

**Airport Advisory Board Minutes
June 13, 2012, 5:30pm
Airport Administration Building
8807 Airport Boulevard
Leesburg, Florida**

Attendance: Lester Coggins
Alun Jones
Allen Dunlap
David Lewis
Clive Ure

Call to Order

Chairman David Lewis called the meeting to order at 5:32pm.

Chairman Lewis thanked City Manager (CM) Evans and Deputy City Manager (DCM) Drymon for the activity being seen on airport projects such as the fence line and taxiway work. It is exciting to see this activity.

Approval of Minutes from May 9, 2012 Meeting

Chairman Lewis asked if all members had read the minutes from the May 9, 2012 meeting.

Chairman Lewis made a motion to approve the minutes from May 9, 2012. Lester Coggins seconded the motion and it was approved unanimously.

Chairman Lewis asked Chuck Brainerd to give the invocation and lead the Pledge of Allegiance.

PowerPoint Presentation – Airports

Chairman Lewis said that due to technical difficulties, this PowerPoint presentation will be delayed to a future meeting. * The PowerPoint was not shown at this meeting.

Lease Agreement between the City of Leesburg and the Experimental Aircraft Association for 8701 Airport Blvd., Suite 103

Chairman Lewis said that Arnold Homes and Joes Hargis from the EAA have another meeting they must attend tonight. As a result, the item regarding the EAA lease will be moved up on the agenda.

Chairman Lewis moved to advise that the Airport Advisory Board recommends approval of the lease agreement with the EAA. Alun Jones seconded the motion and it was approved unanimously.

Review Priority List of Projects

Chairman Lewis said that rather than going over this list item by item (See Attachment A), he will open the discussion to questions from the audience. He noted that the list is

compiled as issues are told to the AAB members and items are removed when they are completed. It is not in priority order. Many of the items are pending a new Master Plan and funding.

Clive Ure said he will ask Brian Sapp if a copy of the list can be kept at SunAir Aviation for people to review.

Alun Jones noted that the relocation of the airport beacon needs to be added to the list.

Report on Master Plan Workshop

Chairman Lewis said a workshop for the Master Plan was held on Saturday. A presentation was made by Lisa Waters from Hanson Professional Services, the City's airport consultant. Justin Edwards from Hoyle Tanner also attended. Chairman Lewis said the entire Master Plan was reviewed at the workshop. There is no doubt that a new plan is needed.

Justin Edwards said it was a positive meeting. There were a lot of good ideas shared. Developing a Master Plan is like looking into a crystal ball with good science. Tying longer term leases to investment and other factors is the right direction. He said he has the name of an investor that Clive Ure may want to contact regarding hangars.

Chairman Lewis said the possibility of the City selling its t-hangars and utilizing that money for other projects was discussed.

Tim Shea of Avcon apologized for missing the workshop. He noted that Mary Soderstrum had made a presentation on Master Plans at the May airport meeting. The information she provided should be helpful to the Board.

Allen Dunlap asked if there is a criterion on t-hangars that requires a minimum number to be built, or could someone choose to only build one. CM Evans said that the City would most likely want the lease to be for a substantial number to encumber the land over a long period of time.

Chairman Lewis noted that due to the limited amount of property on the airport there will come a time when code enforcement will have to be done. Each site that is a non-aviation use will have to be addressed. There are probably 10 or 15 hangars on the airport now that do not have airplanes in them. CM Evans said this has been discussed and a decision was made that it was best brought up in the future. It is certainly a concern and can affect the City's funding. There is a Grant Assurance that requires hangars to be occupied for aviation uses. He has a PowerPoint from FAA and FDOT about this issue that he will show at a future meeting. There are also Standard Operating Procedures that deal with this matter that should be reviewed.

Project Update

DCM Drymon said Lisa Waters from Hanson Professional Services will provide the project update information.

Lisa Waters noted the following:

- The lighting project for taxiways A, K and old section of 13/31 is underway. The City Commission approved it Monday night. This project includes putting the wiring in conduit. The consultant is in the process of determining if the electrical vault must be upgraded to accommodate the additional load from this project.
- The fencing project is moving forward. Chairman Lewis asked if the gates on Airport Boulevard will be cantilever style. It was expressed at the previous AAB meeting that this is the type of gate preferred for these two locations. It was mentioned by Scott Brady that current gates might be relocated to these positions and also that a cost for the cantilever gate style needed to be determined. Lisa Waters said Scott Brady would be able to provide these answers, but unfortunately he was not able to attend tonight. Chairman Lewis reiterated that the cantilever style gate is the best type for these locations.
- The wetland mitigation project at the end of Taxiway A is ongoing with the contractor on the field. Lester Coggins asked if this is the project to move the dirt that is related to straightening out Taxiway A. Lisa Waters said that is correct.

