

**Airport Advisory Board Minutes
August 22, 2012, 5:00pm
Airport Administration Building
8807 Airport Boulevard
Leesburg, Florida**

Attendance: Lester Coggins
David Lewis
Clive Ure

Call to Order

Chairman David Lewis called the meeting to order at 5:02pm.

Lester Coggins gave the invocation and led the Pledge of Allegiance.

Approval of Minutes from June 9, 2012 Master Plan Workshop

Chairman Lewis asked if all members had read the minutes from the June 9, 2012 workshop.

Lester Coggins made a motion to approve the minutes. Chairman Lewis seconded the motion and it was approved unanimously

Approval of Minutes from July 11, 2012 Meeting

Chairman Lewis asked if all members had read the minutes from the July 11, 2012 meeting.

Lester Coggins made a motion to approve the minutes. Chairman Lewis seconded the motion and it was approved unanimously

Report – SunAir Aviation on Status of the Part 141 school

Brian Sapp thanked everyone who helped with the process of their lease for this site. The school is doing well. They will be adding two more aircraft.

Chief Instructor Heather Jordan said all facility inspections are complete. They are in process with the aircraft inspections. The last step is her check rides in the aircraft. The first one is scheduled for Friday and they hope to have the 141 approved after that. They currently have six foreign students and hope this program will increase that number.

Clive Ure said he appreciates the flight school and having a 141 school is a great thing for SunAir Aviation and the airport.

Report from City Manager Jay Evans on the City Budget and Effect on the Airport

City Manager (CM) Evans said the City Commission has just concluded the budget workshops. It is another difficult year. This year was particularly hard because the Commission has to consider ad valorem increases and utility increases to fill a gap caused by revenue reductions and non-discretionary expenditure increases. There was also a problem related to the fleet leasing program and payments from utility departments that had

to be resolved. Also, the Commission advised they want to reopen the Sleepy Hollow sports complex which was closed last year to help balance the budget. That facility alone costs about \$300,000 annually to operate. In the past several years 85 positions were eliminated, the employee pension plan was frozen, vehicles were eliminated and other cuts were made in various departments and programs. There is really nothing simple or easy left to cut.

At the last budget meeting, after much debate, the majority of the Commission supported a split between raising property taxes and increasing utility rates to cover the shortfall. Two Commissioners were in opposition. The process is not over. There are two more hearings in September so things can still change.

In the airport there is one major project that is funded. It is the signage upgrade project construction phase. There is no other funding for capital projects for the airport next year. He and Deputy City Manager (DCM) Drymon have discussed the funding options developed from the gaming session held with FDOT dealing with the \$900K programmed for the ILS. They decided that later in the year when all of the information has been put together staff can go back to the Commission and ask them to find and approve additional funds that may be needed for the City's match.

CM Evans noted that the subject of the ILS came up at a recent Commission meeting. One commissioner expressed concern, thinking that staff and the Airport Advisory Board (AAB) were reprogramming the \$900K without discussing it with the Commission. CM Evans clarified for him that when a final recommendation is developed by the AAB it will be brought to the Commission for approval before anything is done.

Chairman Lewis asked why a commissioner is concerned about funding if the money is provided by FAA or FDOT. CM Evans said it is still the City's project regardless of where the funding comes from and the Commission makes the ultimate decision on what happens. The commissioner was concerned that a decision was made to forgo an ILS without input from the City Commission. Chairman Lewis asked if any progress has been made on the idea that some of the ILS funding could be used to update the Airport Layout Plan (ALP). CM Evans said DCM Drymon will go over that in the next agenda item.

CM Evans said the City Commission has asked staff to schedule a Joint Workshop with the AAB. Subjects to be discussed will include the roles and responsibilities of the AAB, the current and future direction of the AAB and the projects they are working on.

Chairman Lewis questioned asking the Commission for funding if it is provided by FAA and FDOT. Lester Coggins said the City has to provide matching funds for the grants. CM Evans said the City does not have the match budgeted for the \$900K that is programmed with FDOT for an ILS. It would be up to the City Commission to authorize funding from a source such as fund balance to pay for this.

Update from Deputy City Manager/Interim Airport Manager Doug Drymon

Report on reprogramming of FDOT 2013 and 2014 project funds

DCM Drymon said a gaming session was held in June with the FAA and FDOT. This meeting is held by FDOT with airport sponsors to layout the five year work plan for that facility. FDOT is currently in their fiscal year for 2012/2013. The City's 2012/13 fiscal year does not start until October.

In the FDOT FY 12/13 budget there is funding programmed for two projects at this airport. There is \$900K plus a match of \$227 for the ILS. There is also funding for the construction phase of the signage project. In FDOT FY 13/14 there is also funding planned for two projects. There is \$150K and \$30k matching funds for a helipad and \$320K plus \$64K matching funds for a terminal.

Chairman Lewis asked if the funds programmed for the terminal could be moved. DCM Drymon said that is possible. It must be noted that the FY 13/14 funds are programmed but will not be final until the FDOT FY 13/14 budget is actually approved by the Legislature next year.

DCM Drymon said it is getting close to the point when the City needs to actually apply for the grants and find the matching dollars for FY 13/14 projects. A request can be made to reprogram funding, but FDOT does not have to approve it. A project related to safety or something such as the ALP update that FDOT knows is needed will receive a higher priority for funding.

