



Tampa Bay Regional Collaboration Committee - Airports Roundtable Minutes

www.tbrpc.org

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June 18, 2012

11:30 a.m.

Committee Members Present:

Commissioner Larry Bustle, Chair
Commissioner Victor Crist, Vice Chair
Council Member Doreen DiPolito
Vice Mayor Bill Dodson
Mr. Robert Kersteen
Commissioner Jack Mariano
Council Member Janice Miller
Councilman Wengay Newton
Mr. Andy Nunez
Mr. Tim Schock
Ms. Barbara Sheen Todd

Committee Members Absent:

Commissioner Neil Brickfield
Mayor Bob Minning

Staff:

Manny Pumariega, Executive Director
Avera Wynne, Planning Director
Wren Krahl, Director of Administration/Public Information
Don Conn, TBRPC Legal Counsel

Others:

Carlos Beruff, Sarasota/Bradenton Airport
Darcy Foster, Director Government Affairs, HCAA
Noah Lagos, Executive Director, St. Pete/Clearwater Airport
Joe Lopano, Executive Director, Tampa International Airport
Rick Piccolo, Executive Director, Sarasota/Bradenton Airport
Commissioner Karen Seel, Pinellas County

The TBRCC meeting was called to order at 1:35 a.m. A quorum was present.

1. Approve the minutes from the May 14, 2012 meeting. (Kersteen/Mariano)
2. **Mission of the Regional Collaboration Committee - Chair Bustle**

The mission of the Regional Collaboration Committee (RCC) is to develop a process for assessing opportunities to collaborate on regional endeavors within the Tampa Bay area.

Anticipated outcomes is a *Findings and Recommendations Report*. The report will identify and recommend regional assets and activities that the committee determines could significantly benefit from improved regional collaboration. When feasible, specific steps to collaboration will be identified. Otherwise, the issue will be identified for action by the appropriate stakeholders. The report will be distributed to the Governor, Bay Area Legislative Delegation, local governments, and other appropriate stakeholders. The Committee will address issues in a roundtable format at a separate time from council meetings with Stakeholders, RCC members, interested council members, and interested parties in attendance. The six issues currently scheduled to be addressed by year end are: Seaports; Airports; Sports; Area Branding; Transportation; and Health Insurance. The ultimate goal of this committee is to improve the quality of life and services for the citizens of Tampa Bay by creating a more cooperative community.

3. **Presentations by Airport Directors:**

Noah Lagos, St. Petersburg/Clearwater Airport (PIE):

The airport was built as a WWII Military Training base. In 1947 it was given to Pinellas County to operate as the Airport Authority (Pinellas International). In the 1950s, tourism boomed which began the commercial service era. At that time the airport was renamed St.

Petersburg/Clearwater International Airport. Today the airport consists of 2000 total acres, ½ airfield and ½ is real estate outside the fence which consists of the airport business center, the criminal justice complex, restaurants, and hotels. PIE is a department of Pinellas County government. The enterprise fund is supported entirely by its own revenue sources. Funding is user fee based, no county, state, or federal tax subsidies. Economic Impact per FDOT 2010 is \$924 million/8,254 jobs. The airport completed a terminal renovation in 2010 funded almost entirely by grants from the Federal Aviation Administration and Florida Department of Transportation. In addition to the interior design a number of energy efficient infrastructure improvements were completed. The airport also exhibits a vibrant public art collection, many by current Florida artists. With the renovation project they added a signature entryway, a commissioned glass wall funded and selected by the airport and Pinellas County Public Art & Design Committee. The terminal is friendly and more convenient with expanded hold rooms, passenger loading bridges, comfortable seating, new cafes and more.

We have a history of a roller coaster ride of passenger service that has had its high ebb and its low ebb. It seems as though our destination continues to be a favorite with the leisure travelers that utilize the airport to over 25 cities in the U.S. and Canada, in which our airlines fly. Our primary carrier is Allegiant Airlines that serves over 20 cities in the U.S. We have Canadian service to two destinations, Toronto and Halifax or to the Maritimes. We do a variety of outreach efforts to talk with airlines that potentially could come into St. Pete/Clearwater. We go to marketing shows where we get 20 minutes to get before an airline to tell them why we are the greatest in the local area. We follow up with corporate offices. What we sell is the beaches, tourism and the fact that St. Pete/Clearwater International has some of the lowest costs to the airlines of any commercial service airport in the state of Florida.

Aviation operations at PIE are very diverse. About 5% are commercial passenger service and 1% are cargo operations. The vast majority, over 80%, are general and corporate aviation and an additional 10% in military operations. Our airport is home to the worlds busiest Coast Guard Air Station and most military aircraft operating are Coast Guard helicopters and planes in training or on missions. There is also an Army Reserve facility on site which operates Blackhawk

helicopters. The airport is a strong economic driver for Pinellas County with a number of aviation related businesses on site. PIE has two fixed-base operators that supply services to corporate, private, and commercial passenger air service. Corporate aviation is also served with fractional jet ownership business and aviation training is located on site for pilots and mechanics. We participate in our community through Chamber of Commerce involvement and presentations for education, civic, and community organizations. The airport has also hosted public events like the homecoming celebration of the Tampa Bay Rays before playing in the World Series, and WWII veteran honor flights to Washington DC with Allegiant Air. Visitors to the Tampa Bay area can learn more about this great destination by stopping by our visitor information booth. For the latest airport news, visit www.fly2pie.com.

For everybody who gets on a plane we get \$2.00. For everybody who buys a hot dog, gets a magazine, rents a car, we make about \$7.00 What's important about that is that it makes us attractive to the airlines. The fact that our costs are so low and historically they have been low. The economic impact is almost \$1 billion a year. We do about 130,000 operations a year. UPS did about 15,000 tons in 2009. Military is at 15% and general aviation is at about 79%. Passenger traffic represents 5%. PIE ranks 131st out of 403 primary commercial service U.S. airports. We operate in the shadow of Tampa International, under the radar. Joe Lopano runs the operations in Tampa. Sometimes the community forgets about us to some extent. When you are ranked 131st, you ask what does that really mean? It means that we are about on par with Allentown, PA and we do more business than cities like Toledo, Fort Wayne, Peoria and others. We have a place in commercial service aviation and we certainly have a place in the Tampa Bay region.

Major Project Completed - In 2006 the main runway was extended to 9730 feet to serve non-stop international flights. The target at that time were transatlantic flights from Germany, Switzerland, etc. Today another target would be South America, Mexico and other places. In 2010 the \$21 million Terminal Renovation was completed. We were fortunate that 97.5% was funded by grants, and the airport funded the rest of it. We have other projects that were completed in 2011/2012. The in-line bag system, parking lot improvements, ground transportation hub, Allegiant air service facility, Runway 4/22 rehabilitation and lighting.

What's coming up in 2013 is a new Terminal Design and Construction. We have also developed concepts for the future of a relocation for our cargo facility and we have concepts about the incremental growth of the terminal facility as we continue to grow passenger traffic.

