

**Airport Advisory Board Minutes
December 12, 2012, 5:30pm
Airport Administration Building
8807 Airport Boulevard
Leesburg, Florida**

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

Call to Order

Chairman David Lewis called the meeting to order at 5:30pm.

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

Approval of Minutes from November 14, 2012 Meeting

Chairman Lewis asked if all members had read the minutes from the November 14, 2012 meeting.

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

Lease Agreement for Corporate Block Hangar #1

Chairman Lewis said the airport has been hoping to get a seaplane ramp for some time. This particular business may offer a vehicle to allow the funding for a ramp to be found. Also, the activity that this business will generate will be a catalyst to other activities. He has heard there are some concerns about this business and tonight is the time to express them. However, he believes they are unfounded and thinks this Board needs to welcome this company to the airport.

Deputy City Manager (DCM) Doug Drymon said the agreement that is before the Board tonight is a simple lease for Corporate Block Hangar #1. The company proposing to lease the hangar, Wipaire, Inc., is a float manufacturer from Minnesota that wants to open a service center on the airport. Staff believes they will be a good tenant on the field.

In the past the corporate block hangars have been used only for the storage of aircraft. When hangar #3 was rented to Mr. Soule there were some modifications made to the standard lease agreement to accommodate his operation which includes aircraft brokering and corporate aircraft flight training. Most of the changes for this lease with Wipaire are related to allowing them to operate their business from the hangar. Their primary business is installing floats along with some fuel tank modifications, primarily on larger aircraft. Electrical modifications will be made to the hangar at the company's own expense, and will include the installation of a separate electric meter so they can pay the electric bill for this location. They will also be allowed to use suite 106 in the Airport Administration Building as an office and some space in the back of the old tractor building on US 441 for storage. The term of the lease is for one year with a one year renewal

option. Wipaire considers this hangar as a short term facility and their intention is to build a much larger service center facility on the field.

Allen Dunlap asked if there will be any other changes to the agreement. DCM Drymon said this is the final agreement unless the City Commission requests a change during their review at the meeting on Monday. Chairman Lewis said this could be considered Phase One of their business plan and the next phase would be selecting a site to construct their new hangar. Chairman Lewis asked what property options are available for them to use. DCM Drymon said there are several viable locations. One is where the proposed terminal building was planned. There is also a site near Cracker Barrel and the ARFF station. Another option is a 5 acre upland area closer to the end of runway 31.

As noted by Chairman Lewis in his opening remarks, it is possible having Wipaire here could act as a catalyst to obtaining funding for the seaplane ramp. The first thing that is asked when you seek economic development grant funding is how many jobs will be created. This company has talked about hiring as many as 60 people. That is substantial. Beyond that, they will also add to the number of operations at the airport. They are looking for a long-term home. They believe that this airport is a good location due to the amenities such as the control tower, availability of US Customs and proximity to Lake Harris. At this point, all they are doing is renting the corporate block hangar. That is all that is being considered tonight.

Chairman Lewis noted that developing businesses such as this will be a compliment to the seaplane base in Tavares. We will not be competing with them.

Chuck Bondar said the lease only charges them rent for the hangar. They are not being charged for the office or storage space. Corporate hangar #1 will not be able to have more than one aircraft in it. He asked how much will they bleed on to the ramp and be allowed to obstruct the taxiway. Chairman Lewis said they are coming in to a less than optimum situation. There will be a few things done out of the norm. His concern is that Wipaire needs to understand they are wanted here. Clive Ure said the agreement does not say they are leasing any areas of the ramp and he understands that. The agreement cannot cover everything. The reality is that aviation people try to accommodate each other. Chuck Bondar said he understands what they will need to operate this business here. This is just the tip. There needs to be an overall plan that includes things such as a seaplane strip. Chairman Lewis said all of that has been considered and discussed. Final decisions have not been made because that is premature at this point. At this time there are limited facilities available and the airport is trying to accommodate them as much as possible to let them know we are willing to do whatever is needed to have them invest millions of dollars here.