Lester Coggins asked how much funding is budgeted for the signage project. DCM Drymon said about \$350K is budgeted by FDOT for this project. The total cost of this project is estimated at \$1 million. It is hoped that the additional funds needed to complete the project in one phase will be provided by FAA. Jennifer Ganley from FAA has said she will try to get discretionary funding to cover this amount. If the money is not available from FAA, the project will have to be done in phases over several years.

Lester Coggins asked for clarification from CM Evans that the City has the matching funds for the signage project budgeted, but not the match for the ILS project. CM Evans said that is correct. Lester Coggins said the Commission is looking at the \$900K that FDOT has budgeted for the ILS and anticipating that an ILS will be installed, even though the local match is not budgeted. CM Evans said that was the opinion of at least one commissioner and the subject of the ILS was discussed. He noted that based on discussion from past meetings there seems to be a consensus among the AAB and others that a full ILS is not the way to go. That perhaps only a localizer is needed. DCM Drymon said the cost for a full ILS is estimated at \$3.5 million.

DCM Drymon said previous discussions with this Board have indicated that a full ILS was not needed and that GPS is better. However, since then, discussions with our engineer have brought up the point that an ILS has the potential to increase traffic at the airport. That needs to be considered when reprogramming ILS funding is considered. Many aircraft still use ILS as a navigational aid. The dropping traffic count at the airport is becoming a concern. If it continues to drop the funding to operate the tower could be affected. Lester Coggins said that an ILS is a big benefit for flight schools.

Chairman Lewis said if installing a partial ILS is very expensive and it only gains 25 or 30 feet it is not worth it. Jake Kertz said the glide slope portion is also needed. He noted the lighting is the most expensive part and perhaps that could be left out. Lester Coggins said adding a localizer will add to traffic counts but installing a glide slope will increase the counts even more. DCM Drymon said based on estimates they have received so far, the cost of a localizer is between \$650K and \$950K. It will cost about \$25,000 per year for the City to maintain the localizer. If we want FAA to maintain it, the installation cost will be much higher. If adding the ILS will bring in additional traffic and keep the tower funded by the FAA that

needs to be a big consideration when reprogramming the ILS funding is discussed. Many of the projects the AAB has talked about will not increase traffic to the airport. He noted that updating the ALP is necessary and needs to be done, but that should only cost about \$40K – \$50K. That should not have a significant impact on the ILS project.

Joel Hargis said a precision approach is needed and it would increase traffic. Lester Coggins said a full ILS may need to be installed in steps. Once the localizer is installed, the FAA is somewhat committed to the project. If the project is not started now while FDOT has it programmed, there may not be another opportunity to do the rest. Joel Hargis said it needs to be on the record that an ILS with a precision approach will also benefit the people based at the airport. Clive Ure said that people who own jets should be able to pay for an ILS themselves if they want it installed. Chuck Brainerd said the jets are not the biggest user of an ILS. He said an ILS also adds a level of safety to the airport.

Lester Coggins asked for clarification of the funding source for the \$900K under discussion. DCM Drymon said that amount is from FDOT. It is possible that discretionary funding may be available from FAA.

Chairman Lewis said it seems to be understood that whatever way possible the airport would like to have an ILS or any part of the ILS that helps the airport. His recollection of the conversations about the ILS was that the only project that ILS funds would be taken for is the update the ALP. Lester Coggins said if FDOT has the money earmarked for an ILS, it needs to be seriously considered. He said that some corporate flight department managers look for fields with an ILS when they are planning routes.

CM Evans said one point the City Commission responds to is the potential to increase operations and diversity of pilots. He has told the Commission that the number of operations has dropped so low that it may reach a point where the City has to subsidize the tower cost. To the extent that installing the localizer or other parts of the ILS will help the number of operations, the City Commission will probably be responsive to that.

DCM Drymon said the discussion at the next meeting should include the three different phases of the ILS – localizer, glide slope and lighting system. The biggest question mark will probably be around the lighting system in the lake. Chuck Brainerd asked if the ILS can go on runway 13 instead of 31. Lester Coggins noted there is hard ground at that end, although the Comcast building and power lines could be a problem. DCM Drymon said the long-term plan is to extend that runway all the way to the road for takeoff purposes. That would affect the installation of a lighting system on that end. Lester Coggins asked if Hanson can consider runway 13 and discuss it in the presentation at the next meeting. He noted there is a shortened approach light system but he doesn't know if it is available here. Chairman Lewis said the international system is shorter but he does not know if FAA will allow it. Jake Kertz said runway 31 is the preferable direction because other airports in the area tend to land to the east.

Clive Ure said students almost always fly in good weather. They do not need the lights. Lester Coggins said in the long term the airport needs the full system. DCM Drymon said it could be phased in over a number of years starting with the localizer and/or glide slope.

Chairman Lewis asked Ron Ridenour from Hanson to bring tighter cost calculations for the various ILS scenarios to the next meeting. Lester Coggins noted there may be an issue with

having a quorum for the September 12th meeting. Chairman Lewis said it may need to be rescheduled to the following week.

Rotating beacon relocation

DCM Drymon said Hanson is checking to see if the roof structure of the tower can support the weight of the beacon. They should have an answer by the next meeting.

Airport Administration Building hours

DCM Drymon said he has been posting a notice of the days and times he will at the airport one week in advance. He noted he also has Charlie Weller's old cell phone so he can be reached on that number.

Departure of Intern

DCM Drymon said the airport summer intern, Andrew DiVenanzo, has returned to college at The Citadel. Working at the airport was a great experience for him. He was appreciative of this opportunity.