Chairman Lewis asked about the low level ramp lighting. He noted the generator that was testing the lights has been removed. DCM Drymon said he was not aware the generator had been removed. He will have to check and report back to the AAB. Chairman Lewis asked who will check the lights at night to make sure they are adequate for pilots. CM Evans said they will engage the FBO in that process.

Dave Taisch said he is a tenant in Alun Jones's t-hangars. He asked if the fencing project will make it easier to get around the airport. Chairman Lewis said Airport Boulevard will be closed off. That will increase the area of the secure airside. You will be able to go through the new gates if you have an airport badge. This was discussed over several meetings. It will take time for everyone to get accustomed to this change. The new restrictions will affect the public, not airport operators. The police and fire departments will also be able to access the gates.

Alun Jones questioned the placement of the Airport Boulevard gates. Chairman Lewis said there are two reasons for this decision. First, the gates on the taxiways that cross Airport Boulevard regularly broke down. Second, the new fencing plan incorporates the additional land north of Airport Boulevard into the secure airside. Alun Jones said the plan was discussed, but it was done in such a way that it had to be approved in order to get the funding. With this design there is no way for the public to go all the way across Airport Boulevard. It is a big inconvenience. He believes there will be a lot of problems in the future. This also limits the area available for things such as the car shows that are mentioned on the project list discussed earlier. Chairman Lewis said most members of the public come for the FBO. They will need to learn which entrance to use. The pros and cons of this plan were discussed and the timing of the FDOT funding was a factor in the decision. The consensus of the board members is that there is no good plan, but this was the best answer.

Alun Jones noted that when the War Birds were here a gate had to be left open with someone attending it. Chairman Lewis said that for things like air shows there will be a way to secure the airside for that function. Security can be used to control access. Lester Coggins said the Airport Boulevard gates can be left open during public events with someone posted there to stop cars if an airplane is coming through.

Alun Jones said he is not convinced this is the only way to go. He is not suggesting that the project be stopped. He noted that a change order can be done if another idea is approved. Chairman Lewis said it will take about one year to complete this work. Once it is complete, it can be modified or changed as needed. He does not know any way to address these concerns at this time.

Lester Coggins asked if the FDOT funding for the project was approved. DCM Drymon said the City has received written confirmation that the money has been committed by FDOT.

New Business

Allen Dunlap asked who should be contacted regarding a maintenance need in the corporate block hangars. CM Evans said he should call DCM Drymon.

Chairman Lewis said he believes that progress has been made on renegotiating leases with some of the tenants. Jim Wilburth said that is not correct. They have already missed their deadline of June 1st. Now they have been told that an appraisal will take five more weeks. CM Evans said terms of lease negotiations need to be between the City and the lessee. He will say that in this instance the City has not received enough information to construct the lease. They can't put together a lease based on verbal information only. They must have some things in writing in order to develop lease terms. Kim Joynt said she will provide additional information to CM Evans tomorrow.

Clive Ure asked if CM Evans is still pursuing the point system he has spoken about at previous meetings. CM Evans said he is working on developing that methodology and at the same time he has tenants who need their leases renegotiated. The ideal situation would be to have a moratorium on lease negotiations until the point system plan is in place. However, that can't be done. He is doing his best to both address the Board's concern that a fair and equitable policy be developed and negotiate with tenants at the same time. He wants to bring a policy to the Board for their consideration and ultimately to the City Commission for their approval. Clive Ure said he understands both Jim Wilburth's frustration and the position CM Evans is in.

Chuck Brainerd said the airport needs economic recovery. He has talked to several tenants including Mr. Bogan, Lester Coggins, Larry Phillips and Brian Sapp. With short term leases it is hard to recoup an investment in a hangar. The FAA allows up to 50 year leases. The top people at FDOT told them they don't have a limit and referred to the FAA terms. He would like to propose that the AAB look at the possibility of that kind of long term lease. He met with CM Evans last Friday regarding their request for a new lease. They do not want an extension – they want a new lease. The City has asked for some more information from them. They had hired seven people in the last ten days and plan to hire seven more. They are proposing to start a helicopter 145 repair station. He wants to speak to the City Commission to discuss the lease issue. He believes more business will be drawn to the airport if longer leases are offered. He noted that the tax code requires that depreciation be taken over 39 years. A short term lease such as 20 years does not coincide with that.