One of the big things for the airport and for the region is the redevelopment of 127 acres. What's important about that is that there are only two large pieces of property available for development in Pinellas County. One is the old land fill and the other is Airco. We have money targeted for the beginning of a taxiway infrastructure at a cost of about \$4.2 million. We serve 28 non-stop destinations. Our passenger traffic has remained stable since 2008. Stability and incremental growth has been a constant for us. You can see the progression starting in 2011 of 833,068 passengers served. This year we will conservatively do about 850,000. Allegiant keeps growing and we believe in less than 24 months we will be at 1 million passengers, serving 25 cities for the winter schedule. That's important for support of tourism to serve small cities that may not have had the experience of enjoying our beaches or because of non-stop point to point service on Allegiant at low cost.

Allegiant is an interesting case study. They started operations in 2006 announcing 12 destinations and they are now serving 23. 90% of our passenger traffic is Allegiant. They have unbelievable growth factors. For those of you that don't know Allegiant, their stock sales are at the 2nd highest level of any airline that is reported in terms of money. St. Pete/Clearwater Airport serves as an incubator for emerging airlines. When Allegiant started they started with one plane they bought out of bankruptcy in Fresno, CA. They started building on a model of plane to plane service from small cities using one plane. They came to Tampa Bay and they came to us. They came to us because of our low rates and charges and because we offered them less than \$2 per plane passenger. Right now they are paying about \$1.62 based upon their volume. They also came to us because they wanted the Tampa Bay identify. The tag-line "Gateway to Tampa Bay" has become very popular. On our web site you will see Tampa Bay, and they wanted to service this area. They saw no direct competition. They fly non-stop to small cities and even to this day there is hardly a smidgeon of overlap between service with Tampa International Airport and St. Pete/Clearwater Airport.

An interesting thing to ponder is, will Allegiant fly to Tampa or SRQ today? If we went out of business, would they stay in the area? I made a case study that says I don't think they would because of who we are and what we are doing. They are totally cost driven. They don't necessarily want to be in the places where the big boys are unless there is a specific purpose. Of all the cities they serve in the state in Florida, the only large airport they serve is Fort Lauderdale, with limited service.

The focus of this meeting is destination, marketing and the Tampa Bay region. I think when we look at that Orlando is the common enemy. For St. Pete/Clearwater Airport the common enemy is Sanford, on one particular front. That don't honor Allegiant traffic and they also have a lot of charter traffic. Orlando International (MCO) has a very high level of domestic service but particularly a high level of international service. It's hard to compete at times with Orlando, it is such a big draw for people. One of the things that we are trying to do to change the paradigm is to make a shift in how travelers look at what are entryways to the region. The open draw trip is when people fly to Orlando, rent a car and drive to the Tampa Bay region. Their jaws would drop when they saw the beauty of this side of the state. The shift is to get them to start here, whether it's domestic or international travelers, and then take the side trip to see Disney or Universal. We are starting to see that happen, particularly on an international basis. It is the CVB's job to sell the destination. In Pinellas County that's exactly what the CVB does. Before this presentation was put together I talked with D.T. Minich, the director of our CVB, to find out if I was on the right course and he agreed that that is their goal. They not only sell St. Pete/Clearwater, Tampa International, they also sell Orlando International. Their goal is not to sell an airport. They support different airports and provide marketing. They will also put up money as an incentive. When we weren't an international carrier that's exactly what they did. They put up the same amount of money for Tampa International as they did for St. Pete/Clearwater. They also attend trade shows where they sell the destination. The diversity that we enjoy is a plus and we sell that destination.

I think there is an opportunity for collaboration, particularly as it relates to mass transit. We all know that in the coming years mass transit will be the key to the development of our region. We are all looking at mass transit with high hopes, for connectivity to the working class people, to attract new business. From an airport point of view I think it's a great thing to have mass transit

linked between all of the airports. The linkage between Tampa International and St. Pete/Clearwater International airports is particularly attractive. It allows the idea of diversity to take another step. For instance, if someone flies into St. Pete/Clearwater airport from a small city and wants to go someplace out west or internationally that is out of Tampa International, they could hop on the light rail and go to Tampa International and get on their plane. Or vice versa. My hope for the future is vested in mass transit. I know that's an initiative that we all collectively know that we need.

Thank you for the opportunity to speak about regionalism.

Questions & Comments:

Mr. Schock:

You mentioned in your growth that the opportunities here of mass transit and linking Hillsborough and Pinellas and some of the regional area together. You also laid out what your current business segmentation is where the vast majority is obviously in general aviation. It seems like the focus has been growth opportunities in commercial aviation. Where do you see your growth opportunities? Can you expand on that?

Mr. Lagos:

The first thing is that the percentage of operations doesn't mean the percentage of income. Commercial service accounts for about 40% of our revenue. It will always be an airport, as long as you have the military there, and for a very long time it will be an airport because of all the money that's been put in to it under the Federal Aviation Administration (FAA). Every dollar they put in has a 20 year lifetime. If anything changes you would have to repay that money. I think the future is a growing commercial service airport. I don't see it as an air cargo. UPS has limited operation and FedEx has a big operation across the Howard Franklin. I see it as an opportunity as the economy improves. What we see is that when times are good they are almost starved for airlines. I think we have the edge. I use the analogy of being an incubator airport, and we will continue to grow. Allegiant started with one plane and we don't know who the next Allegiant will be.

Commissioner Crist:

What is the bond rating of your airport?

Mr. Lagos:

We don't have a bond rating because we have no bonds. We have no debt. We have \$11 million in reserve and a "pay as you go" philosophy.

Commissioner Crist:

You mentioned the possibilities of connectivity and some form of mass transit between the two airports so you could have connecting flights. Initially could you see that being done with a direct bus line with PSTA having a terminal at your airport and HART could have a terminal at Tampa International and there could be a timely direct bus between the two that would run on a regular basis?

Mr. Lagos:

I'll give you my honest opinion that's based upon being a director of transportation in Fresno, CA where they have a bus

system. Bus Rapid Transit is certainly an alternative. One of the difficulties in all of this is getting the public to give up what they consider their right to drive a car and whether people accept the bus. I think it could be used, but it's a question of how it's marketed, what the facilities are, what's the draw? Light rail is a much better answer. I think people would find that a better alternative and they have experiences with light rail in other cities.

Commissioner Crist:

In Hillsborough we are looking to provide a people mover similar to what is existing at the Tampa airport. You mention that you have 120 acres of potential commercial development land and that you are going to use a section of that land to expand a runway. Looking at long term planning, 50 years from now, how much expandable opportunity do you have at your particular airport?

Mr. Lagos:

I think the way to look at that is solely through commercial service, leaving cargo out of it. Our terminal right now, during peak hours, can probably deal with 1.5 to 1.7 million before we start to grow again. We have that ability to continue to grow incrementally. That's the concept plan I talked about. I could never accommodate Southwest. We don't have enough land unless there was a tremendous amount of money spent on somehow building two terminals and a lot more infrastructure.

Commissioner Crist:

You mentioned the CVB. Do you receive any dollars from Tampa Bay & Company and Sarasota/Manatee's CVB? Have you ever approached them?