Update on EAA Chapter use of Suite 103

DCM Drymon said the EAA has moved into the hangar. It seems to be working well for them. He is looking forward to their first fly-in.

Joel Hargis issued an invitation to everyone to attend to their meeting on the 25th. They will start in the Administration Building and then move to the hangar. They plan to do some flights for non-flying members and cook hamburgers and hot dogs. The Young Eagles are set up for September 22nd and October 13th. They also have an event scheduled with Girl Scouts in November.

Update from Hanson Professional Services

Ron Ridenour provided the following information.

Future Re-designation of Taxiways and Ramp Access Points

During the process to develop the signage plan, engineers found that the designations of taxiways and ramp access points did not exactly meet FAA guidelines. Changes have been recommended and approved by FDOT and FAA. The changes will be made when the new signage is installed. (See Attachment A)

Project Update

There are currently five active projects.

Mitigated Wetland Removal (Taxiway A): This is related to the future realignment of taxiway A. The substantial completion meeting was held last Friday with FAA and FDOT. It is currently in the close-out process.

Security Fencing/Gates: This project is still in the design phase. A walk-thru was held on July 24th for the layout. They will be back out of Friday to do another walk-thru and review the details. It is hoped it can go out for construction bids in September.

Signage: The design phase for this is wrapping up. The goal of this project is to bring airside signage into conformity with FAA requirements. At this time there is a mixture of signs on the airside (illuminated, non-illuminated, reflective, non-reflective, undersized, etc).

Wildlife Hazard Assessment: This has been a yearlong project. The wildlife survey will wrap up in September. A report will be developed and recommendations will be made for development into a Wildlife Plan.

Airfield Lighting: This project has just started. Engineers were at the airport on August 17th and reviewed the old lighting system. This project will update the remaining fixtures along the old 5000' section of RW 13/31, taxiway K and part of taxiway A. The new taxiway lights will be LED and the runway lights will be incandescent. Hanson will complete the design to about 60%. A contractor will then be selected to finish the project on a design/build basis. When the project is done all lighting and wiring will be incased in cans and conduit. This will reduce maintenance costs by helping to prevent damage from lightning. Using LED also reduces electricity costs and reduces the load on the electrical vault. He noted the generator does not have enough capacity to run the entire airport at full power.

Master Plan and Airport Layout Plan (ALP)

Chairman Lewis said this has already be discussed. He asked if \$40,000 is an accurate number for updating the ALP. Ron Ridenour said it is a ballpark figure. Chairman Lewis asked what needs to be done to get this going. Ron Ridenour said the projects the AAB wants done need to be prioritized. That will then determine what projects need to be added to the ALP and the update can then be done. Chuck Brainerd suggested that the funding programmed for the terminal could be changed if the FAA can be convinced it would be better spent on something else. DCM Drymon reiterated that those funds are programmed but not actually funded yet. When the time comes to actually do the grant paperwork, a request can be made to reprogram it. That will be done sometime in mid-fall.

Other Matters

Lester Coggins asked for an update on the status of the PAPI's. DCM Drymon said they have been repaired. He noted that the NDB is down at this time.

Report – Brainerd Helicopters

Chuck Brainerd said in the spring the company began considering making improvements to their business. One of the major factors in this decision is the time remaining on their lease agreements versus the cost of the investments into the facilities. They need longer term leases. He would like to combine his leases into one thirty year agreement with two ten-year renewal options (30/10/10). That is allowed by FAA. He said FDOT only allows thirty year leases for operators on the airport. He plans to contact the governor and FDOT and try to get that policy changed.

He has come up with a process for lease extensions. (See Attachment B) He spoke to several major lease holders at the airport and asked if they are willing to increase their lease payments in return for a longer lease term. Without exception they agreed with his plan. The plan is as follows:

- Lessees with less than seven years remaining on their lease will agree to triple their current lease payment amount in return for a lease extension to a 30/10/10 term
- Lessees with seven to fourteen years remaining on their lease will agree to double their current lease payment amount in return for a lease extension to a 30/10/10 term
- Lessees with fourteen or more years remaining on their lease will agree to one and one-half times their current lease payment amount in return for a lease extension to a 30/10/10 term

He noted that the two ten-year renewal options require the State to change their rule. The agreements can be written with the stipulation that if the rule is not changed, the ten-year options would not be available.

He thinks longer lease terms would have a good economic impact on the City and will help bring outsiders to the airport. Longer term leases will encourage operators to invest in their facilities and take better care of them. The City needs to take care of the current airport tenants. He would like to present this to the City Commission to vote on. This will bring additional money to the City now. Chairman Lewis asked if he wants to make a formal request for the 30/10/10 option. Chuck Brainerd said we should ask for that and see if FDOT will change the rule. Chairman Lewis said the best this Board can do is state that the AAB would like the airport to offer the maximum lease terms available.

CM Evans said there is no doubt that this is a subject with the potential for disagreement between the AAB and management. He noted there is currently a tenant (C-Wings) who leases two hangars and a large amount of tie-down space. Their monthly payment is approximately \$170.00. Chuck Brainerd said these facilities are in disrepair and the leasehold area is also severely underutilized. CM Evans said under the terms presented by Mr. Brainerd this tenant could continue to lease these sites for fifty more years. That does not make business sense.