Lester Coggins said he has been through Wipaire's plant in St. Paul. It is an excellent facility and they do very nice work. They are a serious leader in the float manufacturing business. They will be bringing a new level of industry to Leesburg. The biggest part of their business is Caravans, Beavers, Kodiaks, etc. This is a great location for them. It fits beautifully with the Tavares seaplane businesses. This is a fantastic opportunity for Leesburg. This lease is just a way for them to get started and he is sure they are aware of the limitations. Everything he has seen of them shows this is a good company and a good operation.

DCM Drymon said it is a first class operation. They have looked over the hangar, storage and office space. They know the limitations they will be dealing with over the next year. Their timeline to open their business here is related to their heavy involvement at Sun-N-

Fun. The want to have their operation at Leesburg up and running by that time. Chairman Lewis noted it will be a great thing for Leesburg for Wipaire to go to Sun-N-Fun and announce they are now located at this airport.

Clive Ure said having the US Customs office is a huge plus for this airport. Lester Coggins said this will be the only place on fresh water where someone will be able to land and clear customs.

Jake Kertz asked if the FAA and FDOT have been involved in this discussion at all regarding funding. DCM Drymon said he has spoken to them about the long-term aspects of this project. He hopes to get feedback from them shortly.

Chairman Lewis said prior to this meeting some concerns were expressed to him about Wipaire coming in and taking away business from the current operators on the airport. He believes this will be a totally different level of clientele. People who are utilizing current airport businesses will continue to do so. In fact, there may be overflow from Wipaire that will help the current businesses. DCM Drymon said those concerns are valid and should be considered, however, under the Grant Assurances the City cannot limit competition on the field.

Alun Jones said this agreement is a one-year lease with a one-year extension. During that first year it can be determined if they are using too much space on the ramp and taxiways. He believes that by the first month after Fun-N-Sun they will have decided whether or not they want to be here permanently and will start moving forward on a new location. His concern is that these are large planes and he wonders if a plane with floats will fit in the corporate block hangar.

Lester Coggins made a motion to recommend that the City Commission approve the lease as drafted and proposed by City staff. Alun Jones seconded the motion and it was approved unanimously.

Chairman Lewis asked Justin Edwards from Hoyle-Tanner and Tim Shea from Avcon if they had any comments on this issue. Tim Shea said it is a great move for the airport. Justin Edwards said this is a fantastic move and the approach being used is great. It is a win-win for everyone. Ron Ridenour of Hanson Professional Services that this is a good idea and the way they are being introduced at the airport makes sense.

Clive Ure asked when the Board members and other airport tenants will be able to meet some of the principals from Wipaire. DCM Drymon said they will be here for the City Commission meeting on December 17th. He invited anyone who is interested to attend that meeting which begins at 5:35pm. DCM Drymon noted again that the only issue coming before the City Commission will be the one year lease agreement. He is not expecting Wipaire to make a presentation on their future plans.

Chairman Lewis said a special meeting can be called if the Wipaire representatives would like to discuss their plans with airport operators. DCM Drymon said he will let them know. Chairman Lewis said it would be good for current tenants to learn about their relationships with independents on the airfields where they have operated before. DCM Drymon said he has heard people saying that this has been handled in a hush-hush manner. With economic development projects, this is the way it is typically handled. A company does not want to tip their hand until they have all of the pieces in place.

Project Update

Ron Ridenour from Hanson Professional Services provided an update on four on-going projects.

Wildlife Hazard Assessment – This was a yearlong project. The final report was issued last week. It is being reviewed by FAA, FDOT and the City. It should be closed out soon.

Airfield Lighting – This project will replace some of the older lighting on the airport; add conduit, new wiring, a grounding system, etc. This was done as a design criteria package. It was turned over to the City last week. The next step is for the City to hire a design builder.

Security Fence and Automated Gates – This package was delivered to the City's Purchasing Department last week. It is being advertised now. A pre-bid meeting is scheduled for December 20th. He believes the bids will be due no later than mid-January. After that construction can begin.