Mr. Lagos:

No. I had a chat with the former CEO of Tampa Bay & Company. I haven't talked with the new one. The only money we receive is from the CVB - the airlines receive it, the airport doesn't receive it. In the Allegiant deal we put out over \$1.5 million over 5 years to get Allegiant to come in. We also froze our rates and charges for 4 years and that's something I don't know if Tampa or Sarasota/Bradenton airports can do because of the nature of the airline agreements. To answer your question, half of the money over the 5 year term is put up by the CVB.

Commissioner Crist:

The reason I mentioned that is, going back to the basic destination marketing and looking at the strength of what each of the counties surrounding the bay have to offer collective - our airports, our ports, these are potential economic engines for everything. If Sarasota/Bradenton or St. Pete/Clearwater has a flight going somewhere that has greater visibility and opportunities than maybe Tampa International would have it would make sense that everyone is looking at making investments to help grow each and every opportunity a business could get. Have you done any tracking to see where your riders go when they leave the airport?

Mr. Lagos:

We have done some tracking but I wouldn't say that we have significant data. We have done several passenger studies and we basically have hired a firm to come in and interview passengers,

whether they are departing or arriving and ask them a series of questions. 18-20% of our overall traffic doesn't go to Pinellas County.

Commissioner Crist:

If they come into Hillsborough wouldn't it strengthen your argument for Tampa Bay & Company to give you some money?

Mr. Lagos:

It would. When I say 18-20%, actually it's going to Mr. Piccolo's area of Manatee County and the rest of it is divided between Hillsborough and Pinellas and as far as Pasco County and Lee County, we have also gone out to Gainesville. Yes, it would be a good conversation that I should have.

Commissioner Crist:

Pasco County has a few different industries that are strong tourism development engines in their county. It would be interesting to see where they are flying in from, whether it be St. Pete/Clearwater, Tampa International, Sarasota/Bradenton and where they are coming in from. Again, looking to try and acquire the resources to help you grow your business in Pinellas just as we need to grow Sarasota and Tampa I don't believe the economic development agencies in the bay area are truly capitalizing on all the assets we have - you being one of them. I think a stronger argument to be put forward was some collective research to show what your potential really could be with some extra marketing passion to markets you are trying to pursue or maintain. I know some of your county Commissioners, John Morroni being one, lives near the airport and I know his biggest beef is the noise factor. How significant of a concern is that? The surrounding community around the airport is only going to get more dense in a densely populated county, is that going to have a more significant and negative impact on your ability to grow?

Mr. Lagos:

I think as any airport grows, regardless of whether its us or if you increase the frequency of noise and the time of day that those carriers fly you get more complaints. People don't want to be woken up early in the morning or late at night. Some people just don't want to be bothered during the day. I understand that. We have worked real hard with the communities that lie in close proximity to the airport. When I first came we had a lot of noise controversy. I have a background working in noise and sound installations of berms and all kinds of things. My wife is an aviation noise consultant. We did two studies. One about noise and one about flight tracks. The bottom line is that I think the community saw that we were making an honest effort to try to analyze what was taking place and to see what we were allowed to do about it. The noise is not at the level it was and the planes aren't as noisy as they used to be. I think we have gotten credibility with the community, we installed a new arrival procedure that never existed before. We demonstrated that there was nothing more that we could do about the flight tracks in the sky and we hired the number one firm Jefferson to do the study. So basically what you are telling me is, yes there is an issue

Commissioner Crist:

there but you are trying to work it out.

Mr. Lagos: And we also have outreach programs. We have a fly friendly program for general aviation. We have a list of voluntary measures. We can't tell the airlines when they can come in, but we can strongly advise them what our community preferences are. And we do that, we write it into each of our agreements. We write it into our rules and regulations. Every chance we get we try to sell the message of being a good neighbor and be respectful and understanding as much as possible. In our discussion with Allegiant we said they need to be respectful as best as possible, understanding that you need to utilize your plane so much a day. As they grow it is hinged on the controversy from the surrounding communities and the county commission. There are several county commissioners that are particularly focused on noise because it affects their constituency.

Commissioner Crist: What two things could Tampa International Airport do better in working with you, and what two things could Sarasota/Bradenton Airport do better in working with you to strengthen the collective opportunity in this market?

Mr. Lagos: The facetious side of me would be for Tampa to give me a domestic airline and an international airline and I think that would be really magnanimous.

Commissioner Crist: What would you offer him in exchange?

Mr. Lagos: I'd offer him international and be happy with some more domestic traffic. I think there's a synergy between the three airports and I know Mr. Piccolo is going to talk about that, but we collaborate on a lot of different things. Not on air service particularly. In terms of being friends, we aren't aggressive between each other, we have a gentlemanly way of doing business. We collaborate on a number of issues related to our industry. One good example is the RNC (Republican National Convention). We do those kinds of things and we do it in good spirits. I don't know that we could do anything principally to help another airport except in what we do to sell the destination. As we sell the destination, everybody else benefits. One other comment is, Tampa International did a great job to get an A+. Is that good for the region? Yes. Am I happy that they got it? Very much so. I wish them every success. But if they succeed, you know what happens? I have a shot at the next one because our destination is being sold. If one (airport) becomes successful in a particular area it might open the door to another airport to be successful in either that kind of service. For example, an airline that used to be in Orlando and came over here and is making money and is successful. That pyridine has shifted so why don't you shift it over to my airport?

Council Member Miller: I would like to say one thing in defense of PIE as far as noise. Safety Harbor was complaining several years ago and they shifted some things over Oldsmar. I haven't heard a word from

Commissioner Seel:

anybody in Oldsmar and I've been in office for nine years. As one of the instigators of the noise studies and principal watchdog over this situation because we did have a community outcry, Mr. Lagos has done a phenomenal job of ratcheting this down. In reality a lot of our complaints are because of the UPS planes that land early in the morning and if you look to see where the flight paths are coming from, a lot of the flights for TIA are coming over Pinellas. We worked a balance and Mr. Lagos has a very good point of selling destination. That's where we need to bring our different city needs together.

Chair Bustle:

Leading toward collaboration, are there any problems that you share on the federal, state, or any other level? Air space, noise, take off patterns.

Mr. Lagos:

Actually, we all work together as individual airports that belong to at least three different trade organizations. Every business has their trade organizations. We have two on the national level and one on the state level. The state organization is called Florida Airports Council and it's the largest type of state aviation association. We all collaborate on a variety of issues, and not only Tampa, Sarasota and St. Pete/Clearwater, but all the airports in Florida. We have common problems and sometimes we find ourselves having problems that relate specifically more to one airport than the other but the rest of us rally around the flag and as long as it doesn't conflict with our own interest we provide encouragement. A good example is customs. There's an initiative right now that is being spearheaded by several airports to try to get with customs and discuss the problems. The three of us have customs issues. They are different issues but they are all melded into a platform of approaching customs with the problems that we have. That relates directly to our ability to increase the opportunity for international travel.

Chair Bustle:

You showed an interest when we started talking about encouraging people to find a destination in the Tampa Bay area as opposed to the Orlando area. It seems to me that this might be an area that we could look at in more detail. The CVBs from our respective regions could spend their money to bring more people to the Tampa Bay region thereby increasing the size of the pie instead of having the pieces all over and certainly in the future rail transit or something between here and Disney might be a factor, or even bus rapid transit or whatever. It would seem to me that there is an opportunity here to look at a better way to spend the money from the CVBs of each of those regions and get people to come to the airports and the three would share.