CM Evans said FAA and FDOT insist that leases be set at market rate. They will not extend a lease based on a land lease rate. It does not make business sense to extend a lease at the land rate. He and DCM Drymon are developing an objective system that takes into account proposed investment dollars, proposed employment numbers, economic output, etc. They are working on adding the current business output into the formula. Under this system lease terms can be based on a rational nexus and could be longer than twenty years. Small operators are not going to be offered the same thing as large operators.

Chuck Brainerd said the airport needs to offer the best lease possible with a maximum term. CM Evans said he wants to bring an objective policy to the AAB for their review. Chuck Brainerd asked how long the policy process will take. Chairman Lewis said Penny Wilson will have a better chance to sell her hangar if potential buyers know there are thirty years on the lease instead of ten years. He said offering the 30/10/10 as a standard will be good for the airport. The reputation of this airport now is that there is no cooperation and long delays. CM Evans said the lease terms will not be standard across the board.

Joy Zahn said she currently has the listing for Penny Wilson's hangar. Potential customers need a specific timeframe. CM Evans said he is willing to talk to a potential buyer and, depending on what they are bringing to the airport, he may consider offering them a lease extension. Adam Sumner of Lake County said when the model is finalized, it will only take about fifteen minutes to calculate a lease term once a business plan is presented. It is a repeatable model. It looks at many different things to determine the total economic impact of a business. CM Evans noted that lease agreements developed using this model must have claw back provisions built into them. If the expectations that the lease was based on are not met, there must be ramifications. Adam Sumner said they are still determining how the claw back will be calculated. They want the policy to be as good as possible.

Chuck Brainerd said he met with CM Evans and DCM Drymon in June. It has been three months and he still doesn't have any answers. He needs some kind of guarantee on the lease term that can be offered to prospective lessees. Kim Joynt said when the numbers were run for their proposal, they did not make business sense for their company. CM Evans said the rates and terms that will come from this model will be competitive with other airports. Kim Joynt said they have done research and these numbers do not make work for them and they have found better options in other locations. CM Evans said they are surveying other airports to help determine market rates.

CM Evans said that when this Board turned over the biggest issue of concern was the lease policy. There were also project ideas. A lot has been done and is being done. Included in that is the turnover with the airport manager. That put a tremendous workload on the staff in the City Manager's Office. The Deputy City Manager is dedicated almost full-time to the day-to-day operations of the airport. There is a direct impact from the actions of this Board and Mr. Weller leaving. That has contributed to a delay in the development of some of the policies. Chairman Lewis asked if CM Evans was implicating that this Board is the reason Mr. Weller left. CM Evans said yes, this Board is why Mr. Weller left. Chairman Lewis said the Board voted the way they did because of the frustration of the airport tenants. Mr. Weller created the atmosphere that boxed him into a corner and eventually forced him to resign. It was not this Board that forced him out. CM Evans said if it were not for the actions of this Board, Mr. Weller would still be here.

Chuck Brainerd said there are a lot of qualified aviation people who are available to be the airport manager. People and vendors have improved airport with their own money to help make it what it is today. There is a need for a good airport manager who has experience with airports and all of the government agencies involved. It should be someone who is reviewed by this Board and management. He recommended that the Board move to start looking for a manager.

CM Evans said the City Commission has asked for a joint workshop with the AAB. Part of that discussion will be the roles and responsibilities of the AAB. He needs the Board to understand their role when it comes to things like hiring employees and dealing with consultants. This Board is not involved in those things. This Board does not review who will be hired and work for the City Manager. He will make those decisions. Chuck Brainerd said he disagrees with that and it can be changed. To say that you are not going to use the experience available in the people here is not right. CM Evans said he did not say he won't use it. He typically fills positions utilizing a panel interview that includes people from the appropriate industry and civilians who are all given the opportunity to provide input. Ultimately, he is the one who will make the decision. One thing the City Commission is

concerned about is how the AAB is asserting itself in some of these issues. That is something they want to talk about.

CM Evans said he plans to bring a draft version of the policy on leases to the next AAB meeting. He excused himself from the meeting at 6:47pm to attend a meeting at Lake Sumter Community College.

Chuck Brainerd said something should be done to alleviate the City Manager's staff from dealing with the airport business. There needs to be someone with aviation experience at the airport full time to discuss problems. He thinks this is a time for some changes. He said the AAB should have at least one vote at the City Commission meetings. It is huge that six tenants will agree to increased lease payments. He asked who will be attracted to this airport for a twenty year lease if the FAA allows fifty years. If everyone at the airport will increase their ground lease payments that is not a bad thing. The Cabbage hangars need to come down. The City will have to upgrade that site before it can be leased. More lease revenue now from current tenants is a good thing.

DCM Drymon said that based on Mr. Brainerd's proposal everyone at the airport will get a 30/10/10 lease. That will include Cabbage whose lease amount is currently so low that at the end of the day three times the current lease amount is still nowhere near the value of the leasehold. Chuck Brainerd said that could be negotiated. He asked what happens if Cabbage goes now. DCM Drymon said regardless of the condition, something could be done with the site. The frustration now is that nothing can be done at all. If the site reverts back, at least the City would have options. The City has no interest at all in giving an extension on this particular lease. It is doing nothing to help the airport. The proposal from Mr. Brainerd may be fine for some operators who have invested money in their facilities and are helping the airport to grow. Lester Coggins said DCM Drymon has a point. DCM Drymon said even if the buildings have to be torn down, the land would be available for other opportunities.

Chuck Brainerd said there is plenty of land available, but nothing is being done with it. DCM Drymon said that is correct. One example is the Hurley property. He is supposed to be meeting with them soon to discuss that matter.

