

Sioux Falls Regional Airport Authority

Special Session Board Meeting Minutes

June 9, 2022 at 2:00 p.m.

Members Present: Eric Ellefson, Dave Nelson, Kent Cutler

Members Present via phone: Lon Stroschein

Members Absent: Blake Curd

Staff Present: Dan Letellier, Richard King, and Kristin Elgersma.

Guests Present: Mark Wiederrich, Jack Braunagel-KLJ Engineers Dave Derry, Mike Ralsten-Henry Carlson Construction, Eric Hanson-HDR Engineers, Brad Greguson- SP Plus Parking.

Guests Present via phone: Mike Mahoney – KLJ Engineers, Jared Nesje- TSP Architects, John Taylor, Taylor Law Firm.

Chairman Stroschein called the meeting to order at 2:02 p.m.

1. Discussion and decision to award the construction of a parking structure - \$53,992,994.11 and skyway alternate- \$8,655,907.62 to Henry Carlson Construction.

Bids were opened on Tuesday, May 24th with two bidders, Peska and Henry Carlson Construction. Low bidder for the base bid (parking structure) was Henry Carlson Construction at \$53,992,994.11. Bids received were significantly higher than estimate, over 35% for the project. Higher labor and material prices certainly were a factor, but the post-tense method of construction with only one sub-contractor available was the principal reason for the higher bids. Several Board members inquired with Dave Derry, CEO of Henry Carlson Construction if waiting a year would bring better prices, especially for the post-tense segment of the project. Mr. Derry didn't feel that waiting a year would make much of a difference due to the expected volume of projects planned for the next few years.

Commissioner Cutler inquired with Mr. Derry and Mark Wiederrich with KLJ Engineers if utilizing a precast concrete method of construction would save on cost. Comments from both individuals were that the initial construction would provide some savings, but over the next 15 years the added annual maintenance and joint resealing would reduce those savings and make it a wash. They also added that the life expectancy of a post-tension building is close to 70 years with a precast structure being around 50 years. Commissioner Nelson added that the two construction methods were reviewed during the early design phase and the Board decided at that time to go with the post-tension method.

Director Letellier stated that the Board has reviewed and debated the merits and needs of a parking structure for the past eight years. Numerous studies, pre-design work and now formal design has been conducted and felt the Board had performed its due diligence in determining the need for future parking, location, size, type of structure and

timing of the build. And although the bids were much higher than planned, he recommended the Board move forward with an award of the base bid. Commissioner Nelson echoed those comments and that the Board has proceeded in a responsible manner, conducting numerous studies and analysis for a structure and agreed it was time to move forward. Director Letellier commented that the funding for the base bid could be accomplished using airport reserves based on future revenue and expense projections for the next four years mirroring the report completed by Eide Bailly earlier in the year. Chairman Stroschein stated that this is one of the most important decision the Board has been involved in for the past ten years and strongly believed that now is the time to move forward with the construction of the garage.

Dave Nelson moved and Eric Ellefson seconded a motion to award the based bid of the construction of a parking structure to Henry Carlson Construction in the amount of \$53,992,994.11. Motion carried on a vote of 4-0.

The Board then took up Alternate #1 which was the construction of a skyway connection between the parking structure and the terminal building. The bid price for alternate #1 with Henry Carlson came in at \$8,655,907.62. Director Letellier advised this additional work was again much higher than estimate and if the Board approved the alternate the Authority would have to secure a short-term loan for \$8-\$10 million to fund this portion of the project. Letellier recommended rejecting the alternate at this time due to the high base bid cost of the project with plans to add 3-4 years later. Chairman Stroschein and Commissioner Nelson both spoke in favor of the skyway connection and the increased use the connection would provide for the garage and the added safety of reducing the number of pedestrians crossing the street. Eric Ellefson moved and Dave Nelson seconded a motion to award Alternate #1 for a skyway connection to the new parking garage in the amount of \$8,655,907.62. Motion carried on a vote of 4-0.

The Board did have discussion on Alternates 2, 3 and 4 for the project but due to time constraints deferred a decision on approval until the June 23rd meeting. Alternate #2 would add a concrete color stain to the ceiling of the parking garage for \$537,000. Alternate #3 would replace the remaining surface lot pole lighting with LED fixtures for \$37,000 and Alternate #4 would provide a stall count lighting system in the amount of \$230,000.

2. Task Order with KLJ Engineers to design an expansion to the Economy Lot - \$124,869.41.

Task Order with KLJ Engineers to design an expansion of 350-400 spaces to the Economy Lot in the amount of \$124,869.41. This expansion will be necessary to provide enough long-term parking during the construction of the parking garage when up to 600 spaces may be unavailable due to the construction. Eric Ellefson moved and Kent Cutler seconded a motion to approve the design agreement pending award of the parking garage project. Motion Carried.

Kent Cutler moved to adjourn at 2:55 p.m., Eric Ellefson seconded. Motion Carried.

Date

Secretary

Next Board Meeting – June 23 at 12:00 noon.