Mr. Lagos:

I feel an obligation to speak my mind and I hope that you will accept it in the good spirit that its given. The Sarasota Convention and Visitors Bureau has a specific purpose and that's to put heads and beds in Sarasota County. So it's difficult for them to want to take a regional approach if in fact what

happens is that those flyers end up on Lido or Longboat Key. Conversely, Pinellas County CVB's job is to put heads and beds in Pinellas County. That's why they scored so heavily at both of the Tampa Bay airports. I think the partnership you talked about between Tampa Bay & Company and the CVBs is a very positive partnership because they are looking for some of the same things - to bring people into the Tampa Bay region. I think the ability to continue to cultivate that partnership really is good for the development of our two airports. There was an international airline that was being courted by the three of us (airports). The CVB locally put money on the table for both Tampa and St. Pete/Clearwater, in the same amount. Rick Piccolo's airport and his CVB and others put a lot of money on the table. They found it hard to understand why we all didn't throw money into the pot and not care which airport they flew into. I tried to explain it to them and it was a little difficult. That is who we are and what we do and there isn't money that's going to be spent in one region to promote another as a final destination.

Mr. Lopano:

I think that Mr. Lagos illustrated one of the big issues when all three of us were trying to get the same flight. They ended up not coming here. We all had different offers and we all had different CVBs and what they said is that the group seems to be unable to join forces to market Florida's Gulf Coast as a single destination. Drawbacks are that European visitors tend to tour the area rather than focus on a single resort. When you are talking about Alabama maybe Sarasota is different. When you are talking about Europe, Sarasota is the Gulf Coast of Florida. That's what the people want. If they fly into Tampa they are one hour from Sarasota. If they fly into Tampa they are 15 minutes from the St. Pete/Clearwater Airport. These people are not interested in what city they want to go to, they are interested in getting to the Gulf Coast of Florida. A one hour drive between Tampa and Sarasota is not a long drive. We like to say that we are the Gulf Coast Gateway to the best place in Florida. Which means we are selling Sarasota because we know people flying into Tampa are going to wind up in hotels in Sarasota. We know that in Pinellas 35% of the people who stay in hotels rent their cars in Orlando. There's virtually no place else in the country that have four international airports within an hour of each other. There is some confusion on the part of the airlines. What we sold is, if you come into Tampa you are flying to Orlando, Sarasota, St. Petersburg, and Clearwater because we are the center. You can reach Orlando and Sarasota in a little over an hour. If you fly to this one destination you get four destinations.

Council Member Miller:
Mr. Lagos:

Why isn't there a regional CVB?
It's where the funding comes from. For instance, the Pinellas County CVB, their money comes from the bed tax in Pinellas

County and it's administered through the Tourist Development Council. I don't disagree with Mr. Lopano, the point about selling the destination is the beauty and we all do that. We all say the same thing, that we are the gateway to this entire area.

Rick Piccolo, Sarasota/Bradenton International Airport (SRQ):

I have worked in management at all three airports, three years at Tampa International, nine years at St. Pete/Clearwater International and I'm now at Sarasota/Bradenton. What I tried to do with my presentation was to answer the questions that were provided. The Sarasota Manatee Airport Authority is an independent special district created by the state legislature. We have a six member board, the governor appoints all of the board members - 3 from Manatee County and 3 from Sarasota County, and we have no taxing powers. We are totally dependent on our business operation. If business goes down we have to cut our budget. There is no safety measure. There is a difference between Tampa International, St. Pete/Clearwater and Sarasota/Bradenton in that Tampa can handle 18 million passengers. There is a different way we look at our business. Most airports are like mini-cities with their own Police, Fire, Public Works and Administration. We have over 125 full time employees. There are about 1800 employees at the airport itself and about 50 businesses that we support for our operation.

From a financial standpoint we have \$28 million in the bank in cash and investments, and about \$10 million of that is unrestricted. We have \$235 million in fixed assets. There is \$9.3 million remaining in debt that will be retired in August 2014 from the terminal being built in 1989. We have a pay as you go philosophy. Residual Signatory Airline Agreements guarantee the budget and require annual year end adjustments. In 2011 we refunded \$1,065,231 in surplus to the airlines. In seventeen years we have had only one year where we ran a deficit and that was right after 9/11. The deficit was \$800,000. We forgave the airlines and took that money out of our reserves. Every other year there has been a surplus. We have five signatory carriers: Delta, U.S. Air, JetBlue, Southwest/Air Tran, and United/Continental. Southwest and Continental until 2014 and Southwest has already announced they are pulling Air Tran out this August but they will still be paying about \$.5 million a year. Continental/United starting service will replace some of their Chicago market that was Southwest so they are coming back but for three years they haven't been here and they were paying us \$700,000 a year for the lease not to be here so it shows you the presence of our industry of what they are willing to pay not to be here. Our airport operations are totally self sufficient, and our annual market is about \$22 million.

In the last decade we made \$110 million facility investments for runway extension, taxiways, industrial park, security improvements, and terminal improvements. About 40% of our budget is debt service. Florida has wonderful airports from a consumer standpoint. We are going through a terminal renovation on our restrooms, terminal roof and the next stage will be the interior and ticket window and concourse. The terminal was opened in 1989 so it's about 25 years old. We will have the terminal totally renewed in a couple of years and at the same time retire our debt.

Using the same study that Mr. Lagos showed, we have about a \$966,936,000 annual economic impact with 11,487 jobs in the community. In the case of airports, you don't have any taxing power so you don't lose any of the taxpayers' money. I'll be happy to discuss how we collaborate from an airport standpoint because we contribute about 1.3 million passengers a year.

Air service history shows passenger traffic is not as volatile as St. Pete/Clearwater. We have had our ups and downs. In 2003 passenger traffic was down because of 9/11 and the recession.

We have stabilized around the 1,300,000 range for the last 3 years. Going forward we expect to see slow incremental growth. When you look at the airline industry it is a lot different. Think about the carriers we have now, Delta who bought Northwest, United who bought Continental, Southwest who has bought Air Tran, you have U.S. Air, American and they are talking about merging and JetBlue. You also have some of the smaller carriers. At the end of the day 6 major carriers that can fly anywhere in the United States or regions of the United States. When I started in this business a long time ago and there was 34-50 airlines. So for airports like Sarasota/Bradenton, St. Pete/Clearwater if you lost an airline you had 20 targets to go after. That doesn't exist anymore so if you loose an airline as we lost Southwest, that can be a very devastating impact. It makes the industry much different from an airport management standpoint and a competition standpoint than it was just 5-10 years ago. From an operations standpoint we have seen some rebounds, mostly from general aviation going down with the price of fuel going up and we are in the neighborhood of 120,000 operations per year. We don't have any cargo traffic at all. We have 3 fixed based operators instead of 2 and that provides about \$1 million in revenue a year. Again, like Mr. Lagos said, it's only about a 5% component. Our volume is really about 43% in airline fees and charges such as parking and airline related.