Alun Jones asked if he can attend the pre-bid meeting. Ron Ridenour said he is welcome to attend. The meeting will be at 10:00am in the Airport Administration Building.

Airfield Signage – The plans have been completed and are on the shelf. He spoke with FAA this morning. They will be submitting a pre-application in January to seek funding. It is hoped that funding will come through in March or April and construction can begin at that time. This will replace all airfield signage to bring it up to code and make it a standard format.

New Business

Clive Ure said he was told by the City Manager in March that Hurley Industries was in default of their lease for the area near Cracker Barrel. He does not like to see people being given preferential treatment. He knows of other tenants who were placed into legal action as soon as they defaulted on their agreements. He was told Hurley has not erected hangars as required by their lease agreement. He believes the City should have found Hurley in default and taken the property back, instead of allowing Hurley to possibly negotiate with Wipaire to build a hangar. He asked for an update on the situation between Hurley and the City.

DCM Drymon said that the land under lease to Hurley is one of the sites that is being considered by Wipaire. If Hurley Industries has the resources and ability to erect a structure that meets the requirement of the company, and the negotiations proceed favorably, that may be part of the Wipaire operation on this airport. Clive Ure said Hurley has been in default of their lease for over two years. DCM Drymon said that is correct. Clive Ure said the City has not done anything to make them correct the default or take the land back. The City is looking the other way. DCM Drymon said he would not say that. If the City were to take the land back, there is no one to put there. Lester Coggins said there are different ways to be in default. One would be to not make their payments and he suspects Hurley has been making their payments. They have not built any hangars. Clive Ure said his point is that tenants are not all being treated in the same manner. Chairman Lewis said Hurley has control of the property at this time because the City has not exercised their right to take it back by default. That was not done because there was no apparent use for the property and the City was collecting rent for it. The rights that the City had to control the property was given up to be able to collect rent for this parcel. He

does not think it will be right for Hurley to profit from this when they have been in default, but he thinks that is the City's fault for not taking the property back when they could have done so. It is an awkward situation. He asked that this be addressed one way or another.

Clive Ure said he had to disagree with Chuck Brainerd on some points he has made in past meetings, because as a Board member he has to think about what is in the best interest for the airport. He believes it is in the best interest of the airport to have that corner by Cracker Barrel developed as he has discussed in the past. It would bring renown and interest to the airport. While collecting rent on this site may make sense on a business level, in the overall concept of the airport it has tied up that property for several years. He has had two lunches with the City Manager to discuss airport issues. He would like to meet with DCM Drymon to further discuss these matters.

Alun Jones said there are two ways to look at this. The City is getting about \$300 a month rent which is nothing, but it helps. Hurley has paid out this money for several years and has not received anything back on it at all. That does not seem to be a good business deal for them. If Hurley and Wipaire can reach an agreement, he may be able to recoup some of his money. He believes Hurley should be given an opportunity to negotiate with Wipaire before the City tries to take the land back. Clive Ure said the airport's best interest is what needs to be considered. Alun Jones said this site on the highway would be the prime location for a new facility for Wipaire.

Clive Ure said he met with DCM Drymon and some of the fire staff and they are working on developing a numbering system for the airport buildings.

Davie Taisch asked if the negotiations with Wipaire could include asking them to build a small ramp area with access to Cracker Barrel. Clive Ure said the petition for the Cracker Barrel ramp was submitted to the City Manager. DCM Drymon said he has mentioned the interest in a ramp to Wipaire. He believes they will be willing to take that into consideration. He said they seem to have a great interest in fly-ins and other activities. They also are very interested in the concept of having an airport restaurant. He thinks they will have an interest in growing the airport in the same direction that the Board has expressed.

Chairman Lewis said that if a seaplane ramp is built, consideration needs to be given to the idea that has come up before of building a picnic/beach area in this same spot for boaters.

Clive Ure asked if the City has considered purchasing the property adjacent to the airport that is for sale. He was advised it is very wet property and will require much work and money to build on.

Lester Coggins moved to adjourn the meeting. Alun Jones seconded the motion and the meeting adjourned at 6:55pm.

Chairman

Secretary