

Town of Nantucket
NANTUCKET MEMORIAL AIRPORT
14 Airport Road
Nantucket Island, Massachusetts 02554

Thomas M. Rafter, Airport Manager
Phone: (508) 325-5300
Fax: (508) 325-5306



Commissioners
Daniel W. Drake, Chairman
Arthur D. Gasbarro, Vice Chair
Anthony G. Bouscaren
Andrea N. Planzer
Jeanette D. Topham

NANTUCKET MEMORIAL AIRPORT COMMISSION

LONG RANGE PLAN SUB-COMMITTEE

January 31, 2017

AGENDA

1. Announcements
 - a. This meeting is being audio Recorded
2. Review & Approve
 - a. Agenda
 - b. 9/28/16 Draft Long Range Plans Draft Minutes
3. Parking Access Revenue Control System Improvements Discussion
4. Public Comment
5. Adjourn

Nantucket Airport Administration Building

2nd Floor Conference Room

14 Airport Road

2:00 PM

Town of Nantucket
NANTUCKET MEMORIAL AIRPORT
14 Airport Road
Nantucket Island, Massachusetts 02554

Thomas M. Rafter, Airport Manager
Phone: (508) 325-5300
Fax: (508) 325-5306



Commissioners
Daniel W. Drake, Chairman
Arthur D. Gasbarro, Vice Chair
Anthony G. Bouscaren
Andrea N. Planzer
Jeanette D. Topham

DRAFT

AIRPORT COMMISSION
LONG RANGE PLAN SUB-COMMITTEE MEETING
September 28, 2016

The meeting was called to order at 9:00 Am by Chairman Daniel Drake with the following Commissioners present: Vice Chair Arthur Gasbarro, and Andrea Planzer.

The meeting took place in the 2nd floor Conference room at the Nantucket Memorial Airport, 14 Airport Rd., Nantucket, MA.

Airport employees present were: Thomas Rafter, Airport Manager, Janine Torres, Office Manager, Jamie Sandsbury, Business and Finance Manager, Robert Holdgate, Maintenance Personnel, John Dugan, Maintenance Personnel, and Mae Williams, Administrative Assistant.

Mr. Drake asked for comments on the Agenda. Hearing none, the Agenda was adopted.

Mr. Rafter announced the meeting was being audio recorded.

Parking Lot Improvements Discussion

Mr. Rafter reviewed the existing conditions and statistics of the current Parking Lot Operations that included:

- Reliability of current system
- Significant drop in revenue
- Significant manpower involved in keeping the system operational
- Significant expense of the chip coins due to loss
- Significant errors in the entrance lane and two exit lanes
- Percentage of customers using the parking lot due to free daily parking

Discussion between Staff and Committee reviewed ideas of how to best move forward with a Request for Proposal (RFP). Some alternative suggestions included:

- Design/Bid/Build
- Design/Build/Operate
- Design/Build/Operate/Maintain
- Partnership with Martha's Vineyard

Mr. Gasbarro suggested researching the 30B exemption regarding proprietary conclusion.

The Committee unanimously agreed that it was sensible to procure the service of a consultant to minimally evaluate the usage of the current system and then determine the best course of action for the Airport to pursue, that would enable the Airport to write a viable RFP. The RFP should include two alternatives as well as an Operating Plan. Mr. Rafter will do research and present his ideas to the Airport Commission at their next meeting, October 11, 2016.

Nobadeer Farm Road Development

Mr. Rafter reviewed the presentation that Tucker Holland, Town of Nantucket's Housing consultant, presented to the Board of Selectman on Wednesday, September 21, 2016, regarding the criteria for employee housing. Mr. Rafter requests Airport counsel and Federal Aviation Administration (FAA) counsel review restrictions that may or may not apply to the Airport. The appraisal and survey of the land has been ordered and Vicki Marsh of Kopelman & Paige, Town Counsel, has been instructed to de-register the land. Discussion continued regarding the options of how to best proceed with the project. It was recommended that the Board of Selectman be brought up to date on the urgency of the situation regarding the time line with the FAA.

Upcoming Capital Projects

Mr. Rafter reviewed the requirements of the Town's Capital Committee for the next 10 years of Capital Improvement Projects.

Public Comment

Dr. Howard Dickler requested the Transportation Security Administration (TSA) look into the possibility of installing a full body scanner to improve the effectiveness in the prescreen process.