From a collaboration standpoint, we do a lot of that right now with Tampa and St. Pete/Clearwater and with airports across the country through organizations such as the Airports Council which is probably one of the most powerful and best trade association at a state level in the country. Also the American Association of Airport Executives which is a professional organization that also lobbies regulatory affairs. And the Airports Council International which covers not only airports in the U.S., Canada, the Caribbean and the regions of Latin America, Africa, Asia, the Pacific and Europe. It covers not just issues that affect us from a national standpoint but a lot of issues on an international standpoint. We collaborate on firefighter training. We collaborate on supply and stock if we are short on wire, we can call Tampa and vice versa. We also collaborate on major events. I have people from operations that sit on a task force for the RNC, the Super Bowl and things like that. Another collaborative issue are air service issues. I think that is one area where we need to peak. Competition is what built this country, and competition is what makes me work harder to try to offer facilities to our people that we think will service their needs. And yes, we go after airline service for the region. We work with our CVB who has an obligation to their community. I think it's very difficult to ask the director of the Sarasota CVB to support a flight to Tampa International. There would be some people who come down to Sarasota but if 1.2 million of my passengers go to TIA and I loose out on passenger fees. I don't think that's right because that's what competition is about. I will say that our CVBs do advertise both airports. If you are coming to the Sarasota/Bradenton Airport you are coming to the Tampa Bay region, and you can also get there through Tampa International and St. Pete/Clearwater Airports. Sarasota/Bradenton and St. Pete/Clearwater are small, their convenient, easy to get in and out of and they don't have the level of offerings that Tampa International has and there are more people utilizing their facility. It's probably one of the best airports in the world. That makes it all the much harder to compete with them.

We haven't had a lot of noise complaints, about two a month, and we literally sit right next to neighborhoods where we invested about \$50 million to those kinds of issues. We have pretty much taken care of that issue. We have about 30 flights a day, maybe one every 30 minutes on average.

Questions & Comments:

Chair Bustle:

If you are sitting in Germany or the UK or even the U.S. mid west, and

you don't know the region then maybe there is something that could be done to advertise what we have as a destination instead of angling in to the CVB again. I know that our CVB in Manatee County spends money in Germany, the U.K. and even Tampa Bay. Anybody that comes into this region is going to use one of the three airports. I think there is an avenue of approach that we could do better at.

Mr. Piccolo: I know that we partner with the CVBs in Sarasota and Manatee and go to travel shows in Germany and other locations. At times we work closely with other CVBs in this area. I can't answer for the CVBs, you would have to talk to them.

Council Member Miller: The CVBs, why isn't there a representative from each one here?

Chair Bustle: When we have the area branding roundtable then we will have them here.

Mr. Kersteen: What you pointed out is what I espoused in 2006 and that was a marriage between TIA and St. Pete/Clearwater International.

Mr. Piccolo: I don't know, you are asking me to answer for two jurisdictions. It's hard for me to answer for them. I will say that it depends on who is getting what and that is, if you are going to market it as one region then the question becomes, whether it's international flights or domestic flights, who will make the decision on deciding where that airline is going to go. Remember the airlines were deregulated in 1978 so you basically are going to ask them. Competition is the thing that has grown the industry. In 1978, a lot of people didn't fly because it was expensive there were about 171 million people a year. They deregulated in 1978 and by 1984 that had doubled, by 1994 it had tripled, and now it has quadrupled. You can make the argument that competition has served the industry very well. Frankly I don't think SRQ or PIE would exist if it wasn't for deregulation because they weren't a part of the destination. When I left Tampa International in 1987 they were doing about 8 million passengers a year. Now that has more than doubled. How you combat Disney and Universal, I don't think there is enough money in the state to combat that on a regular basis. Maybe mass transit would help but I don't know how many people would take mass transit unless it is all over like it is in Europe. We are talking about a system that would take 50 years to build and let's face it, the last couple of times we tried to do it, it was turned down.

Mr. Schock: I have a series of questions. Mr. Lagos gave us a percentage of the mix of travelers, what is the mix of business?

Mr. Piccolo: Ours is about 80% and the other 19% is commercial air service.

Mr. Schock: 20% commercial, that accounts for roughly 45% of your revenue. When Delta/United jumped to where Air Tran had flown, where were they flying from? Were they flying from their hub cities?

Mr. Piccolo: Mainly hub cities. You have U.S. Air from Charlotte and United from Chicago O'Hare. Ours is mostly hub flying and we don't have non-stop destinations.

Mr. Schock: So folks are flying on Delta from Atlanta to Sarasota. Why are they flying to Sarasota as opposed to, I'm assuming they are flying on smaller planes?

Mr. Piccolo: No, we have 757s and a different level of clientele. I think it's what we

sell and our customer is about 10 years older than any other airport. A person 75 years old doesn't want to take that long drive from Tampa because there is a certain level of trepidation of traveling. The second thing that happens is, to some degree we get a higher yield. We make a little more on each ticket because people are willing to pay for that level of convenience. The airlines have gotten better, they have consolidated more. You have seen the cost of tickets go up because of managing the supply everywhere throughout the system.

Mr. Schock:

So are most passengers staying in the Sarasota/Manatee area?

Mr. Piccolo:

I would say we get more traffic to TIA by people who live in our area that drive up there for a number of reasons. Most of the time it's for non-stop destinations. They will drive to TIA because they don't want to change planes in Atlanta, Charlotte or New York. We don't take traffic by and large from either Pinellas County or Hillsborough County. If they are going to drive, they will drive to Tampa. People who live in Sarasota County are closer to Fort Myers than TIA. We only loose about 2% because once a person decides to leave from our airport market, it makes sense for them to go to Tampa where there are more choices than there are in Fort Myers.

Mr. Schock:

With that said, what are your comparative advantages to St. Pete/Clearwater and Tampa?

Mr. Piccolo:

I don't look at it as a comparative. From a consumers point they have three great choices. It depends on what their needs are. We offer a better level of convenience for people who live nearby. Our walking distances are shorter and our clientele is older and they want to stay close to home. 1.3 million is where our equilibrium is in this market.

Mr. Schock:

Have you done a post mortem with Southwest? Why are they leaving?

Mr. Piccolo:

They are leaving because their own cost structure drove them out. Southwest Airlines is the most unionized airline in the country. Their cost structure, they have to use Southwest employees for all of the services (baggage handling, etc.) they can't use third party providers, which we have at the airport. Now, we have people who are higher paid that must be used on their flights and they have to do about 10-12 flights a day as a minimum to make that number work out because their cost structure is about 60% higher. They looked at our market and they thought our winter market might be able to support 10-12 flights, but not the rest of the year. They said they would loose a ton of money in the summertime and we have to stay 10-12 flights per day year round.

Mr. Schock:

So if you two are competing head to head, and you get to pick the weapon, how do you come out on top?

