respondents should include in its Business Plan a description of ancillary projects that it would be interesting in pursuing.

The Authority is interested in lease-management arrangements and further development of Airport lands to grow both aeronautical and non-aeronautical activities at the Airport. The selected terminal operator may be able to assist the Authority in promoting and evaluating such development opportunities, or by participating themselves through further investment. Many developments within such leaseholds will require limited oversight or approvals by the Authority; however, the Authority will retain the right to veto major redevelopment that might significantly affect airport user charges, quality of service, or impact the Airport beyond the term of the lease.

The Authority will continue to procure services and capital projects in a cost-effective manner and will regularly evaluate providers and agreements. The terminal operator may be able to assist the Authority in reviewing existing and expiring agreements and evaluate improvement opportunities.

SECTION V – ROLE OF THE TERMINAL OPERATOR

The terminal operator will enter into and administer all agreements with terminal concessionaires, tenants and contractors, and ensure full compliance with the terms and conditions contained in such agreements and the agreement with the Authority. The terminal operator will ensure these agreements are carried out in a manner which is consistent with the proper operation of the Airport, the obligations of the Authority, and avoid or minimize disruption of existing Airport operations and services.

Authority Agreement Structure

The relationship between the terminal operator and the Authority will be determined through the final negotiation process once a preferred partner has been selected. However, the Authority believes the private sector may provide certain long-term benefits to the community and the Authority by funding, constructing, and operating the terminal without the need for the Authority or the City to provide significant financial support. As such, the Authority anticipates transferring much of the financial risk to the terminal operator by way of the following:

- The Authority would enter into a ground lease/concession for the terminal site that includes areas for ground transportation access, parking, rental car facilities, and for supporting commercial terminal operations and infrastructure.
- The terminal operator would be required to fund the interim terminal, new terminal, and site developments.
- The term would likely range from 20-40 years with possible options that may be based on near-term and future capital commitments.
- In return for this capital investment, the terminal operator would acquire the ability to impose and receive terminal related revenues such as airline terminal rents and fees, car parking and ground transportation fees, rental car payments and Customer Facility Charges (CFCs), terminal concessions and advertising, etc.
- The Authority would receive compensation from the terminal operator via ground rentals, concession fees, a negotiated % of revenues from the leased property, or a combination thereof.
- Given that no commercial service exists at the Airport today, the Authority cannot commit to

providing AIP primary entitlement or discretionary grants or PFC revenues to the new terminal construction. The Authority anticipates working with the FAA in the coming months to evaluate future funding possibilities, and the agreement negotiated with the preferred respondent **may** include the flexibility to utilize PFC and/or AIP funding in the future. Should AIP, PFC, or other Authority participation eventuate, there would be an appropriate adjustment to Authority compensation.

- To enable PFC/AIP to be utilized for the Project, a possible structure would be to treat any capital project costs as a concession fee paid by the terminal operator to the Authority, with the constructed assets being owned by the Authority. Any such arrangement would be included in the agreement and subject to FAA confirmation.
- The Authority anticipates taking steps to implement a PFC at the earliest opportunity.
- The terminal operator would be responsible for all operating expenses within the leased area and for any capital costs required to maintain existing facilities. (The Authority would retain responsibilities for operating and funding projects outside the leased area).
- The Authority may be willing to enter into additional ground leases (and/or % rent arrangements) for ancillary development with the terminal operator for projects that meet the long-term goals of the Airport and the local community.
- The Authority currently generates revenues from rental car operations at the GA terminal of approximately \$75,000 annually. It is anticipated that all rental car operations would combine under the oversight of the terminal operator. The Authority would therefore impose an additional rent/revenue share payment of at least equal to the revenue currently generated by the existing rental car operations.
- The terminal operator will be responsible for the Authority's transaction costs upon execution of an agreement including legal and consulting fees.

Airport Roles and Rate Setting

Subject to all Grant Assurances, the terminal operator will have the ability to set airlines rates and charges for the use of terminal facilities. It is the Authority's goal to provide facilities and services to the airlines at the least cost per passenger possible to enhance the Airport's ability to attract carriers

and provide the best possible service to the community. As the Authority will retain the right to set the landing fees imposed on passenger airlines, it is anticipated that there will be a collaborative approach to future capital planning and the timing of significant Airport and terminal development projects.