Having no further business Mr. Gasbarro made a **Motion** to adjourn the meeting. **Second** by Ms. Planzer and **Passed** unanimously.

Meeting adjourned at 10:15 a.m.

Respectfully submitted by:

Mae R. Williams
Recorder

Master Documents
9/28/16 Agenda
Handout:
Capital Improvement review list for 2018 and 2019

Parking Management Program

Nantucket Memorial Airport

Executive Summary

The Nantucket Memorial Airport is a commercial service airport that is service year round by commuter airlines and in the peak summer months by national carriers. This causes a wide variation in the demand on airport facilities. To date, the public parking program has been a program that has relied primarily on permits and an overnight parking charges. The total revenue has declined over the past few years. The current parking program is being managed by Airport staff. Maintenance has become a significant burden as the equipment is aging and does not represent state of the art technology.

The Airport Management has contracted with Trillion Aviation to review the current situation and to develop an outline of a program that meeting the needs of the community and shifts the daily management of the parking program from staff to a third party contractor. The goals of the program are as follow:

1. Initiate a program that improves reliability and enhances customer service
2. Provide for a more balances year round approach for revenue generation
3. Shift the burden of maintaining the equipment to a third party contractor more well versed in administering such programs
4. Develop a rational fee structure that provides a fair return to the Airport
5. Develop an enforcement program that provides for the management of the respective parking areas at the Airport
6. Incorporate enforcement to employee, rental car, permit, and daily parking areas

The current industry “best practices” for parking management programs is trending for airports to shift away from airport staffed parking management programs to third party managed programs for the following reasons:

1. Parking management companies are designed to manage programs and have access to suppliers and maintenance networks to provide the specialized equipment and maintenance at more attractive prices.
2. Third parties have the systems and procedures to deal with the variety of issues associated with effective parking management programs.
3. Using a third party manager allows the program to adjust and respond to needs rather than have government positions that have limited flexibility for adjustment.
4. Third parties generally are lower cost because of the flexibility to set wages and benefit programs based on what is needed rather than having to conform to City/County employee requirements.
5. Outsourcing allows Airport employees to manage their core business- running an airport- most effectively.

The current revenue control system at the airport is a “token” system whereby the customer will obtain a token when entering the parking lot and put the token in the exit equipment when leaving. If the exit is before midnight there is no charge and if after midnight the daily charge is assessed and has to be paid pin order to release the exit arm. In addition, there are two (2) adjacent lots that have no access control and parking management is difficult. In the main lot, there are no controls between close in spots versus the

more remote spots causing the closer spots to be used by employees. In the off season, this is not as critical simply because the demand is low and there are sufficient close in spots to meet the customer needs.

The better managed programs tend to offer the following:

1. Designated close in short term parking with a higher rate in exchange for the convenience.
2. A long term rate that is a little cheaper than the short term rate because the stalls are not quite as convenient,
3. A front end loaded daily rate structure such that the daily rate is recovered for those that park for 4-6 hours.
4. A weekly rate that is a multiplier of the daily rate usually set as the equivalent of six (6) days.
5. A monthly rate that is a multiplier of the daily rate based on an equivalent if (5) days per weekly stay.
6. An annual rate that is prepaid. Usually this is set in the \$1,800-\$2,000 range and includes a designated position so that the customer has a known parking stall. There is a hang tag that is transferable that is included for enforcement. This is similar to the current pass system.
7. A corporate parking pass with similar characteristics. This could potentially be used in Nantucket by contractors and may also be a good use for either of the two remote lots.
8. Enforcement is set up to handle the primary parking, remote lots, rental car ready/return stalls, and employee parking.

After discussions with Airport management, there are a couple of options that can be pursued with regard to access control and enforcement for the proposed program. They include:

Traditional gate arm managed program

Under this program, gate arms and ticket spitters would be installed at entry points to all impacted lots. Credit card machines can be installed at either or both to allow for the faster processing of customers. Credit card in/credit card out systems have grown in popularity, although most still maintain an exit booth for a staffed position in case someone does not use credit cards. The booth is generally staffed for the majority of the flight day and staff takes daily vehicle inventories during off hours. Since there are gate arms controlling access, there is not typically enforcement required.

Advantages of this type program include:

- a) The most fail safe method to control access and egress.
- b) The most customer friendly because of the staffed booth.

Disadvantages include:

- a) Higher cost because of the regular staffing requirement.
- b) Dependence on equipment for access and egress control is problematic when breakdowns occur.
- c) Equipment costs tend to be higher.
- d) Lower ROI on limited volume remotes lots.
- e) Staff turnover and recurrent training requirement.