Mr. Piccolo:

I don't look at it that way. We're just the little guy on the side who is trying not to get killed. I concentrate on what I can. We try to be as convenient as possible. As nice looking as Tampa and St. Pete/Clearwater are, I think our airport is a lot prettier. It's more convenient in the sense of parking, easier because it's right there in front of the terminal. Our lines are shorter. We emphasize what we have to offer and we minimize our weaknesses of what we don't have to offer. I'll tell people, you don't need a non-stop flight to Philadelphia out of Tampa. You can go through a hub out of Sarasota/Bradenton, still get to

Commissioner Crist:

Philadelphia, and when you look at the danger of changing planes, well you have a danger of being in an accident on I-75 or on the Skyway or on the Howard Franklin. Whether they buy that or not, that is up to the consumer. Our carriers are happy, we're happy and so I don't look at it as a battle between the regions. Do we compete? Yes. These are my colleagues. We cooperate more than compete because the regulatory market and the legislative market is far more dangerous to us than anything we do on a competitive standpoint. It's friendly competition. I appreciate your frankness and directness, I like that. You answered quite a few of the questions that I would have asked. What I got from this is, while you are doing well and holding your own and are in the black, you're more of a preservationist. This is a regional board. There are 4 counties here with city representation as well. What we are trying to look for is what our resources are and how can we better utilize them to grow our economies collectively. I know there are people who fly into Tampa and go down to Sarasota. I have represented for almost 20 years a large resort close to you that I marketed Europe for them. I know some of those people came in from other cities around our country and flew in to Europe and some even flew into St. Pete's airport. To think that people stay in your hotel rooms and don't go to Busch Gardens in Hillsborough or go to the Dali Museum in St. Petersburg or Honeymoon Island in Pinellas County is not a realistic perspective. As a market, you want more people to come in and you are going to need more flights. You're going to need a stronger selling point to get them here. It's going to be a whole lot more than white sand on Sarasota's beach. They can get that in Pensacola. And with better surf. If you want to increase your flights, and you want to increase people coming into your airport, you're going to have to partner with the marketing of the region so that you have more to sell. A casino that the Seminoles run, Busch Gardens, Ybor City, downtown St. Petersburg. Just from a personal perspective, I have family in your county and every time they come into town they spend an afternoon and evening in St. Petersburg. Their favorite restaurants are there. In essence, what our job is, we are trying to look at what you have to offer and how can we capitalize on it. And if you can get people to fly in and stay on your beach, more power to you. Tampa Bay & Company in Hillsborough can get you money to help you do that. But I also want to be able to market to them opportunities to come visit what we have to offer here, in Hillsborough because I want to keep Busch Gardens alive. I want to keep Ybor City growing. And hopefully keep the museums we have downtown fed. Pinellas County and Pasco County will want to do theirs. What can Tampa International Airport and St. Pete/Clearwater Airport do to help you grow your business? I think this is the difference in questions. You're talking about CVB marketing. I know our CVBs do market Busch Gardens - these are all attractions they advertise. I don't see anything that Tampa International can do for me. Or what St. Pete/Clearwater can do for Sarasota/Bradenton Airport, or vice versa.

Mr. Piccolo:

Commissioner Crist:

You are wrong. Mr. Lagos hit that nail on the head. Every time any one of you penetrate a new market, it opens the door for any one of the

others.

Mr. Piccolo: I thought you said, what can they do directly. We compete, there's nothing wrong with that. It makes us all better, steps up our game of how we make our facilities as attractive as possible and manage them in a manner that makes them cost effective so you aren't going to the taxpayer asking for more money. What you are talking about is marketing which CVBs do.

Commissioner Crist: When someone gets off a flight at your airport, any of the open available visual space that you have, do you market venues outside of your particular county?

Mr. Piccolo: We allow the advertising company, which is the same advertising company that Tampa uses. They get to sell that advertising for Busch Gardens for example. They don't advertise at our airport. That doesn't mean that we prevent them from doing that. They just have to spend the money to do it, the same way they do at TIA. We are a free market and I welcome them, but they don't do it because for some reason Busch Gardens doesn't see that as a value. That's a private company making a marketing decision which I fully endorse because we try to act like a private entity.

Commissioner Crist: When you are marketing your airport, I know I serve on the TIA board and I've been after them for a year, in the advertisements that the Tampa Airport does it includes images and identities and branding of potential attractions in all five counties. Do you do that, and if not, why not?

Mr. Piccolo: We don't quite have the budget that Tampa has. We go with the CVBs to those international trade shows and their materials would be for the entire region. We simply show them what the airport has. We aren't going there alone, we are going with them. We don't put together an advertising package that has, for example, Busch Gardens and the Florida Aquarium because we don't have that kind of money.

Commissioner Crist: It seems if you are putting an ad out there to promote yourself and have additional images that are inclusive of the region doesn't cost you anymore. It sounds to me like isolationism and honestly when we are trying to grow this market and compete against Orlando and trying to compete against North Florida and South Florida we have to capitalize on the assets and attributes of each of our counties and cities in our market. If you have folks flying into your airport that means they aren't flying into the other two, they are here whether it be a short or extended period of time and it would just make more sense if they had more offered to them and it would certainly be a stronger pull to bring them and their friends back.

Mr. Piccolo: And you could very well be right. But that is actually a CVB function to advertise the area. To ask Sarasota/Bradenton to make sure that Tampa International has a better stake in competing with Orlando is not an area I see as one for the airport. I can see it as one for the CVBs to work together to try and market the region. I'm trying to figure out where the airport comes into that when 2/3s of my traffic goes through Tampa now. What more can I contribute?

Council Member Miller: I flew horses around the world for 20 years so I know a little bit about the airline industry. You said that deregulation grew your airports but

you also said that when someone leaves there are less and less airlines to draw from. How could deregulation have helped?

Mr. Piccolo: We now have nearly 750 million people a year flying. Before deregulation you had less than 200 million. It has grown as an industry. If you go back to the 70s and 60s when it was regulated it was not a person that had a family of four. That deregulation spurred that growth and at the same time the game rules changed. Airlines were losing money more and more as they kept flying more and I think what's happened over the last 5 years or so is that airlines have consolidated. They have a much higher fuel costs and they found that balance between supply, demand, and pricing that's allowing them to make money.

Council Member Miller: I'm not going to agree with you. I agree with Commissioner Crist that we ought to be doing the entire region.

Chair Bustle: We will get into that more when we are in the area of Branding.

Joe Lopano, Tampa International Airport (TIA):

We call ourselves the Gateway to the West Coast of Florida. We are the largest airport on the west coast and we can provide service to all of the great communities along the west coast.

Based on our enabling act of 1945 the law states that the economic validity and stability of the publicly owned or operated airports in the county is a matter of statewide importance. And the law also states that it is the policy to promote the development of commerce and tourism to secure to the people of the state the benefits of those activities conducted in the state. Our governance consists of five board members, one of whom is here today - Commissioner Crist, as ex-officio and Mayor Bob Buckhorn is also ex-officio, and three gubernatorial appointees. We are an independent special district and we do have taxing authority, we have never used it and don't intend to. We are strictly user based. If you use something at the airport you pay us and that's how we get our revenues.

Our passenger enplanements, at our peak we were at about 10 million passengers a year. There was a dip because of the national recession, real estate meltdown and the Gulf oil spill scare and it set us back nine years. That has changed our planning horizon and some of the things we thought we would be doing, including building a north terminal are now pushed back. We are currently in the middle of a master plan. We want to focus on international passengers. We are aggressive at this time to create more international flight opportunities for the community and for the entire west coast of Florida.

Aircraft operations follow a similar pattern, although as compared to my colleagues most of ours is commercial, very little is military or general aviation at TIA. We have a number of airlines that do cargo such as FedEx but we are way down by comparison of other airports in the country.