Clive Ure said there are very good arguments for both sides. He knows CM Evans is working on a model for the leases. The City Manager has a responsibility to try and do the right thing. It sounds like he is going out of the box to give businesses credit for the investments they have already made at the airport. He believes he should be given the opportunity to present his policy.

DCM Drymon said in fairness everyone needs to have an opportunity to look at the draft policy. A lot of thought has been put into it. Management wants to do the right thing. Once it is looked at, there will be points for discussion. He knows CM Evans will take the input of this group seriously. He knows everyone is interested in the well being of the airport. There are always extremes on the airport. They are trying to work it out so that people who are serious about making an investment in the airport get rewarded and those that do not are not allowed to continue down the current path.

Chairman Lewis said this Board has worked with CM Evans for the last several months. According to what CM Evans said, apparently because they fired Mr. Weller, the workload on staff was increased and as a result the lease policy has been delayed. He understands the

work load. He does not know anyone on this Board who considers it as anything other than advisory. They have only brought up items that have been brought to them. They are an advocate for the operators on the airport and the City, so they must walk a fine line. They would not recommend anything that would be detrimental to the City. It should not be inferred that they have overstepped their bounds because they are well aware that they have no authority.

Kim Joynt asked if a final decision has been made to use a point system in the lease policy. Chairman Lewis said he understands it is a modified point system. The term is based on points, not the lease rate. DCM Drymon said most airports have a system that only considers the dollar amount being invested on the airport. Nothing else is considered. The model the City is developing utilizes other factors such as wages and the type of jobs being created. The formula gives weight to a variety of factors and adds flexibility. The City is not trying to limit the length of leases to twenty years. The need for a business to amortize their investment is understood. It will not be possible to come up with a policy that pleases everyone and accommodates every business plan. The goal is to develop a plan that accommodates most people in a reasonable manner.

Chuck Brainerd requested that the policy be available for tenants to read before it is presented at an AAB meeting. He would like time to study it before the meeting. Chairman Lewis asked that CM Evans meet with Mr. Brainerd and his group before the next meeting to discuss the proposed policy. DCM Drymon said he will talk to CM Evans about his request.

Clive Ure asked DCM Drymon to tell CM Evans that he appreciates the genuine concentrated effort he is making to meet the needs of the airport tenants. He personally appreciates that.

New Business

None

Adjournment

Chairman Lewis moved to adjourn the meeting. Clive Ure seconded the motion and it was approved unanimously. The meeting adjourned at 7:14pm.

Chairman

Secretary



U.S. Department
of Transportation
**Federal Aviation
Administration**

Orlando Airports District Office
5950 Hazelline National Dr., Suite 400
Orlando, FL 32822-5003
Phone: (407) 812-6331
Fax: (407) 812-6978

March 27, 2012

Mr. Charles Weller
Airport Manager
Leesburg International Airport
501 West Meadow Street
Leesburg, FL 34749

Dear Mr Weller::

RE: Taxiway Designations

The Federal Aviation Administration has reviewed the proposed revised taxiway designations submitted via OEAAA case 2012-ASO-323-NRA. We have no objections to these changes.

If you have any questions, please call me at 407-812-6331, ext. 126.

Sincerely,

A handwritten signature in cursive script that reads "Jennifer A. Ganley".

Jennifer A. Ganley, P.E.
Program Manager

Enclosure

cc:
James Wikstrom, FDOT District 5

11349

AIRPORT DIAGRAM

AL-6676 (FAA)