Parking station pay units without gate arm control

This has been a popular option for many commercial lots. Under this program, there are pay stations placed in the lot and there are no gate arms restricting access. All stalls are numbered and the customer pays at the station referencing the appropriate parking stall. The customer prepays for the anticipated time to park. There is an app that is available that can be used to extend parking if needed. Enforcement is ensuring that the occupied stalls are paid for in the system and is fairly continuous.

Advantages of this kind of program include:

- a) More flexible with regard to staffing for enforcement.
- b) Significantly less equipment and maintenance required.
- c) Technology is evolving making it more customer friendly.
- d) Simpler to administer

Disadvantages of this kind of program include:

- a) Not failsafe on enforcement so there is a potential for some loss.
- b) Customers have to go to the pay station rather than being able to pay from their car.

In defining a new program, it is difficult to anticipate all of the nuances of a program because of a lack of history. While it is “safe” to specify an equipment program discussions with two major providers has indicated that the pay station program may be a better application for this situation. Major factors that will impact this tendency include:

- a) The highly seasonal nature of demand and the inconsistency of support required.
- b) The availability of labor in the off season.
- c) The cost of maintenance and access to service representatives.

Therefore it was decided to pursue a performance based specification and have proposers define the program that they feel would best meet the needs of the Airport. Creativity and the probability of success will be significant factors in the RFP evaluation criteria.

ACK Parking Management Action Plan

1. Kick off meeting- January 10/11	Complete
2. Develop and distribute to staff basic terms for performance based specification	January 27
3. Develop preliminary rate structure and distribute for review	January 31
4. Develop basic RFP spec and sample contract for internal review	February 3
5. Advertise in AAAE newsletter (2 weeks)	Week Feb 6&13
6. Finalize RFP packet for distribution	February 10
7. Pre-bid on site meeting	March 2
8. Questions due from proposers/pre-bid	March 8
9. Responses to questions distributed	March 10
10. Proposals due	March 24
11. Complete evaluations and determined recommended provider	March 31
12. Finalize contract and recommendation to the Board	April 6
13. Board approval	April 11
13. Notice to proceed to selected vendor	April 12
14. Commencement date	TBD

From: [John DeCoster](#)
To: [Tom Rafter](#); [Jamie Sandsbury](#); [Janine Torres](#)
Cc: [Dan Benzon](#); [Garfield Eaton](#)
Subject: Draft Term Sheet and Rate Structure
Date: Tuesday, January 24, 2017 5:30:14 PM
Attachments: [RFP Term Sheet- version 1.docx](#)
[ACK Parking Management Action Plan- v3.docx](#)

Tom, Jamie, and Janine,

Attached is a draft of a term sheet to be used to define the program. Following our kick off, the following comments are offered as background:

1. I used the management fee approach as we had agreed to.
2. I tried to define what we are looking for with as many specifics as possible with the key subject areas.
3. Please verify the capital amount.
4. In looking at other proposals, I recommend that the Airport keep responsibility for the lot maintenance. I saw in some budgets that they rent vehicles or contract it out and it is a pass through. Since the maintenance is not related to the equipment and you are doing it now, it seemed like the most economical way to approach it.
5. I tried to define the staffing level as flexible as possible. It is not perfect and can lead to some loss of revenue but on an ROI basis, I think this is the right way to go. I really wanted to set this up so that it would be attractive to an island resident that needs flexibility on schedule or it could be staffed with multiple people which would be beneficial because the benefits would be cheaper.
6. I wrote this so that it should be able to be dropped into the RFP template and will provide the bulk of the intent of the program.
7. The rate structure is a blend of what you have today and a survey of the other area airports.

Please review and let me know your thoughts. Perhaps we can set a conference call in the next few days to talk through any issues or clarifications. I am following the schedule that I provided last week (copy attached).

Thanks
John

John DeCoster

Senior Consultant | Trillion Aviation
4301 W. William Cannon Drive | Suite B-150, #293
Austin, Texas 78749
(C) 763 234-1725 | (F) 877-239-7734 | www.trillionav.com

The information transmitted is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information by persons or entities other than the intended recipient is prohibited. If you received this in error, please contact the sender and delete the material from any computer.