The airport generates \$178 million per year in revenues. Our parking revenues at \$52.1 million, airline revenues are \$50.2 million, we have a very competitive cost per plane passenger at about \$4.90. Our car rental revenues at \$32.5 million and we are the 7th largest car rental market in the country. Concessions are \$20 million. We do not take tax revenues from the city of Tampa, from the County or from the state. If your friends drop you off at the airport and walk through the terminal and you don't buy anything, it doesn't cost you anything.

We are doing very well this year so far. We have \$17.1 million profit so far this year and we are feeding our bottom line by 2.6 million. Cost per enplaned passenger was budgeted at \$5.14 but we are coming in at \$4.90. For the last 10 years we have had capital improvement programs of over \$1 billion, which have

been executed and drives the employment in our region significantly. This year, 2012, was supposed to be a year with not a lot of building but we are in for \$60 million increasing our international concourses and renovating our main terminal.

We have three runways, one is 11,000 feet and one is 8,300 feet and the crosswind is 7,000 feet. There are 59 gates, 200 flights a day - 71 from Southwest, 33 from Delta, etc. The number one carrier is Southwest however, we are very well served by all the airlines in the country. We have 74 destinations that we serve, 64 domestic. We are very well served to the east coast, pretty poorly served to the west coast and that's something that we are working on aggressively. We only have ten international destinations. That is the key problem for every one in this room. You ask me what are our common threads? The common thread is that we don't have international flights. That is where you can drive significant numbers. We need to come together as a group and figure out how we achieve this because someone else up the road has figured this out. A daily European service would provide an additional \$154 million worth of economic impact and create over 1,200 jobs for the Tampa Bay region. It's pretty important that we start getting these flights. Looking at Tampa, we have 24 weekly international frequencies. Orlando has 199. We are roughly the same size community, about 5 million people in our markets. Miami has 1300. We have been left out of this market. For years we just weren't aggressively going after this business. It may also be that we have splintered our efforts because we have the Tampa CVB, we have the Pinellas CVB and the Sarasota CVB not working together or putting all their money together whereas Orlando has one. And it's united by Disney. They have done a really good job telling everybody that Tampa just drives up the road and flies out of Orlando. I know this for a fact because when I worked at DFW I watched it happen. What I'm saying is that we have to reverse that trend. If we are going to fight about who is getting international and whose CVB and what bed they slept in, we are not going to win. I will tell you the Mighty Mouse is a big draw, but it's a draw once in your life. Most people only go there once. We do have a market. We are going to work with our CVBs and our counties together. When I made a presentation to the Pinellas Tourism and Development Corporation they agreed to pledge \$250,000 to Tampa. They know when international passengers flew nine hours from Zurich they are going to Pinellas. There's no way they aren't going to Pinellas. And they are going to Disney, Busch Gardens, and Sarasota because when you take a nine hour flight and you have 10,000 euros in your pocket, you're going to all these places. That's the reality of our market. What I would say to you is that this is a CVB issue more than an airport competition issue. I would say to Rick's point that he's the 7-11 and I'm Publix - the 7-11 though doesn't sell prime rib and shouldn't try to sell prime rib because people won't go in there to buy prime rib. Publix sells prime rib. And so TIA should be the one that sells international flights. If the Tampa CVB says to me, here's \$250,000 in incentives to go get a flight but since you are in Tampa you are only going to get \$250,000. Then Pinellas says to Noah I'll give you \$250,000 but you only sell Pinellas. Then Rick gets \$250,000 from Sarasota but he can only sell Sarasota. Orlando walks in and says I got \$750,000 incentives. If we put \$750,000 up and Noah got the flight, that's fine, or if Rick gets the flight. I can't tell them not to compete for the flight. That's not my purview. But I can tell you that if I had \$750,000 and I have my own incentive program and I have whatever the region can put together and I walk into an airline, I'll have their attention. That's one of the reasons why Condor said what they said, we are all fighting and saying different things and they don't get it.

Our catchment areas were analyzed. If you bought a ticket in this area we thought you were a Tampa passenger. 75% of the people who bought a ticket to South America did not fly out of Tampa. They went to a different airport. They went to Miami or Fort Lauderdale. The same for Central America, 64% of lost traffic. An interesting point is only 23% of the passengers boarded European flights at different airports. That's because we have a flight to London. When we have the flights, the passengers stay here.

We think our opportunities are Frankfurt and other European points, the Brazilian economy is doing great, Mexico City, Panama City, Bogota, Island Destinations in the Caribbean. When I say people are in this market and we should keep what's ours I will give you an example. One is, flights to Cuba. We have four flights a week to Cuba. Cuba is a restricted regime. You just can't go to Cuba if you feel like it. You have to meet certain criteria. The people who met that criteria before had to drive to Miami to get on a plane to Cuba. Now we have the flights in Tampa and they are full. That's not new passengers, those are people who were already in our community but had to drive somewhere else. Same thing is true with Puerto Rico. We used to have a single flight a day to Puerto Rico. It was on American Airlines and badly timed, early in the morning departure and late night arrival and it was expensive. Air Tran and Jet Blue came with two flights a day each, lower the fare to \$79.00. The flights went from 150 passengers a day in the market to over 500. That is from a family of five who would drive to Orlando for a \$79.00 fare. Instead of spending \$200 each here versus \$79.00 in Orlando, they will get in the car and drive.

We are working on passenger amenities. Restrooms have been modernized. We are installing baggage claim - visitor centers and we recently recruited a volunteer force of 140 who will man these. There will be four of the centers. New concessions have been added, A Wine Bar by Mise En Place at the main terminal, the Green Iguana-Airside A, Cigar Brewing Company-Airside C where we actually have the only brewed beer at any airport in the country and it's called the Tony Janus, Shula's Bar & Grill-Airside C, and the Columbia Café at Airside E to give people a flavor of what's happening in Tampa. We are installing bag claim monitors which are large displays that will be advertising our beaches and destinations and opportunities. They will be installed before the RNC.

Our master plan is done every 5-6 years and we are in the middle of updating the plan right now. We are evaluating our main terminal, international and airside terminals. We are getting to the point where our rental car facilities are maxing out. Those rental cars take so much space to store rental cars when people aren't renting them so we may look at a consolidated rental car facility on our south end. We are also looking at an intermodal center where we would take one of our similar technologies, our monorails, and go from our main terminal to the southern transit area where the rental car center would be and long-term parking, employee parking, and we will probably create gas stations, food, beverage, retail, and a small hotel in that area as well.

That is all I have. In order for us to take on what is happening in Orlando we would need to put everything we have together to magnify the impact. I will tell you that when TIA went the last time to Condor we offered them a \$25,000 incentive package. We now have an incentive package for international daily wide body of \$3 million. We are serious about driving this number up. We know that when people fly into Tampa they will visit the Gulf coast of Florida. And many Europeans own properties. They rent cars here. We put the incentive programs together, we have worked with the Pinellas CVB, we work with Tampa CVB we probably should work with the Sarasota CVB and pool all resources so when we walk in the door we have the best package.