The Authority anticipates permitting the terminal operator to set non-aeronautical rates, fees, and charges at the terminal at market rates, including car parking, CFCs, transportation network companies (TNC) fees, and terminal concessions. The Authority requests respondents include their approach to rate setting in their Business Plan. For transparency to the public, the Authority will require that the terminal operator explain and justify proposed changes to non-aeronautical rates.

There may also be a shared role in the provision of certain functions at the Airport and rates and charges. The suggested roles follow with the party having the larger input listed first:

- **Security** – Airport Authority/Terminal operator
 - Provision made for required TSA, LEO (GS Police), and ARFF space
- **Terminal Space Rentals** – Terminal operator
 - All tenants and subtenants are subject to licenses and operating permits issued by Authority
- **Terminal Concessions** – Terminal operator
- **Terminal Maintenance/Janitorial** – Terminal operator
- **Landing fees** – Airport Authority
- **Gate/Holdroom Charges** – Terminal operator
- **Ground Handling operations** – TBD
- **Ground service equipment charges** – TBD
- **Aircraft Parking Charges** – Authority
- **Ground Transportation** – Rental car, shuttles, TNC, Taxi, - Terminal operator
- **Permits, Licenses, Rules & Regulations** – Authority
- **Passenger Terminal Car Parking** – Terminal operator

Maintenance and Repairs

The terminal operator will have full responsibility for all maintenance and repair of terminal facilities, not otherwise maintained by sub tenants. The terminal operator will maintain and repair (structurally and otherwise) in a good, workmanlike manner and/or enforce the obligations of any tenant to maintain or repair in such manner.

Planning, Rules, and Regulations

The terminal operator will be responsible for preparing and submitting a Tenant Security Plan in accordance with the Airport's TSA approved Airport Security Program. The Tenant Security Plan should include airline operating requirements consistent with TSA 1544.

The terminal operator will also be a party to and responsible for complying with the Airport Emergency Contingency Plan. This plan sets forth effective procedures, in conformity with applicable federal, state and local laws, rules and regulations, to be implemented at the Airport in the event of: aircraft crashes, incidents and/or accidents, both at the Airport and in the immediate vicinity, fires, hijacking, bombings, personal accidents, sudden illness, natural disasters or any other emergency which might affect or imperil the health, safety or security of persons or property or orderly and efficient airport operation. Any proposed revisions shall be submitted to the Authority as appropriate.

Any revisions which may become necessary will be reviewed and submitted to the Authority in a timely manner. The terminal operator will review such rules and regulations on an annual basis thereafter and submit proposed revisions as required to the Authority.

Reporting Requirements

The terminal operator will prepare and submit reports and statistical data as may reasonably be requested or required from time to time by the Authority and will assist in the preparation of all applications and requisite supporting documentation for all Federal and State grants for financial assistance in support of Airport development, planning, management, and operation.

In accordance with generally accepted accounting principles, the terminal operator will process terminal receipts and documents and prepare regular financial reports as required by the agreement

with the Authority.

Miscellaneous Services

The terminal operator shall employ a staff composed of qualified persons who shall perform their duties at the terminal. Sufficient staff shall be scheduled to provide necessary daily operational coverage contemplated by airline operations. The terminal operator may employ staff on a full-time, part-time or seasonal basis, as may be necessary to fulfill its obligations.

The terminal operator will attend meetings of the Authority and assist the Authority as requested in conducting Airport business. The terminal operator will confer with the Authority and attend meetings with officials and other persons as reasonably requested by the Authority to discuss matters relating to the terminal.

The terminal operator will cooperate with and assist the Authority in dealing with the FAA, and all federal, state and local agencies in all matters relating to the operation of the terminal. The terminal operator will use its best efforts to ensure that those utilizing the terminal as pilots or aircraft operators do so in the most noise conscious manner possible, and to operate consistent with safety and prudent aviation practices and procedures.

The terminal operator will maintain property and equipment records as prescribed by the Authority and assist in the preparation and maintenance of capital control inventories of all equipment, vehicles, machinery, tools and personal property situated at the terminal owned by the Authority and made available for the terminal operator's use, if any.

In the performance of all activities related to the operation of the terminal, the terminal operator will comply with all applicable federal and state requirements regarding affirmative action and the utilization of minority-owned, women-owned and disadvantaged business enterprises.