Nantucket Memorial Airport
Parking Management Contract
Term Sheet

1. Term: the contract will be for a three (3) year term commencing May 1, 2017

2. Form of contract: Management fee contract. Proposers shall submit the proposed management fee for each year of the contract in the proposal.

3. Investment: The Airport will initially contribute up to \$200,000 for the purchase of equipment and associated improvements. All improvements required will be outlined by the successful proposer in their proposal and must be approved in writing by the Airport prior to authorization to purchase. The successful proposer will lead the procurement process on behalf of the Airport. The Operator will specify, solicit competitive proposals, evaluate, recommend, and procure the equipment and pay the vendor. The Airport will reimburse the Operator within thirty (30) calendar days upon receipt of approved invoices. All equipment and improvements will be owned by the Airport following reimbursement of the operator. In the event that an additional amount in excess of the Airport's contribution is required, the Airport may request that the operator fund that amount and amortize it on a straight line basis over a period agreed to by the parties. If the agreed to amortization period extends beyond the three (3) year term, the Airport will pay the operator the balance of the unamortized amount within thirty (30) days following the termination of the agreement. Proposers must outline their willingness to fund any excesses in their proposals.

4. Revenues: The Airport will set all parking rates and provide thirty (30) day notice to the operator prior to implementation. The Airport reserves the right to adjust rates during the Term of this agreement at its sole discretion. All revenues will be collected by the operator and deposited in an account established by the Airport. The operator will provide documentation of all transactions recorded and deposits made to the Airport at the time of each deposit. The reconciliation must include a summary of the transactions by hour by day and the corresponding deposits less authorized validations. Operator will be responsible for all variances,

5. Expenses: The Airport will be responsible for all authorized direct expenses related to the operation of the parking management program as well as any agreed to amortization of authorized capital investments funded by the operator- if any. Each fiscal year, at least sixty (60) days prior to the start of the fiscal year, operator shall prepare an itemized budget of all anticipated expenses and present to the Airport Manager for review and approval. Operator will be authorized to incur expenses not to exceed the approved budget without prior written approval by the Airport Manager. Any unauthorized exceedances will be the sole responsibility of the operator. Authorized expenses include the following:

1. Wages, overtime, and approved benefits
2. Bonus, if applicable
3. Insurances as required by Airport
4. Taxes for direct employees
5. Office supplies and ticket stock
6. Utilities
7. Maintenance on equipment

8. Communications devices
9. Authorized travel
10. Informational signage related to the parking operation
11. Rental of equipment
12. Computers and software
13. Internet access
14. Bank charges
15. Painting and striping not performed by Airport
16. Repairs and maintenance not performed by Airport
17. Uniforms
18. Permits and operating fees
19. Bookkeeping fees
20. Audit fees
21. Bond
22. Other expenses as submitted and approved by the Airport Manager

Unauthorized expenses include:

1. Any penalties or fines assessed
2. Corporate oversight
3. Meals and on island personal travel
4. Repair costs as a result of damage by operator
5. Housing allowance
6. Unapproved validations
7. Other charges that are not directly related to the operation of the program at ACK

Operator shall submit to the Airport a monthly statement of authorized expenses. Payment for authorized expenses will be made within thirty (30) days upon receipt of invoice. Airport reserves the right to contest line item expenses and withhold payment if not part of the approved budget. Any contested amount will be resolved through negotiation within fourteen (14) days upon written notice by the Airport of the contested item. Proposers shall include in their proposal a detailed first year budget to include one-time start-up costs as a separate element.

6. Equipment: The Airport desires to use technology to the greatest degree possible for the collection of all daily parking revenues. Annual permit/contractor/employee fees would be handled separately. The desired concept would be to place pay stations strategically in the parking lot and that customers would park in a numbered stall and make their payment at the pay station. Proposers shall identify potential locations in their proposal. The station(s) would record the stall number and the period paid and provide a report, upon demand, to allow for the enforcement monitoring of the stall use. The desire is to have a paperless system so that customers do not have to put slips on dashboards. The program will need to provide an app that allows customers to adjust their payment (added hours) remotely should plans change. Once a stall is paid for, there is no refund due if the customer does not stay for the length paid for. The software will need to account for all parking uses by length of stay on a daily and monthly basis and provide summary activity and financial information easily to the Airport. The equipment proposed should have a proven track record of performing reliably in an environment such as Nantucket that includes, heat, cold, rain, snow, ice, wind, and saltwater. The equipment shall be capable of handling credit cards and providing receipts.

