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"The Big Bear Airport District provides Big Bear Valley with a safe, efficient and superior venue for aviation operations"

SPECIAL BOARD OF DIRECTORS MEETING

Big Bear Airport District

THURSDAY, JUNE 13, 2019

9:00 A.M.

A G E N D A

**Big Bear Airport
Terminal Building - West Wing Board Room
501 Valley Blvd.
Big Bear City, CA 92314**

**One Director Calling in from:
315 West Main Street
Charlottesville, Virginia 22903**

BOARD MEMBERS:

**Steven J. Castillo, President
Wesley Krause, Vice President
William W. Goddard
Marikay Lindstrom
Rick Seifert**

Unless you are a public safety official, please turn off your cell phone or place it on vibrate mode during the Meeting.

This Agenda is prepared and posted pursuant to the requirements of the California Government Code Section 54954.2, which is a portion of California's Open Meeting Law called the "Brown Act". The Agenda contains a brief, general description of each item of business to be discussed and/or transacted. Prior to acting on any Agenda item, the Board will consider public comments.

1. CALL TO ORDER

2. FLAG SALUTE

3. MISSION STATEMENT: The Big Bear Airport District serves the Big Bear Valley by providing a safe, efficient, and superior venue for aviation operations.

4. SPECIAL PRESENTATIONS AND PROCLAMATIONS

5. ROLL CALL AND INTRODUCTIONS

6. APPROVAL OF AGENDA

7. PUBLIC COMMENTS: A person wishing to comment on an Agenda item should raise his or her hand to be recognized by the President/Chair and move to the podium, at which time he or she has three (3) minutes to complete those comments, unless a longer time is granted. No speaker may allot his or her time to others.

7.1 Comments on Agenda items: Comments concerning matters on the Agenda will be heard at the time the matter is considered.

7.2 Comments on non-Agenda items: Comments concerning matters not on the Agenda will be heard during the Public Comment section of the Agenda. A speaker's comments should be within the subject matter jurisdiction of the Big Bear Airport District Board.

Please note that if you are addressing the Board on items not on the Agenda, the Brown Act does not allow Board discussion of such items because they are not on the Agenda and thus were not noticed publicly. Therefore, the Board may only do the following: refer the matter to staff, ask for additional information or request a report back, or give a very limited factual response. Your comments may be placed on the Agenda for future discussion. Non-Agenda comments are limited to a total of 15 minutes.

8. BUSINESS MATTERS – DISCUSSION AND POSSIBLE ACTION

8.1 Terminal Building Planning Workshop

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Board to review and discuss options to proceed with plans for a new Terminal Building.

8.2 Other Capital Improvement Projects

Board to review and discuss other capital improvement projects to give staff direction.

9. NEXT MEETING DATES:

Wednesday, July 10, 2019 at 4:00 P.M. – Regular Board of Directors Meeting

Location: Terminal Building – West Wing Board Room

10. ADJOURNMENT

CERTIFICATION: I, Diane Cartwright, Board Secretary of the Big Bear Airport District, do hereby certify that I posted a copy of the foregoing Agenda on May 23, 2019, at least 24 hours in advance of the Big Bear Airport Board of Directors Special Meeting (Government Code Section 54954.2).

Diane Cartwright

**Certified Board Secretary
Big Bear Airport District**

The Big Bear Airport District Board Meeting area is handicapped accessible. Persons with disabilities can receive this Agenda in an alternative format and should call the Airport Office at (909) 585-3219. Notification of 48 hours prior to the Meeting will enable the District to make arrangements to assure accessibility to the Meeting. The Agenda is available for review. Agenda items are posted on the District Website at www.flybigbear.com. If access to the Website is not available, copies may be obtained by calling the Airport Office.

Agenda Report



Date: June 13, 2019

To: Board of Directors

From: Jack Roberts, General Manager

Subject: Terminal Building

Background:

At the December 14, 2018 Special Board Meeting, the Board directed staff to stop improvements on the terminal building and explore construction options. At the March, 2019 Regular Meeting, staff presented the option to procure a building via the Sourcwell process and with BlueScope Steel as the winning bidder for the Sourcwell RFP process. Knight Building Systems is the BlueScope sub-contractor for our area and would be responsible for the project under BlueScope. John Knight provided a brief overview of pre-engineered steel buildings and possibilities for the District. John Knight presented a not-to-exceed cost for an 8,000 square foot building at approximately \$6M and to add an additional minimally finished 4,000 square feet (totaling 12,000 square feet) at approximately \$7M.

