

**Airport Advisory Board Minutes
December 12, 2019 5:30pm
Airport Administration Building
8807 Airport Boulevard
Leesburg, Florida**

Attendance: Mark Crawford
 Byron Oldham
 Alan Reisman

Call to Order

Chairman Alan Reisman called the meeting to order at 5:30pm. Mark Crawford gave the invocation and led the Pledge of Allegiance.

Approval of Minutes from September 12, 2019 Meeting

Byron Oldham made a motion to approve the minutes from the September 12, 2019 meeting. Chairman Reisman noted that the fourth paragraph of page 1 begins with the name Chairman *Brainerd* and it should be Chairman *Reisman*. Mark Crawford seconded the motion with the noted correction and it was approved unanimously.

Board Secretary Pam Hester read into the record the Memorandum of Voting Conflict that Chairman Reisman filed with regard to the *First Amendment to Lease with BHI Properties of Central Florida for Property at 32720 Echo Drive* that was discussed at the September 12, 2019 meeting.

T-Hangar Rate Analysis and Proposed Wait List Policies & Procedures

Airport Manager (AM) Tracey Dean said she surveyed t-hangar rates at eight airports in central and northern Florida. There is really no way to know the age and condition of the hangars, so she felt it was best to group them by sizes (within 50 square feet of each other). The spreadsheet she handed out reflects this system of sorting the hangar costs. (See attachment A).

The airport currently has t-hangars that fall into three different groups on the survey. They are all slightly below the average monthly rental rate for their group. She believes they should all have some sort of rate increase. The last increase was in 2010. She thinks the t-hangar tenants should have a stake in the on-going maintenance costs of the airport. The current rates are between 7% and 15% below the averages. She asked that the Board determine the amount and process for the increase. She noted it could be a one-time increase with a future review of the rates or a recurring increase. She said that she doesn't think a single amount per square foot for each hangar is fair because we have some that are aging and will also have brand new ones.

Chairman Reisman asked if the airports she surveyed disclosed how they handle rate increases. AM Dean said some told her they base it on surveys similar to what she did. Others said they base it on appraisals.

Chairman Reisman said he likes the option of increasing the rates now and then again on a biennial basis. AM Dean asked if his intent is to bring them to the average on the survey. Chairman Reisman said yes. Mark Crawford said we may want to make the rates just slightly lower than the average. Chairman Reisman noted that our airport offers a lot more services than many of the airports on the survey. Byron Oldham agreed that our facilities are better than a lot of the comps. AM Dean said there are different things that impact what the airports charge. For example, Umatilla can charge a higher rate because there are so few hangars available there.

Chairman Reisman said based on what is available here, he believes the rates should come to the standard or maybe even a little higher and then do a biennial CPI increase. Byron Oldham agreed and noted the rates should definitely be reviewed more than once every ten years.

AM Dean said she thinks it is appropriate to put a cap on the CPI increase amount. She said that last year the CPI was 8%. She doesn't think the t-hangar tenants should bear as much as the commercial tenants. She would recommend wording it as the greater of the CPI with a cap of 3%. Chairman Reisman and Byron Oldham both agreed.

AM Dean said the last discussion regarding the new box hangars was to charge \$3.50 per square foot. They are roughly 1800 square feet in size. Chairman Reisman noted that would be about \$500 per month.

Chairman Reisman made a motion to bring the existing t-hangar rate to the average in the survey completed by the Airport Manager with a biennial increase based on the CPI with a cap of 3% and to charge \$3.50 per square foot for the new box hangars currently under construction. Mark Crawford seconded the motion and it was approved unanimously.

AM Dean opened the discussion on the wait list. There are currently 111 people on the list. She does not believe they all have a serious interest and thinks the list will be much more manageable if we start requiring a deposit. She suggests a \$250 deposit. Per the proposed policy, she will contact everyone on the list and from the moment she makes contact with them, they will have ten (10) business days to bring to her the completed application and deposit in order to keep their position on the wait list. If they fail to do so, they will be removed from the list. The City's Finance Department will open an account for everyone who makes a deposit and once they take occupancy of a hangar the deposit will go towards their first month rent. If someone gives a deposit and later asks to be removed from the list, their deposit will be refunded.