SECTION VI – RFQ RESPONSE REQUIREMENTS AND CONDITIONS

Respondent Details

For the purposes of this RFQ, respondent or terminal operator means a company, firm, or a consortium of individuals and/or companies formed to undertake the Project.

1. Provide the respondent's name and address, and the email and phone number for the respondent's primary point of contact for this project.
2. Summarize the anticipated roles of actual team members including those providing:
 - a. Terminal operation and maintenance services
 - b. Capital/financing
 - c. Planning/Construction
 - d. Legal, consulting, other services, if known

Experience – Terminal Construction

Provide a summary of a project or projects that contain similar attributes to the Project anticipated by the Authority. Include details such as terminal size, cost, construction duration, and the nature of the relationship with the airport sponsor or procurement method, e.g., contractor, lessee, DBB, DBFOM, etc. Demonstrate knowledge of working with Federal funding programs such as AIP and PFC, and procuring contractors for construction projects. Demonstrate the ability to deliver similar capital projects on schedule and budget and also the use of interim terminal facilities.

Experience – Terminal Operations

Provide a summary of a project or projects that contain similar attributes to the Project anticipated by the Authority, including any experience operating from interim terminal facilities. Include details such as a history of working with; the TSA and government agencies, airlines (including airline lease negotiations), concessionaires (including procurement), and growing terminal related revenues. Demonstrate an exceptional level of compliance for terminal operations, including Part 139 requirements, ACDBE programs, and required reporting, show how the quality of services being

provided under current or former agreements were enhanced, and how the airport owner/sponsor/governing body recognized your overall performance. Provide examples of cost savings initiatives and operational improvements implemented at managed facilities.

Client Citations and Contacts

Respondents must include client name, address, email, phone number, and contact person for at least three projects that the respondent lists in its qualifications. If applicable, please also include the contact information for the FAA for one of the included projects.

Resumes of Proposed Key Staff

Responses must include resumes of at least three proposed key staff, each of 1-2 pages. The resumes should describe previous projects relevant to the component or components that the key staff-person has participated in and their corporate qualifications.

Resumes must be for staff that will have a significant role in the ongoing management/operation of the Project, lead planning and development efforts, or be a key member of the team that would negotiate an agreement with the Authority. The Authority needs to understand which individuals will be the faces of the terminal operator's team for the months and years to come. The Authority desires to include a clause in the final agreement requiring approval of changes to key personnel.

Business Plan

1. **Traffic Projection** – include a 20-year projection of passenger traffic that drives other components of the Business Plan. State existing relationships with airlines, and respondents can choose to share details of any discussions they have had with airlines on potentially serving the Airport.
2. **Terminal Development** – describe what terminal facilities are contemplated under an interim terminal, new facility, and how future expansion could be accommodated under the projected growth pattern.
3. **Ancillary Development** – describe any other developments/investments that you may be interested in participating in outside the initial terminal site and where such projects have been

successful elsewhere.

4. **Indicative Capital Improvement Plan** – provide a high-level capital plan for the interim terminal, new terminal, supporting infrastructure, and ancillary development, including phasing and potential funding sources. The Capital Plan would only include areas covered by the terminal operator, and exclude runways, taxiways, and areas operated by the Authority.
5. **Management and Operations Plan** – provide details of the proposed approach to managing and maintaining the terminal and coordinating with the Authority. This should include a staffing plan, subcontractor plan, key roles and responsibilities, and a commitment to ensuring fairness, reasonableness, and non-discrimination with regards to terminal access, conditions of use, and rate setting. Demonstrate a commitment to preserving Airport safety and security and complying with all legislative, regulatory, and environmental requirements. Respondents can include examples of performance goals and/or existing operating standards as an Appendix to their response in addition to the stated page limits. An agreed set of performance goals and/or operating standards will be included in a final agreement.
6. **High-level proforma** – for an initial 20-year period, including total terminal operator revenues, terminal operator expenses, and capital expenditures.
7. **Financial Capacity** – demonstrate the ability to obtain financing for the Project and ancillary developments.

Page Limits

The response to this RFQ is subject to the following page limits.