Questions & Comments:

Commissioner Crist:

Good presentation. Do you get any resources from any of the other CVBs?

Mr. Lopano:

When we presented a deal recently we went with five community leaders, the airport, the Pinellas and Tampa CVBs, both Economic Developments and the Chambers. They all said they would do what they could and that is compelling. That doesn't happen in most communities. What we have done is reach out to Pinellas and will probably reach out

further because the entire west coast of Florida is a beneficiary of any international flight. I think we have affected some cooperative change but we could probably do more.

Commissioner Crist:

The other thing I heard you say was that you would like a little more cooperation from the other two and focus on international flights. What would you be willing to provide to them in exchange for that?

Mr. Lopano:

I'll give them two regional jets. I think the answer is that there is a tremendous amount of economic benefit when you get international flights. I think what I would ask is that you understand the regional approach of how we market this. Is Tampa probably the better gateway for international flights? Can the CVBs pool their money? If Tampa is willing to support Sarasota, then he should put that into his package. The only other choice is to say, we think Tampa is the place where the international flights should go. That is not a decision that I can advocate. They (Mr. Lagos and Mr. Piccolo) are driven by our own bosses who have given them their own direction.

Commissioner Crist:

Would you talk a little about some of the changes that are going to be taking place at TIA regarding incorporating a bay-wide identity with our image? All the new signage, posters, advertisements. How you are integrating the amenities and the virtues and the opportunities collectively for the region.

Mr. Lopano:

We are putting flat panel displays throughout the terminals, and baggage claim. Next year we will have them at the airside. We already have the fiberoptic networks to reach each of these displays. Basically we have a TV network. What we don't have is a program. The programming will come from all of you folks. We already have the programming from the Tampa folks. What we will be showing is what the latest feature is, whether it be the Dali Museum, the beaches, Tampa downtown museums.

Commissioner Crist:

The Ringling Museum?

Mr. Lopano:

Yes, those things will be displayed. We will also sell advertising. There may be a car ad also. The idea here is, people are coming in and maybe they will be in Tampa for a one day meeting and then they are flying out. They have no idea that 20 minutes away are the best beaches in the world. We want to make sure if you are here, and you are sitting down somewhere, we want to get a message in front of you.

Commissioner Crist:

Will these also include the current events that are going on whether it be a sand castle building contest on Treasure Island or a boat race down at Longboat Key and all the different opportunities that exist in this market?

Mr. Lopano:

Yes. It will have all of that.

Council Member DiPolito:

Sitting on the City Council of Clearwater and also on the City of Clearwater Regional Chamber I have a few questions. The first one will be, you mentioned in your presentation that there is an economic impact. Is there anything going on at the airport now that the BP claims have changed? I know there are a lot of hotels on the Gulf that are going after claims.

Mr. Lopano:

We have a claim in and I think it's a \$1 million claim. I'm not sure what the status is. It looks encouraging.

Council Member DiPolito: I actually own a construction company and I actually went to CRI, a firm in Clearwater which uses a large group of attorneys in Texas. Is that the same group you are using?

Mr. Lopano: I don't know the answer to that.

Council Member DiPolito: The second item is, I heard some conversation about perhaps some manufacturing facility being developed in and around the airport to help with increasing the job market.

Mr. Lopano: What we are trying to do is, on the east side of the airport there are two large hangars which used to be Delta and U.S. Airways. When they went through bankruptcy they gave those back to us. We were able to recruit a company called Pemco to take those hangars over. Pemco is a maintenance, repair and overhaul company. They are third party maintenance for commercial airliners. They have United wide bodies and Jet Blue that they work on. They fly the airplanes in, Pemco fixes them and then they fly them out. They employ 600 mechanics, airframe and power plant mechanics that make pretty good money. What we are trying to do is, they want to expand to a third hangar and we will probably get some money from the state to help them build it and that will be 300 more jobs. What they do when they do these checks is they take the landing gear off and send it out to be refurbished. They take all the seats out to be re-cushioned. What we want to do is create right behind the hangar another building where you have a landing gear shop, another building where you would have an interior shop. That way it would be much more efficient and you don't have to truck the items. We would also create more jobs. It also would become harder for them to leave TIA. That's a part of the strategy. The company Pemco went through bankruptcy and just recently was purchased by a company from Singapore, which is very well financed company. I talked to the CEO last week on a closing and he said he wants to grow the business and wants the third hangar.

Council Member DiPolito: Could that be something that could be shared with Mr. Lagos and Mr. Piccolo? I remember back when I was young doing some interior work on old cars and such and there was an upholstery shop there back then in the 70s. Could this perhaps be a part of the collaboration?

Mr. Lopano: When you think of everything we have, we have the largest full service station. We have the National Guard Reserve Center with Blackhawk helicopters at St. Pete/Clearwater. We have MacDill. From an aviation standpoint we have a lot of assets that could be cross-utilized. I would love to see if we get the new 767 tanker at MacDill to out-source that maintenance to Tampa International. They are working on 767s now, it's just the passenger version.

Ms. Todd: As I listened to each of you I heard a few of you mention the possibilities of transit. It personally frustrates me that the Tampa Bay area doesn't have a comprehensive multi-modal transit plan. You just can't have fixed rail or just buses. It needs to be conjoined. Would any of you, or all of you, sincerely support the development of some type of light rail system between the airports?

Mr. Lopano: I think that before we get rail we have to make buses work. And buses aren't working right now. What we do, we create bus products that no

one wants to buy. I live in downtown Tampa, I take the bus sometimes to the airport. It makes 20 stops and it's a 45 minutes ride. There's nothing wrong with it, it's just too slow. I've been asking for a non-stop bus from downtown Tampa to the airport. If that is full then you could probably say the next step is rail. And I want the same thing from downtown St. Pete to Tampa, non-stop. And I wouldn't mind the same thing from Sarasota to Tampa, non-stop. Or from the St. Pete/Clearwater airport, non-stop. The visitor modal station is going to come out of the ground if the master plan recommends it, we are going to build it. We are already inter-modal at TIA. If we extend the monorail down to the south end you can connect to anything you want. Now you could take a non-stop bus from downtown Tampa, get on a monorail and you are in the main terminal.

Ms. Todd:

We need buses. We need cars. But as they start the plans and new causeways, if you really want to have a comprehensive system we need to be thinking long term. Let's plan for some type of a light rail. Let's pick up on your idea with the buses as well. But frankly a lot of people just don't get excited about buses. But if they saw that there was a connection and you pay when you get off, if there are bus systems that are direct and that there are other ways to get around...look what happened in south Florida when the counties joined together for their transportation. Why should we be supporting, and Orlando really is competition, then what benefit is it to us to be pushing, taking people from here to Orlando. Maybe what you guys are saying and should be communicating back and forth between our cities or counties.

Commissioner Crist:

I know we have people here that are gubernatorial appointees that have the Governor's ear, but in looking at how he stroked the checks over the last 24 months down to Miami and Fort Lauderdale, I would be willing to bet that this is something he could have an interest in. All three of our airports could benefit from this.

3. Upcoming Meetings:

The Seaports Roundtable will be coming up sometime in August.

Meeting adjourned at 3:45 p.m.

Larry Bustle, Chair

Lori Denman, Admin. Assistant