LEESBURG INTL (LEE)
LEESBURG, FLORIDA

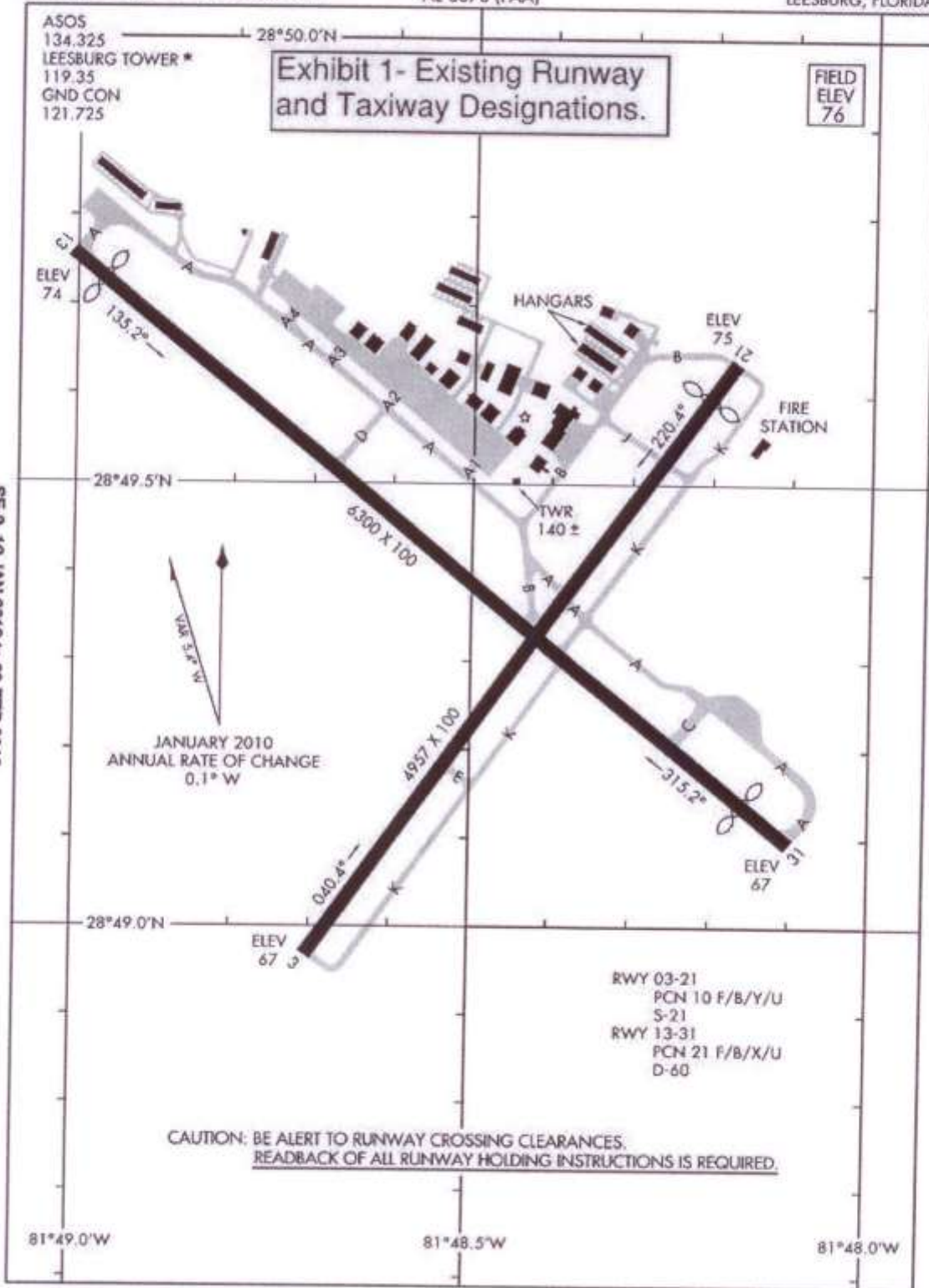
ASOS
134.325
LEESBURG TOWER *
119.35
GND CON
121.725

Exhibit 1- Existing Runway and Taxiway Designations.

FIELD
ELEV
76

SE-3, 12 JAN 2012 to 09 FEB 2012

SE-3, 12 JAN 2012 to 09 FEB 2012



AIRPORT DIAGRAM

11349

LEESBURG, FLORIDA
LEESBURG INTL (LEE)

11349

AIRPORT DIAGRAM

AL-6676 (FAA)

LEESBURG INTL (LEE)
LEESBURG, FLORIDA

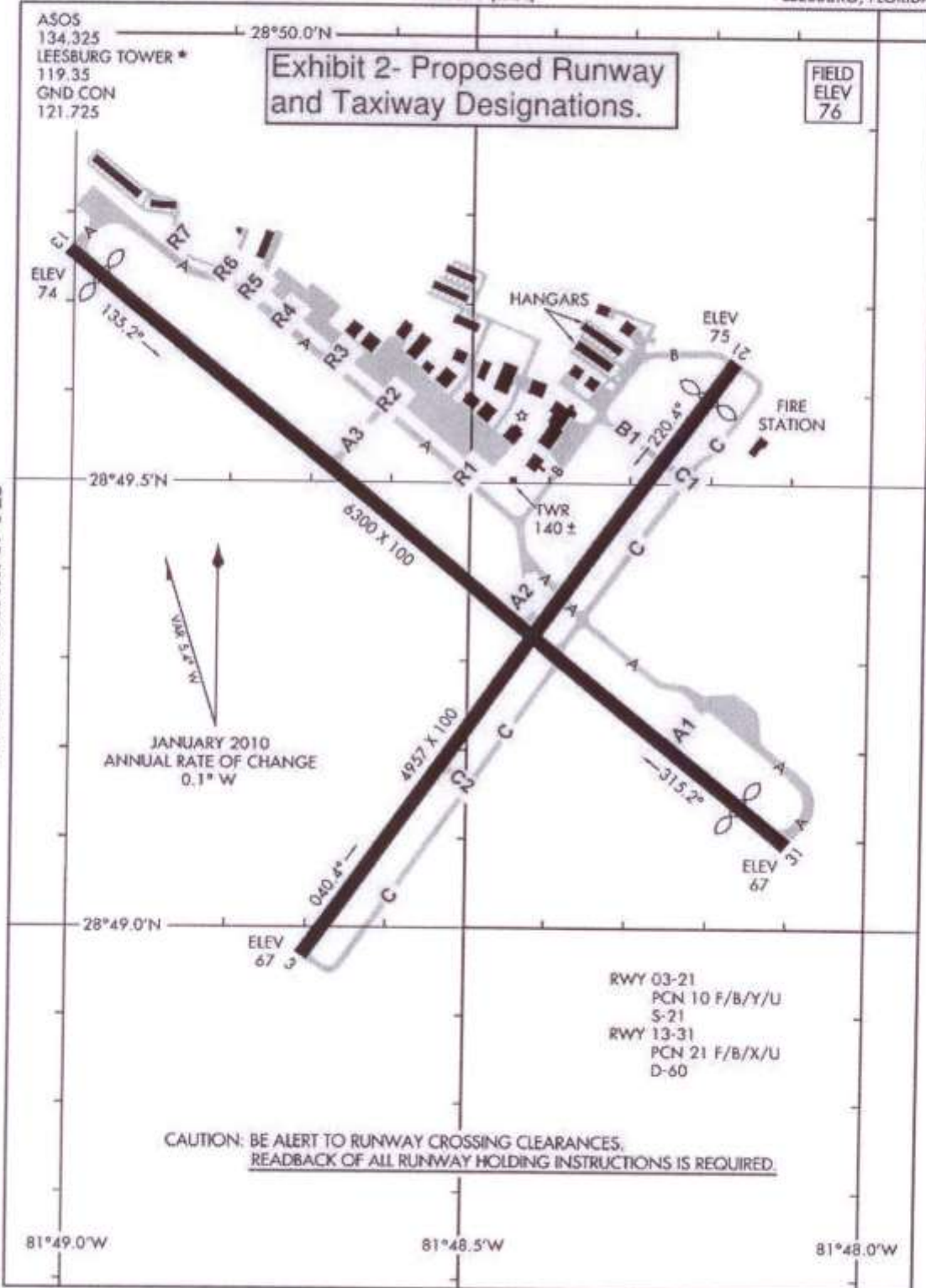
ASOS
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LEESBURG TOWER *
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GND CON
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Exhibit 2- Proposed Runway
and Taxiway Designations.