- | | |
|-------------------------------------|---------------------------------------|
| 1. Respondent Details | 2 pages |
| 2. Terminal Construction Experience | 4 pages |
| 3. Terminal Operations Experience | 4 pages |
| 4. Client Citations and Contacts | 1 page |
| 5. Resumes of Proposed Staff | 2 pages each for up to four key staff |

6. Business Plan
 - a. Traffic Projection 2 pages
 - b. Interim Terminal Facility 2 pages
 - c. Terminal Development 4 pages
 - d. Ancillary Development 2 pages
 - e. Indicative terminal operator CIP 1 page
 - f. M & O Plan 4 pages
 - g. Proforma 2 pages
 - h. Financial Capacity 1 page
7. Appendices
 - a. Operating Standards n/a
 - b. Performance Goals n/a
 - c. Disclosures as required n/a

No Liability for Costs

The Authority and its advisors are not responsible for any costs or damages incurred by respondents, team members, subcontractors, or other interested parties in connection with the solicitation process, including but not limited to costs associated with preparing responses and participating in any conferences, site visits, interviews, or negotiations.

Termination / Modification Rights / Responsiveness

The Authority reserves the right to terminate or modify the RFQ at any stage of the process if the Authority determines such action to be in its best interest. The receipt of RFQ responses or other documents at any stage of the process will in no way obligate the Authority to enter into any contract of any kind with any party. The Authority is the sole judge of responsiveness and minor instances of non-compliance shall not exclude a respondent from being selected to enter into negotiations.

Authorization For Further Investigation

By submitting a response to the RFQ, each respondent specifically authorizes the Authority and its advisors to make any inquiry or investigation to verify the statements, documents, and information submitted in connection with the RFQ.

Confidentiality And Disclosure of Information

All materials submitted in response to or in connection with the RFQ shall become the property of the Authority. Respondents acknowledge that by submitting a response to this RFQ, the Authority may choose to adopt or implement any ideas, plans, or concepts submitted by unsuccessful respondents.

All responses are subject to the Alabama Open Records Law. Information submitted in response to the RFQ will be exempt from disclosure until the conclusion or termination of the solicitation and negotiation process. At the conclusion of the process, information may become public as required by law. However, responses to the RFQ may contain technical, financial background, airline planning information, or other data that could constitute a trade secret and may be exempt from public disclosure. Respondents who have a good faith belief that information submitted in their response is protected from disclosure under the Alabama Open Records Law shall:

1. Insert the following notice in the front of its response:
2. “NOTICE: The data on pages of this proposal identified by an asterisk (*) contains technical, financial, or airline planning information constituting trade secrets. The respondent requests that such information be used only for the evaluation of the proposal. If the Authority enters into an agreement with this respondent, the Authority shall have the right to use or disclose such information as provided in the agreement, unless otherwise obligated by law.”
3. Clearly identify the pages of the RFQ responses containing such information by typing in bold face on the top of each page “* THE INFORMATION CONTAINED ON THIS PAGE CONSTITUTES TRADE SECRETS AND RESPONDENT BELIEVES IT IS PROTECTED FROM DISCLOSURE UNDER ALABAMA’S OPEN RECORDS LAW.”

Disclosures

Respondents are required to state if any of the proposed equity partners, their affiliates, or parent companies have been subject to any criminal or civil claims related to their operation of, or investment in an airport. Respondents should also state whether any team members have been terminated from their role as an airport operator. (Non-renewal is not considered termination). While these disclosures will not result in an automatic disqualification, the Authority may seek to understand the circumstances of such claims or actions. Respondents and their team members should also disclose if they have any prior relationships with any Board members or the selection committee.

No Personal Liability

By submitting a response to this RFQ, respondents acknowledge that neither members of the Authority or its Board, nor agent or contractor thereof shall be charged personally with any liability by a respondent under any term or provision of the RFQ or any statements made herein or as part of the RFQ or selection process.

Exclusivity

Investors, operators, or construction partners that are part of the ownership group cannot be involved in more than one team responding to this RFQ. The Authority will not prohibit consultants or advisors (that do not have an ownership role) from participating on more than one team.

Civil Rights, DBE Requirements and Affirmative Action

The Authority, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that for any contract entered into pursuant to this procurement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.

As per 49 CFR Part 26, certain airport sponsors that receive AIP funds are required to have a Disadvantaged Business Enterprise (DBE) program on file with the FAA Office of Civil Rights. Any

selected terminal operator will work with the Authority as required to refine and implement the DBE program for contracts and concessions related to the terminal and support facilities.

