

**REQUEST FOR QUALIFICATIONS**

**INFORMATION REQUEST #2**

Commercial Air Service Terminal Project

Airport Authority of the City of Gulf Shores



Supporting files related to the below can be obtained from:

<https://www.dropbox.com/sh/x16x36f1kj4svxb/AADVUwUFRAQxUnO81jRZhAKra?dl=0>

## **1. Airline Letters of Intent**

The Authority has received letters of intent from three Airlines.

- Elite Airways – Initially intended to operate out of the GA terminal with ~30 seat aircraft. However, due to plans to utilize larger aircraft, they would require a facility with full TSA screening capabilities. Two letters enclosed.
- Sun Country – Supported a Small Community Air Service Development Program (SCASDP) grant application in early 2021. Letter enclosed.
- Confidential Carrier – the third airline cannot be named at this time, but the Authority is discussing whether this could be shared upon respondents signing an NDA.

## **2. Fuel Farm**

The terminal operator would be able to either purchase (subject to negotiations with the FBO) or construct its own facilities at the Fuel Farm. GA aircraft would not be permitted on the commercial apron, therefore, fuel sales at the terminal site would be limited to commercial airlines only. Commercial airlines will have the option of purchasing fuel from either the terminal operator, or from the FBO, who will be permitted to have access to the commercial apron. The Authority charges a fuel flowage based on all fuel delivered to the Airport.

## **3. FBO**

Questions on the FBO including ground handling capabilities should be directed to Mitch Martin – 251-968-5200. [Mitch.martin@gulfaircenter.com](mailto:Mitch.martin@gulfaircenter.com)

## **4. Authority Financial Statements**

In addition to the 2019, 2020, and 2021 P&L, the Authority's 2019 and 2020 financial statements are available. The 2021 financial statements are still pending.

## **5. Environmental Assessment**

The Authority is currently completing an EA covering both introduction of commercial service under Part 139 as well as the new terminal. The Authority is anticipating an accelerated process given the proposed terminal site is planned on already disturbed land, and the introduction of commercial service is not expected to significantly add to the existing and projected noise contours. The Authority intends to provide updates to respondents as they are available.

## 6. Rental Car Agreements

The Authority has previously entered into agreements with Hertz (2009) and Enterprise (2013). These original agreements are renewed annually via an extension. The Authority anticipates working with the preferred respondent to amend/replace these agreements. Agreements and latest extensions attached.

## 7. City Lease

The 2008 Amended and Restated Lease, Assignment, and Operating Agreement between the City and the Authority (The City/Authority Lease), replaces the initial 1998 Lease, Assignment, and Operating Agreement (The Initial City/Authority Lease). The City/Authority Lease allows the Authority to “sublet the Airport Real Property or any part thereof, provided the Authority obtains the written ratification by the City of any such sublease...” (Article 1.10)

This clause is only to project the City’s long-term ownership of the asset and the City does not have the right to change the terms of any agreement the Authority has negotiated without Authority approval.

The City/Authority Lease requires the completion of Exhibit B for all sub-contracts, which covers indemnity, insurance, improvements, and acknowledges any sub-lease is subordinate to the City/Authority Lease. Note the Authority has elected to include these clauses in sub-leases in lieu of this Exhibit.

## 8. The Authority

The Airport Authority of the City of Gulf Shores is a body corporate under the law of Alabama, incorporated as a public corporation. The City Council approved the creation of the Authority, but it is not a department of the City. Copy of the Articles of Incorporation provided.

## 9. Pending Civil Claims

The RFQ asks for disclosure of any civil claims related to the operation of or investment in an airport. For clarity, this would exclude employee civil claims such as wrongful termination, alleged discrimination, compensation issues, etc. This disclosure seeks to understand any claims related to airport operational issues, safety or security concerns, or alleged breaches of agreements with airport owners or key stakeholders. The Authority requests details of any claims in the last 10 years.

## 10. Subcontractor Services

The Authority will not require the terminal operator to use existing airport subcontractors to provide services. The terminal operator can self-provide services where practical or select its own contractors for services covered under its lease.

## 11. Airport/Airline Rate Setting

As the Authority remains the sponsor, it needs to retain oversight of aeronautical charges to ensure compliance with Grant Assurances. The Authority would retain management of the Airfield area and set landing fees. The terminal operator would be responsible for setting airline rates for the use of terminal facilities, e.g. ticket counter and office space rents, hold room and baggage area fees, etc. so long as imposed in accordance with Grant Assurances, as applicable.

## 12. Ground Transportation

While the terminal operator will be able to set and impose fees for ground transportation providers, the Authority is required to issue permits for all businesses and service providers that require access to the Airport. The Authority does not charge a fee for these permits.

## 13. Customer Facility Charge/TNC Fees

The Authority is not aware of any state or local restrictions on the imposition of CFCs on rental cars. The below table shows the CFC level at nearby airports.

Airport	CFC daily rate
MOB	3.00
GPT	3.00
MGM	3.00
VPS	3.75
PNS	4.25
ECP	4.50
BHM	5.00
ATL	5.00
TLH	5.50
BTR	6.15
MSY	7.95
HSV*	9.00

\*Denotes one time fee not daily rate.

The Code of Alabama 1975, Section 32-7C covers transportation network companies and permits an airport to charge reasonable pickup fees at that airport, for use of the airport's facilities.

The below table shows a sample of nearby Lyft/Uber (TNC) fees.

<b>Airport</b>	<b>To</b>	<b>From</b>	<b>Net To/From</b>
MOB	-	1.00	1.00
GNV	-	1.00	1.00
BHM	-	1.00	1.00
SHV	-	1.00	1.00
DAB	-	1.50	1.50
MGM	-	1.50	1.50
HSV	1.00	1.00	2.00
AGS	-	2.00	2.00
PNS	-	2.50	2.50
ECP	-	2.50	2.50
TLH	-	2.50	2.50
JAX	-	2.50	2.50
GPT	-	3.00	3.00
EYW	-	3.00	3.00
ATL	-	3.85	3.85
MSY	-	4.00	4.00

#### **14. Transaction Costs**

The Authority has not yet determined a not to exceed number for these costs. The Authority does not want or anticipate an extended negotiation period and plans to be diligent in its use of external advisors. The Authority can discuss a possible cap or other arrangement with the preferred respondent.