Both the 8,000 square feet and 12,000 square feet building costs exceed the District's current reserves. To complete the terminal building construction project, the District would require some sort of financing. Staff submitted a pre-application with the U.S. Department of Agriculture to seek funding for the project. Additionally, at the May 29, 2019 Special Board Meeting, the Board adopted a debt policy that includes the maximum debt obligation for the District not to exceed 50% of the 10-year average of annual contributions to designated reserves. That debt service ceiling opens the possibility to take on debt with an annual payment of approximately \$337,500. If the Board were to decide to move forward with the Sourcwell process a financing scenario might look like this:

Interest Rate – 4.25%

Term – 30 years

Annual Payment – \$240K

Remaining Debt Service for future projects - \$97.5K

The following are considerations for the construction process:

1. Construction Management

If the Board decides to move forward with a new building via an in-house RFP, it may be prudent to contract the services of a professional to manage the project. As a contractor working on behalf of

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the district, the Project Manager would bill time according to as much or as little work as we need him/her to perform. This form of contract labor is similar to our on-call service contracts. The District would pursue this type of contract by soliciting individuals to submit qualifications and we would select the individual with the desired skills and experience to manage the project.

With the Sourcewell process, the District gets contract management via the prime contractor and sub-contractor as the general contractor. Further, the District can (and should) put in place a provision for third-party quality control inspections. We had such a provision in the contract for the fuel farm and Twinings provided the quality control for the project.

2. Construction Contract

With an in-house RFP, the Board would approve and enter into a contract with the lowest responsible bidder after the space planning and site planning have been complete. After the contract is ratified, any changes come at a cost.

With the Sourcewell process, the district would enter into a contract with BlueScope steel that is inclusive of space planning and site planning. As the project has been proposed by BlueScope (via Knight Building Systems), the District pays the actual cost of each component of the project and the project management fee for each component. This means if the actual billed cost for electrical is below the estimated cost, then the savings stays with the District – not the prime or sub-contractors. Knight Building Systems is so confident in their estimate, they are guaranteeing a not-to-exceed cost for the build (with the exception of level of finish determined by the Board).

3. Site Plan

Site planning is the critical first stage of the construction process for the new building. The District would contract with a firm to conduct site planning – including determining San Bernardino County development requirements and applicable permits. Based on Board input, the site planning firm develops construction location options and coordinates those options with the county planning department. Depending on the site location of a new building, the location may drive the county to require varied site development requirements.

4. Space Planning

Space planning is the effort to determine the space needed for a building to accomplish the tasks and functions the District would like from a new building. For instance, the space planners would be able to tell us the required space for ADA compliant bathrooms and the number of stalls necessary to accommodate the capacity of the building. Additionally, the space planners would help us layout where in a building functions would go and what space is required – optimizing flow and reducing wasted space. Space planning often is conducted by the same firm that performs site planning for the district.

5. Design

Once the space planning and site planning work is complete, the design work begins to complete the manufacturing plan for the pre-engineered steel building and to detail the fit and finish of the building. The Board retains input during the design phase of the project to impact the final

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aesthetics of the building. This Board input is where there may be a price increase for the project depending upon the level of finish the Board directs for the building.

6. Environmental

Once a location and the size of a new building has been determined, it is necessary to complete state and federal environmental studies to start construction and update the Airport Layout Plan (ALP). Likely, the environmental studies will be a categorical exemption and a categorical exclusion – meaning no environmental impact.

7. Demolition

Three local contractors visited our building to provide an estimate for the demolition of the building. The walk-throughs were extensive with staff providing information about construction materials, location of noteworthy items like the grease trap and elevator pits. All three contractors and likely a fourth will bid on the project to demolish the current building. Based on the estimates, it is safe to estimate that bids to demolish the building will come in at \$575K or maybe a little lower. Additionally, one contractor indicated that once the demolition is approved by the county, the demolition project should take two weeks.

8. Temporary Building

If the Board decides to demolish the current building and build a new building in the same area, it will be necessary to house the administration in a temporary building. Staff would need to research options to lease or purchase temporary buildings and bring options back to the Board for approval. During the construction process, it will be necessary to conduct Board meetings at an alternate site within the Big Bear Airport District geographic boundaries (not necessarily on District property).

9. Funding

Staff is currently pursuing funding options with the USDA to fund a new terminal building. Staff will bring information to the Board with regard to the terms of the funding opportunity with USDA. If the terms are acceptable to the Board, staff will start the formal application process that requires Board approval. If the terms of the financing are not acceptable to the Board, staff will research any other options available for funding the project.

Financial Impact:

Up to \$7.6M to complete the terminal building and demolish the current terminal.

Recommendation:

1. Direct staff to start the process to demolish the current terminal building.
2. Direct staff to arrange for temporary office space during demolition and construction.
3. Direct staff to start the contract process with BlueScope Steel via Sourcewell for the Board to consider for approval.
4. Direct staff to present financing options for the Board to consider to fund the construction of the new terminal building.