FIELD
ELEV
76

SE-3, 12 JAN 2012 to 09 FEB 2012

SE-3, 12 JAN 2012 to 09 FEB 2012



AIRPORT DIAGRAM

11349

LEESBURG, FLORIDA
LEESBURG INTL (LEE)

Lease Amounts Vs Time Left

1. Less than 7 years Left / triple >Lease per Month.
2. 7 years to 14 years left / double Lease per month.
3. 14 or More years left / 1.5 times monthly lease.

FIREHAWK HELICOPTERS, INC.



8850 Airport Rd
Leesburg, FL 34788

Telephone (352) 365-9077
Fax (352)365-9077

Mr. Jay Evans
City Manager
501 Meadow St.
Leesburg, Florida 34749

Subject: Consolidation and New Lease

Dear Mr. Evans:

I have been talking with other Airport Operators at surrounding airports. One of the main issues that the Airport Businesses have is a problem with are the short-term 20 year leases. The cities will offer longer terms to non-Airport related businesses i.e., Longer leases than the Airport Businesses are allowed. The Cracker Barrel at Leesburg is a prime example of this policy. We have invested an appreciable amount of money in the buildings we have here, and would like to add the Angel Flight Facility.

We would like to see The City of Leesburg offer a lease of 30 years with two ten year options to extend to all existing and future leases.

A NEW LEASE ON LIFE

After we have presented our proposal to the Airport Advisory Board, at the next We would like the city to vote on the following at the next meeting of the city council.

1. Cancel our existing Lease, subject to the below conditions.
2. Issue a new lease to BHI Properties with a term of 30-year and 2 each 10 extensions.
3. We would like to consolidate our existing leases into one lease.
4. Issue the new Angel Flight lease in the Name of BHI Properties, Inc. if purchase is completed.

WHAT WE ARE PREPARED TO DO

1. At the start of the new lease we will double our Current Lease Rates for leases with 7 years or more up to 14 years left and triple the lease with less than 7 years.
2. We will meet with all commissioners and the Mayor to explain our request prior to the next meeting.
3. We are sending an offer to buy The Angel flight building with a contingency that the new lease extension of time would apply.

WHAT THIS ACTION WOULD MEAN TO THE CITY OF LEESBURG

1. Having longer leases would have a positive impact on the economy of the Airport.
2. The city could better attract new businesses to the City.
3. Companies desiring to sell their facilities would have fewer problems with their sale with longer terms in place.
4. Lease Holders would invest more in improvements to their facilities.
5. Allow higher rents on Land Leases.
6. The City could realize an increase in revenues.

WHAT WE HAVE DONE LATELY TO EXAND OUR HORIZIONS

1. We have started the process with the FAA to establish an FAA approved Repair Station. We have a great potential to bring in Black Hawk Maintenance Business.
2. We are launching a new helicopter to go on contract.
3. We have hired 5 new employees this week.
4. We have been awarded 3 United States Forest Service Contracts.
5. We have just completed trials of a new fire fighting system that we are applying for a patent and have started a manufacturing process to sell the system., This will also bring economic health to Leesburg.

We would greatly appreciate your consideration in this matter.

Thanks

Chuck Brainerd

This document was hand delivered on June 7th, 2011

Orlando Financial Corporation
699 E. Fifth Avenue
Mount Dora, FL 32757
352-385-9106

August 14, 2012

To Whom It May Concern:

Orlando Financial Corporation, leaseholder at Leesburg Airport, 8950 Airport Blvd, Leesburg, Florida, is willing to double or more their lease payments, in order to obtain a fifty year lease, which will be written as a thirty year lease with two ten year options to renew.

Sincerely,

Darrell Hill
Chief Pilot



Flight Division

August 21, 2012

Mr. Jay Evans, City Manager
City of Leesburg
P. O. Box 490630
Leesburg, FL 34749

Dear Mr. Evans:

This letter will serve to express our sincere interest in extending the term of our airport ground leases with the city in exchange for our paying double the present land lease rate. Terms and conditions would of course need to be negotiated, but we would appreciate your consideration of this proposal for the long term benefit of the airport. Thank you very much.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lester Coggins', with a stylized flourish at the end.

