BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

MEETING DATE: 6/15/05

DIVISION: COUNTY ADMINISTRATOR

BULK ITEM: YES

DEPARTMENT: AIRPORTS

STAFF CONTACT PERSON: Peter Horton

AGENDA ITEM WORDING: Approval of Purchase Service Order with URS for Proposed Terminal Bond Issuance for the Key West International Airport.

ITEM BACKGROUND: Scope of Services addresses tasks associated with Bond for construction of a new Terminal Building at the Key West International Airport.

PREVIOUS RELEVANT BOCC ACTION: Approval to submit Passenger Facility Charge Application # 7, 2/19/03, # 8, 10/15/03, #9, 8/1//04, and # 10, 4/20/05.

CONTRACT/AGREEMENT CHANGES: New agreement

STAFF RECOMMENDATION: Approval

TOTAL COST: $208,500.00

BUDGETED: Yes

COST TO AIRPORT: None
COST TO PFC: Unknown participation
COST TO COUNTY: None

SOURCE OF FUNDS: Bond, FAA, PFC Revenue

REVENUE PRODUCING: No

AMOUNT PER MONTH /YEAR: N/A

APPROVED BY: County Attorney X OMB/Purchasing N/A Risk Management N/A

AIRPORT DIRECTOR APPROVAL _____
Peter J. Horton

DOCUMENTATION: Included X

Not Required

AGENDA ITEM # _____

DISPOSITION: _____

/bev
APB

MONROE COUNTY BOARD OF COUNTY COMMISSIONERS

CONTRACT SUMMARY
Contract #

Contract with: URS

Effective Date: Execution
Expiration Date: 540 days

Contract Purpose/Description: Proposed Terminal Bond Issuance

Contract Manager: Bevette Moore (name) # 5195 (Ext.) Airports - Stop # 5 (Department/ Stop)

for BOCC meeting on: 6/15/05

Agenda Deadline: 5/31/05

CONTRACT COSTS

Total Dollar Value of Contract: 208,500.00
Budgeted? Yes
Grant: FAA pending
County Match: PFC revenue

Current Year Portion: ~ 50,000.00
Account Codes: pending FAA grant

ADDITIONAL COSTS

Estimated Ongoing Costs: n/a
(not included in dollar value above)

For: .
(eg. maintenance, utilities, janitorial, salaries, etc.)

CONTRACT REVIEW

	Date In	Changes Needed Yes	Changes Needed No	Reviewer	Date Out
Airports Director	5/25/05	( )	(X)	PJH Peter Horton	5/25/05
Risk Management	__/__/__	( )	( )	N/A per OMB for Risk Management	__/__/__
O.M.B./Purchasing	__/__/__	( )	( )	N/A Per OMB for OMB	__/__/__
County Attorney	5/23/05	( )	( )	[signature] County Attorney	5/23/05

Comments: _____

PURCHASE / SERVICE ORDER

FOR

MONROE COUNTY

To: URS

Purchase Service Order No. 04/05-1

Re: PSA Agreement, Dated 1-1-02

Resolution No. _____

Project Name: Key West Int'l – Proposed Terminal Bond Issuance

Description of Services:

(See attached Scope of Services)

Multiple of Direct Salaries _____

Lump Sum X

Reimbursable Expense _____

Days to Complete 540

Fee this Service Order $ 208,500.00

Payment for Services shall be in their entirety as per PSO.

Prepared by:

Milford A. Reisert

Date: 5-6-05

Recommended by:

Date: 5-19-05

Accepted by:

For: Carlos Garcia

Carlos Garcia

Date: May 6/2005

Approved by:

Date: _____

MONROE COUNTY ATTORNEY
APPROVED AS TO FORM:

PEDRO J. MERCADO
ASSISTANT COUNTY ATTORNEY

N:\URS\deidree\C502520.55\P003\P004\PSO-04-05-15.do

EXHIBIT A

SCOPE OF SERVICES
Report of the Airport Consultant
Monroe County Airport Revenue Bonds
Key West International Airport

TASK 1. Advise County on formation of Financing Team

We will work as necessary and requested in advising the County on and assisting the County in engaging the other members of the financing team.

TASK 2. Assemble Relevant Documentation

We will meet with County and Airport staff as necessary to physically define the 2005 Project, obtain historical information on the City of Key West, Monroe County, the Airport, the Airport's air and passenger operations, Airport financial operations and collect socioeconomic data relevant to our study.

TASK 3. Prepare and Assess Economic Profile of Air Service Area

We will determine the core market for air service at the Airport and review significant demographic and economic characteristics of the area driving demand for such air service ("Air Service Area") and we will analyze data relevant to said air service demand. This will be key to the ultimate development of the pro forma projection of cash flows at the Airport necessary to the test of financial feasibility.