Proposers should also identify what communication and wiring requirements will be required. Proposers are encouraged to propose the equipment and software that will best accomplish the requirements as outlined and a proposed delivery and installation schedule. Proposers should also address redundancy in the event that equipment is out of service. Proposers shall also identify the processing time required for each transaction in order to assess demand satisfaction during peak periods. The Airport will also entertain alternative proposals that operators feel may meet the performance desired by the Airport. The package should include two (2) monitoring computer stations and printers that will be placed in the terminal. All software required to perform the requirements outlined shall be detailed and included. Warranty information on all equipment and software should be included in the proposal.

7. Staffing and Support: Providing year round labor to support the parking program is expensive and difficult to maintain. Under the concept proposed, there would not be a requirement to staff a traditional exit booth on a continuous basis; rather staffing would be used to enforce parking payments for the designated stalls are being made and that the payments are corresponding to the length of payment. The operator may utilize full time or part time personnel, whichever presents the most stability and provides a reasonable schedule to ensure that the parking is generating the anticipated revenue. The staff would also be responsible for depositing receipts and providing the daily and monthly reports. In that the pay stations will not be staffed on a full time basis, the Airport requests a plan for in season and off season on how the pay stations and enforcement are accomplished. This should include a proposed schedule for each season and what duties would be performed, including frequency, during each.

8. Maintenance: The operator shall contract for all maintenance on the equipment associated with the parking facilities which is a reimbursable expense. The maintenance program shall identify whether there is preventative maintenance and will require response maintenance on a time and materials basis. Proposers shall identify an expected scope, price, and response time in their proposals. The maintenance should represent a “typical” program for an airport with the parking volume of ACK. Operator shall keep all supplies required for the pay stations in stock and service the equipment as required.

9. Parking Lot Maintenance: The Airport shall be responsible for providing all maintenance on the parking lot facilities, less equipment.

10. Parking Categories: Currently there is no differentiation of parking areas. Under the concept plan, the following categories would exist:

- a) Short term parking- these would be defined as the stalls closest to the terminal. It is desired that these have a higher tier parking cost assigned in the pay station. The areas would be signed with visible signage letting customers know what price range will be assigned to those stalls. A pay station would be required.
- b) General Parking- This would be the balance of the parking stalls in the primary lot. There would be one pricing structure for all stalls. Pay station(s) would be required.
- c) Corporate/Reserved Parking- These would be annual passes for spots located in the current employee lot and would be sold on an annual basis. These stalls would not require a pay station. Customers would be assigned specific stalls and a corresponding hang tag that would be placed on the rear view mirror. The operator would be responsible for periodic monitoring of the lot to ensure compliance.

- d) Employee Lot- This would be the balance of the existing employee lot (further out) and the lot to the east of the employee lot. No pay station would be required and hand tags would be the method of identification. Operator would be responsible for monitoring lot for compliance.
- e) Contractor Lot- This would be the lot next to the gas station. This would be a seasonal permit for contractors and would include a designated stall and a hang tag. No pay station would be required for this lot. Enforcement would be performed by the operator.
- f) ADD ALTERNATE- Fairgrounds Lot- This would be priced at the same level as general parking. A pay station would be required. Monitored would be provided by the operator.

11. Proposed Rate Structures

Short Term Parking

<i>0-2 Hours</i>	<i>Free</i>
<i>2-4 Hours</i>	<i>\$4.00</i>
<i>4-8 Hours</i>	<i>\$10.00</i>
<i>Greater than 8 Hours</i>	<i>\$14.00</i>
<i>Weekly</i>	<i>\$84.00</i>
<i>Monthly</i>	<i>\$280.00</i>

General Parking and Fairgrounds Lot (Add Alternate)

<i>0-4 Hours</i>	<i>\$4:00</i>
<i>4-8 Hours</i>	<i>\$8.00</i>
<i>Greater than 8 Hours</i>	<i>\$10.00</i>
<i>Weekly</i>	<i>\$60.00</i>
<i>Monthly</i>	<i>\$200.00</i>

Corporate Reserved- Annual

<i>Annual Fee</i>	<i>\$2,000.00</i>
-------------------	-------------------

Employee Lot (non-ACK Employees)

<i>Annual Fee</i>	<i>\$100.00</i>
<i>Monthly Fee</i>	<i>\$10.00</i>

Contractor Lot

<i>Annual Fee</i>	<i>\$1,000.00</i>
<i>6 Month Fee</i>	<i>\$700.00</i>