Chairman Lewis said they have not really discussed this as a Board. His opinion is that a longer term will encourage greater investment. He believes everyone will agree with

whatever it takes to ensure the success of the airport.

Clive Ure said it seems that City can make a statement through the manager by granting longer leases to existing tenants. He would like to get someone to build t-hangars. He was on a waiting list at the Zephyr Hills airport for 14 years. An investment in t-hangars is a no brainer. If the City cannot afford to build them, a private investor should be considered.

Lester Coggins said he agrees with these opinions. A twenty year lease with a five year option does not match up with the IRS regulations for depreciation. Longer terms would be great. However, he is not sure what they can do today as a Board.

CM Evans said longer leases may be appropriate under certain circumstances, such as large monetary investments and job creation. These factors have to be present. In a long term lease, the market can outpace the lease rate. There is also the possibility of underutilization. There is more than one hangar on the airport now that is locked into a long-term lease and is doing nothing for the airport for commerce. With regard to Mr. Brainerd, they now have some information regarding their planned investment and job creation which favors a longer term lease.

CM Evans noted that there is a difference in lease negotiations between airside and non-airside (highway) properties. FAA and FDOT treat them totally differently. He said Jim Wikstrom from FDOT has advised DCM Drymon in writing that leases cannot be longer than 30 years. Chairman Lewis said they were told FDOT has no limit. CM Evans repeated that he has that information in writing. He understands there is apparently a conflict in information that has been provided to various people and he needs to get that answered.

Chairman Lewis said there may be cases where someone wants to sell the lease to a buyer who is willing to make a substantial investment. CM Evans said it could be possible to negotiate a longer lease in that case, but everything must be in writing. There would also have to be a claw back provision in the lease.

Chairman Lewis made a motion that the Airport Advisory Board recommend that the City consider the maximum term for leases as standard where it is appropriate based on the investment and the individuals and the circumstance of each one. He then asked to rescind that motion.

Chairman Lewis made a motion that the Airport Advisory Board asked the City to consider offering maximum term lease agreements when the investment justifies it. Clive Ure seconded the motion and it was approved unanimously.

CM Evans said that he will be bringing a lease policy to this Board. Mr. Brainerd seemed to be asking the Board to allow him to go directly to the City Commission regarding his lease request. The protocol is for the proposed lease agreement to come before this Board first. Lester Coggins agreed and said the City needs to bring the Brainerd lease to this Board so a recommendation can be made. The lease would then go to the City Commission. Chairman Lewis said he knows CM Evans is working towards the goal of longer term leases. CM Evans asked for confirmation that everyone agrees that the leases will come to the AAB first and then on to the City Commission with a recommendation from this Board and management. Chairman Lewis said that is

correct. He just wanted to clarify that the AAB agrees with the idea of long term leases. That way Brainerd and Bogan can go to the City Commission and say that the AAB is on board with the idea of longer term leases.

Joel Hargis asked for the status on the search for a new airport manager. CM Evans said he has taken a step back and is yielding to concerns expressed by some people that a full-time manager is not needed. He is still of the opinion that we will need someone full-time. In the interim, DCM Drymon is acting as interim so the workload can be assessed.

Arnold Holmes from the EAA thanked the Board for voting to recommend their hangar lease. He said he will be meeting with his board members tonight to solidify a fall fly-in, possibly for November. They will be soliciting ideas for the fly-in and determining what help they need from the City and the AAB. They are meeting with the Boy Scouts of Central Florida tonight to work on getting scouts involved in their programs with things like tours and Young Eagles activities.

BJ Kirby said he is from Citrus County. There are a lot of good things happening at this airport. People seem to be working together. He encouraged everyone to keep doing what they are doing.

Clive Ure said he had a conversation with an existing tenant who is interested in selling back the remaining years on their lease agreement. He asked if the City would be interested in this idea. CM Evans said it would only be considered if it was in the City's favor. That will probably not be the case, but he said to please encourage the tenant to speak to him.

Adjournment

Lester Coggins made a motion to adjourn the meeting. Chairman Lewis seconded the motion and it was approved unanimously. The meeting adjourned at 6:42pm.

Chairman

Secretary