Lester Coggins
Manager

Cc: Mr. Tom Brooks

Leases @ KLEE

Fri, 3/17/2012 2:19 PM

From: Brian Sapp (Brian@mail.sunairaviation.com)

To: chuck@firehawkhelicopters.com (chuck@firehawkhelicopters.com)

Greetings Chuck,

Thank you for helping to provide a venue of input from the tenants interested in the direction of the airport. I am confident that we can make some very positive and exciting changes to make Leesburg International a first class GA airport.

As discussed by the Airport Advisory Board, Sunair would like to renew and combine several of its leases with the City. The terms requested would be the maximum 30 years with two 10 year extensions. This would make it possible for Sunair to make many new substantial additional investments and improve the airport property. By securing the tenants in good standing already at KLEE, the City can enjoy a solid revenue stream for many years to come.

Thank you,

Brian Sapp - President
Sunair Aviation, Inc.

Proposed Lease terms for JetSky, LLC

JetSky, LLC. wishes to purchase the Hangar at 32725 Echo Drive Leesburg, Florida 34788 from Winton Douglas.

An associated company of JetSky, LLC. (Q-Free International) already owns the Hangar at 9020 Airport Blvd Leesburg, FL 34788 and is in need of additional space to expand its business operations with JetSky, LLC.

Due to the short amount of time that is left on the lease at the Echo Drive hangar property JetSky LLC. proposes the following property lease terms.

1. JetSky LLC. would like to obtain a 30 year lease with two (10) year extensions.
2. JetSky LLC. will be making an initial investment for the purchase price of the Hangar located at 32725 Echo Drive of \$390,000.00.
3. JetSky LLC. will also be making improvements to the property within the first 5 years. These improvements will consist of:
 - A. Any necessary maintenance required for proper upkeep of the hangar property.
 - B. Additions to accommodate aviation sales and maintenance of aircraft.
 - C. Possible carport addition to property.
 - D. This is only a preliminary list and there may be other upgrades added.
4. JetSky LLC. is willing to purchase this property, maintain the hangar property and provide improvements that will raise the value of the property with the proper lease to justify a substantial capital investment. The capital investment that is required to do this is not justified with the lease terms that are available on the Hangar unit at this time.
5. According to records provided by The City of Leesburg the land lease is currently being paid at the rate of \$224.83. JetSky LLC. is willing to pay a higher rate on the land lease to obtain longer lease terms to justify the capital investment. At this time with the lease that is left, if the land lease rate stays at \$224.83 and with the 5 year extension, we would average \$3179.38 a month for cost with no improvements or upkeep costs included. Without the extension we would average \$5641.50 a month with no improvements or upkeep costs included.
6. Q-Free International / JetSky, LLC. also would like to obtain a new lease term on the hangar property that they currently have at 9020 Airport Blvd. Q-Free International / JetSky, LLC. would like the same lease terms proposed for 32725 Echo Drive Leesburg, Florida 34788 in lieu of improvements and additions to the property over a period of time. At this time, with the current 7 years left on the lease Q-Free/ JetSky, LLC. is averaging \$4558.20 a month for cost with no improvements or upkeep cost included.
7. At this time we employ 4 people at yearly cost of salaries at \$227,200.00 per year. Our goal over the next several years is to bring more jobs to the community and other industries to this area. Without the possibility of being able to utilize the facilities with a justified cost we will have to seek facilities at another location that will suit our needs for growth and capital improvement.

We have considered the proposal made by The City regarding the proposed points system and feel that this is not to our benefit as parts of the points system regulates our business growth with consequences that are not acceptable for this type of process. We do understand that The City has done this type of procedure with other Airport Tenants, which The City put capital into their facilities, and was a failed process. We would prefer to be able to grow at a pace that would benefit the community without jeopardizing our commitment to not only our company and current employees but to future employees also. We feel that by entering into an agreement with The City that provides clauses of how many employees we need to hire in a certain period of time and the type of salaries that we must pay them in an unknown economy is not a wise business decision when the outcome of loosing time on our lease is a consequence that could be detrimental to our financial investment. We are however willing to make a compromise with the points process in the aspect of investment capital on the purchase price of the building and the improvements of the hangar property, of course at a fair and reasonable rate for both The City and ourselves.

We thank you in advance for your time and consideration.

**Triangle Aviation Service, Inc.
8900 Airport Blvd.
Leesburg, FL 34748
352-343-0855**

August 22, 2012

To: The City of Leesburg

From: Penny Wilson

Triangle Aviation Service, Inc. has been actively marketing the hangar located at 8900 Airport Blvd., for sale since December 2011.

Currently the hangar is being utilized strictly for aviation purposes. In addition to actively working a USDA contract, Triangle Aviation Service operates part-time as a flight school. Due to current economic conditions the flight school operation has significantly decreased from previous years. Triangle Aviation Service also leases half of its hangar space to an Aviation Mechanic.

We have had several inquiries from businesses that would be viable to the Airport and City of Leesburg from an economic standpoint. However, those interested in purchasing the property have declined to pursue further negotiations due to the length of time left under the existing lease. Those businesses expressing an interest in moving their operations to the Leesburg area need to make their capital investment worthwhile.

Triangle Aviation Service, Inc. respectfully requests a new lease term of 30 years with two (10) year extensions in order to attract a business to purchase our hangar that will enhance the airport community as well as provide employment and economic advantages to the City. In exchange for the new lease term, we agree to double our currently monthly lease rate of \$322.31.

Thank you for your consideration.