

**Airport Advisory Board Minutes  
Special Meeting  
July 2, 2015 5:30pm  
Airport Administration Building  
8807 Airport Boulevard  
Leesburg, Florida**

Attendance: Chuck Brainerd  
Byron Oldham  
Greg Thorpe

**Call to Order**

Chairman Chuck Brainerd called the meeting to order at 5:30pm and led the Pledge of Allegiance

**Approval of Minutes from June 10, 2015 Meeting**

Chairman Brainerd asked for a motion regarding the minutes from the June 10<sup>th</sup> meeting. Greg Thorpe asked if this should be done at the regular meeting on July 8<sup>th</sup>. AM Dean asked the Board members if they are available to meet that day. Greg Thorpe said he is not available. AM Dean said Board member Mark Crawford is also unavailable that date so there will not be a quorum.

Greg Thorpe made a motion to cancel the July 8<sup>th</sup> meeting. Byron Oldham seconded the motion and it was approved unanimously.

Greg Thorpe made a motion to approve the meeting minutes from June 10<sup>th</sup>. Byron Oldham seconded the motion and it was approved unanimously.

**Av-Mech LLC Lease Agreement**

Chairman Brainerd said the airport lease terms are all over the place. Av-Mech has a good reputation as a fixed-wing mechanic on the airport and has been subleasing for several years. This hangar is currently bank owned and Av-Mech is purchasing it.

Chairman Brainerd said the lease rate is \$0.15. Airport Manager (AM) Dean noted that they are currently paying \$0.16 due to CPI and that will stay the same. Chairman Brainerd said the term is for 30 years with a 10-year renewal option. He noted that the Wipaire agreement is for 30 years with a 20-year renewal. Byron Oldham asked why the lease terms are different. AM Dean said Av-Mech only asked for a 10 year renewal. Chairman Brainerd said he should have a 20 year renewal. AM Dean said there is a Letter of Intent (LOI) that includes the proposed terms and Av-Mech only requested one 10-year extension. Mr. Holmes is taking a leap of faith by purchasing this hangar hoping that the City Commission will approve an extended agreement. At this point all he is purchasing from the bank is the remaining 6 years on the original agreement. The LOI was written at the recommendation of Mr. Holmes's attorney and the City Attorney. It spells out the terms that will be drafted and says that until the agreement is reviewed by the City Commission he can continue operations as he did under his sublease

agreement. The original lease did not allow for the hangar to be used as a repair and maintenance shop so technically he has been out of compliance. The LOI allows him to continue operating his business. If the Commission accepts the agreement, the use clause has been updated and he will be operating within the regulations of the airport. If the agreement is not approved, the City Attorney has an addendum prepared modifying the use clause so he can operate for the remaining 6 years. At the end of that term, he will need to renegotiate with the City for a longer term.

Chairman Brainerd asked why the term is different than Wipaire. AM Dean again explained that Av-Mech only asked for 10 years. She also noted her concerns with the Commission approving a longer term. Chairman Brainerd recommended that the agreement be revised to have a term of 30 years plus 20 additional. He said Arnold Holmes of Av-Mech told him he would like a 20 year option. AM Dean said if the agreement is revised it will not move forward to the City Commission on July 13<sup>th</sup>. She noted again that the terms were discussed with Mr. Holmes and are in writing in the LOI.

Bryon Oldham asked why there is a concern that the Commission might reject the agreement. She explained that the trend in the past was simply for renewal upon renewal to be approved at the tenants' requests. The current Commission has indicated a preference for a formal appraisal at the end of the initial term when the building reverts back to the City and having the lease rates and terms to be calculated not only on the land but also the value of the building at that point.

Chairman Brainerd asked why the Wipaire agreement includes a 20-year option. AM Dean said the terms and negotiations all of these agreements began before she took this position. The terms were already promised to them both verbally and, in some instances, in writing. Some of these agreements may be a tough sell but in fairness to the tenants she feels she needs to try to honor the promises that were made to them by the previous manager.

Chairman Brainerd expressed his concern that the FAA could audit the leases and have issues with the terms not all being the same. He said the \$0.15 was set by Ray Sharp based on a study. AM Dean said she has spoken to Mr. Sharp and there was no official study. Appraisals were done on individual leaseholds as negotiations took place. Former Airport Manager Treggi did an informal survey. Going forward she would like to amend the Minimum Standards to establish a baseline for lease negotiations. Greg Thorpe recommended moving forward with this agreement as is, and in the future making sure the agreements are all consistent.

Greg Thorpe made a motion to approve the agreement as is. Byron Oldham seconded the motion and it was approved unanimously.

### **C-Wings, Inc. Lease Amendment and Wipaire, Inc. Lease Agreement**

Chairman Brainerd said the lease amendment with C-Wings is at a rate of \$0.10 for the additional 15 years. He is not in favor of that. The standard is \$0.15 and a precedent has been set. Byron Oldham noted that the previous agreement was for about \$0.03 and now it is at \$0.10. He asked for confirmation that in this case C-Wings is giving up a hangar in exchange for an extension and Wipaire will be leasing the hangar that C-wings is vacating. AM Dean said that is correct.

AM Dean showed the Board a drawing of the original C-Wings leasehold versus what it currently encompasses. Mr. Cabbage has given up a lot of property over the years for improvements such as the former FBO/current tower site, additional tie-down spaces, The Villages leasehold, etc. Over the years he has made many concessions for the development of the airport. Brian Sapp of SunAir Aviation noted that if it were not for Mr. Cabbage the airport would not be what it is today. He has done a lot for the airport.

Byron Oldham said the rate makes more sense after seeing the exchange that has taken place over the years. He noted that C-Wings tripled their offer from the agreement that was brought to the last meeting and sees no problems with it. This is leaps and bounds from the previous agreement and is to provide an economic benefit by allowing for the expansion of Wipaire. Chairman Brainerd said he is concerned about lost revenue. Essentially the City is subsidizing part of the deal.

Byron Oldham asked what will happen if this agreement is not approved. Bill Pike said he is not sure how they will proceed. He would need to speak to the owner. He noted that their company is growing and they will be renovating the hangar. It is currently in pretty bad condition. They will also be increasing personnel. He believes this is a good deal for everyone. The economic impact of their expansion will make up for a lot of the reduced lease rate offered to C-Wings. Brian Sapp said it seems like a win-win situation. Chairman Brainerd said he would still like to see a rate of \$0.15 per square foot.

Byron Oldham made a motion to approve the lease agreements. Greg Thorpe seconded the motion and it was approved unanimously.

#### **Airport Project Update AvCon Engineers & Planners**

AvCon was not available to attend this meeting so a project update was not given.

#### **Airport Manager Update**

AM Dean said she had no report for this meeting.

#### **New Business**

There was no new business for discussion at this meeting.

#### **Adjournment**

The meeting adjourned at 6:15pm.

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Chairman

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Secretary