To the extent the terminal operator procures construction work or other solicitations via a “Contractor” for AIP funded projects, the following language shall be included in any procurement with the minority participation % determined by the Authority as applicable.

1. The Offeror’s or Bidder’s attention is called to the “Equal Opportunity Clause” and the “Standard Federal Equal Employment Opportunity Construction Contract Specifications” set forth herein.
2. The goals and timetables for minority and female participation, expressed in percentage terms for the Contractor’s aggregate workforce in each trade on all construction work in the covered area, are as follows:

Timetables

- Goals for minority participation for each trade: [sponsor will provide the established goal]
- Goals for female participation in each trade: 6.9%

These goals are applicable to all of the Contractor’s construction work (whether or not it is Federal or federally assisted) performed in the covered area. If the Contractor performs construction work in a geographical area located outside of the covered area, it shall apply the goals established for such geographical area where the work is actually performed. With regard to this second area, the Contractor also is subject to the goals for both its federally involved and non-federally involved construction. The Contractor’s compliance with the Executive Order and the regulations in 41 CFR Part 60-4 shall be based on its implementation of the Equal Opportunity Clause, specific affirmative action obligations required by the specifications set forth in 41 CFR 60-4.3(a) and its efforts to meet the goals. The hours of minority and female

employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the Contractor shall make a good faith effort to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from Contractor to Contractor or from project to project for the sole purpose of meeting the Contractor's goals shall be a violation of the contract, the Executive Order and the regulations in 41 CFR Part 60-4. Compliance with the goals will be measured against the total work hours performed.

3. The Contractor shall provide written notification to the Director of the Office of Federal Contract Compliance Programs (OFCCP) within 10 working days of award of any construction subcontract in excess of \$10,000 at any tier for construction work under the contract resulting from this solicitation. The notification shall list the name, address, and telephone number of the subcontractor; employer identification number of the subcontractor; estimated dollar amount of the subcontract; estimated starting and completion dates of the subcontract; and the geographical area in which the subcontract is to be performed.

RFQ Responses

The due date for responses to this RFQ is January 14th at 4pm central time.

All questions relating to the RFQ and responses should be addressed to:

- Scott Fuller - sfuller@flyjka.com and
- Brett Simon – brett.simon@bjsainc.com

The Authority will provide any clarifying items as addenda via its website:

<https://www.flyjka.com/airport-business/#development>

The Selection Committee for the RFQ process will comprise Board members Dyken, Olmstead, and McKee, as well as the Airport Manager Scott Fuller, and Gulf Shores City Manager Steve Griffin. None of the Selection Committee members or the Board should be contacted as part of the RFQ process apart from the Airport Manager. Individuals or teams attempting to communicate with the Board or Selection Committee during the submittal preparation, evaluation, and/or selection process may face disqualification from further consideration.

Site Tours

The Authority anticipates hosting a site tour for interested respondents on Tuesday December 14th to visit the airside portion of the Airport and the proposed terminal site. There will also be brief presentations from local groups, including Gulf Shores and Orange Beach Tourism, Chamber of Commerce, OWA Resort, and the Mayor's office. Due to the size and availability of facilities, the Authority will only be able to accommodate up to 4 members of each respondent team. The Authority requests that respondents advise of their interest in the site visit and the size of the group by sending a RSVP by December 7th. These will not be individual respondent site tours, but conducted as a group that will involve members of more than one respondent team. The Authority will provide additional details of timing and location after receiving RSVP responses.

SECTION VII – EVALUATION CRITERIA

- Terminal construction experience 20%
- Terminal operations experience 20%
- Business plan including financial ability to fund the Project 30%
- The proposed team members, key staff, reference checks, level of interest/responsiveness, compliance with RFQ requirements, and overall team compatibility with the long-term goals of the Airport Authority 30%

After reviewing the RFQ responses, the Authority may elect to interview one or more of the respondents, and such interviews will be incorporated into the evaluation.

APPENDICES

- 2019-2021 P&L
- AIP Grant History
- True Market Leakage Study
- ALP Narrative Report
- Revised ALP Drawing 2020
- Passenger Activity Projection Report
- Current 5-yr CIP