TASK 4. Assess Historical Air Service Demand and Forecast Future Passenger Traffic

We will document the historical market for air service at the Airport by analyzing five years of passenger traffic and airline operational data at the Airport. We will consider relevant forecasts for future growth in air traffic and adopt our own forecasts of passenger traffic for the purposes of the Report. Understanding that the demand for air service at the Airport is driven primarily by leisure travelers and factors affecting leisure air service demand will be key to this assessment.

TASK 5. Evaluate Airport's Financial Performance

We will obtain and evaluate five years of actual historical Airport financial data and information and evaluate the extent to which the Airport has generated revenues sufficient to meet or exceed its annual operating and capital expenses. We will review audited financial statements of the Airport (as an Enterprise Fund of the County) for the last five years and compare significant financial measures and criteria with those of other comparable airports. An evaluation of the Airport's historical Passenger Facility Charge ("PFC") collections will be included to identify correlations of passenger enplanement activity and PFC revenues. We will prepare and publish

in the Report our assessment of the Airport's financial condition and its performance during the study period.

TASK 6. Analyze Airline Costs at the Airport

We will analyze and document the historical cost per passenger of Airport Operations and prepare an estimate of the additional airline revenues, if any, that will be required as a result of the 2005 Project and the Series 2005 Bonds. We will translate future Airport Fees and Charges into forecasted airline costs per enplaned passenger and compare the results with industry norms for comparable airports.

TASK 7. Advise in Tenant Affairs

We will advise the County and Airport Staff on tenant affairs issues with respect to implementation of the 2005 Project and their occupancy and use of the new terminal building. Potential key tenants/vendors would include airlines, rental car companies, parking management company, food and beverage operator, etc. Note: Due to the uncertain amount of time and expense necessary to perfect negotiations with third parties, actual lease/contract development and negotiations are not covered under this Scope of Services.

TASK 8. Forecast Airport Revenues, Expenses, Cash Flows and Coverage

We will prepare a detailed pro forma forecast of Airport cash flows after the date of beneficial occupancy (DBO) of the 2005 Project taking into account any existing debt service and debt service resulting from the Series 2005 Bonds. We will also prepare a pro forma schedule of future applications of revenue and calculate forecasted debt service coverage pursuant to the rate covenant in the Bond Indenture.

TASK 9. Analyze Sensitivity of Results to Changes in Air Traffic at the Airport

Because of the relationship of air traffic levels and PFCs and other revenues at the Airport, we will consider and report on likely modifications of cash flows and debt service coverage assuming a reduction of passenger air traffic at the Airport.

TASK 10. Prepare *Report of the Airport Consultant*

We will prepare our Report as the *Report of the Airport Consultant* in a manner suitable for inclusion in the Official Statement of the County with respect to the Series 2005 Bonds. The Report will include: (i) introduction; (ii) discussion and description of the Airport, its ownership and operation as well as its land area and facilities; (iii) discussion and description of the 2005 Project, its costs and phasing; (iv) Funding Plan and Bond Sources and Uses and the resulting annual and total bond debt service; (v) discussion on the Economic Profile of the Air Service Area and its potential to continue to support air service at the Airport; (vi) Air Traffic Analysis which details present and potential future factors which may affect air traffic at the Airport and the United States; (vii) forecast of future air traffic at the Airport; (viii) forecast of future Airport revenues and their sufficiency to pay the expenses of operating the Airport and the debt service

resulting from the issuance of the 2005 Bonds; (ix) Pro Forma cash flow projection which will detail forecast Airport revenues, operating and maintenance expenses and 2005 Bond debt service. Series 2005 Bond Debt service coverage will also be projected. We will also prepare a executive narrative of our analysis and state our opinion as to the financial feasibility of the County proceeding with the Project.

TASK 11. Participate in Financing Working Group Meetings and Conference Calls

We will participate in working group meetings of the Airport Staff, Underwriter, Bond Counsel, Underwriter's Counsel, and Financial Advisor to explain the facts, assumptions and analysis supporting our forecasts and opinion. We will require information from Bond Counsel as to the requirements of the Bond Indenture and from the Underwriter as to the bond sizing and resulting debt service and deposit requirements. We will also field questions concerning our Report pose by bond insurers and liquidity providers.

TASK 12. Participate in Rating Agency Presentations

We will assist Airport Staff, Underwriter, Bond Counsel, Underwriter's Counsel, and Financial Advisor in bond rating agency presentations to explain the facts, assumptions and analysis supporting our forecasts and opinion as to the financial feasibility of proceeding with the issuance of the 2005 Bonds. We would expect as many as three presentations in this task and assume that each would coincide with the working group meetings included in this Scope of Services the number of which is stated below.

TASK 13. Assist in Bond Closing

We will participate in and advise the County with respect to the issues and closing procedures involved in the sale or underwriting of the Series 2005 Bonds.