Chairman Reisman said he sees five (5) days in the policy. AM Dean said they have five (5) days to accept the offer of an available hangar. They have ten (10) days to get her a completed application and deposit to secure their position on the wait list.

Chairman Reisman said he likes the policy. He thinks it will clean up the process. He asked if AM Dean is going to request that anyone who declines to make a deposit does so in writing so there is something in our files to verify an offer was made. AM Dean said her plan is to document all contact on a spreadsheet. She believes most of the contact will be verbal.

Byron Oldham asked for confirmation that she plans to call everyone on the current list and explain the new deposit procedure. AM Dean said she will explain the new policy to each of them. She hopes to have the application available on the website for people to print out. She does not want to allow the form to be submitted electronically because then she will have a problem with an application being turned in on-line, but having to wait for the deposit to arrive via the mail. She wants to ensure she receives both items at the same time either via mail or delivery in person.

Byron Oldham said this is a very well done and comprehensive process. He asked if a determination was made on the process for current tenants to request a move to the new hangars. Chairman Reisman said that is covered in #12 of the policy. AM Dean said they will be allowed the opportunity to move but would not be allowed to use it as a second hangar.

Byron Oldham said he is concerned with the use of the word "may" in section 12 because it becomes discretionary. That could be a liability in the future. AM Dean said she did not want it to be totally definitive because there could be circumstances such as someone being in default of their current lease where they should not be offered an opportunity for a new space.

Byron Oldham said this item might be the most important part of the policy right now because we do have new hangars. There may be many people who want to upgrade just to get a larger hangar. He knows at the last meeting Bo Wroten had some reservations about someone who doesn't necessarily need a bigger hangar for their airplane taking it just for the extra space and by doing so keeping someone with a larger airplane from being able to get into the hangar they need. AM Dean said on the application form there is a hangar size request and the policy says it is their responsibility to know what size hangar they need.

Byron Oldham said his concern is all the current tenants deciding to upgrade just for extra space and therefore preventing someone who actually needs the bigger size from being able to come onto the airport because the only available hangars will be the older, smaller ones. He noted that may not be a valid concern because we don't know how many current tenants will want to move. AM Dean said there is really no way to know that. Bryon Oldham said the price difference between the old and new is marginal so that will not be prohibitive.

AM Dean asked for any tenants in attendance to speak to this concern. Steve Tilford said he is comfortable in his current hangar. It is priced well, he likes being

there and it fits his airplane. From his perspective, it is a pain to move. His personal feeling is that the airport is looking to fill the space. He understands the concern but is not sure how you can effectively manage that without being prejudicial to owners of larger airplanes. AM Dean said the application includes a section for selection of the hangar size they need so she will only contact those people who have requested the size hangar that is open. AM Dean said most of the people on the list now have not even asked what size hangars we have.

Chairman Reisman asked if we intend to allow more than one person to use the hangars. AM Dean said if a tenant wants to sublease a portion of a large hangar she does not necessarily see a problem with that. However, the City will only sign an agreement with one tenant so all liability and risk is between those two individuals. If for some reason the tenant with the City leaves the hangar, the subleasee has no recourse with the City because our hangar rental agreement was not with them. They do not necessarily assume it or get to stay. Chairman Reisman asked if some language reflecting that can be added to the agreement. AM Dean said the existing agreement may already include language regarding subletting. She will check and see about adding that language to the new agreement if needed.

Secretary Pam Hester asked if adding the phrase "in good standing" would be helpful with regards to the concerns about item #12 allowing the opportunity for existing tenants being offered the opportunity to upgrade even if they are in violation of lease terms. Byron Oldham said that would alleviate some of the ambiguity. He asked if that was AM Dean's only concern for not being more definitive on this item. She said that is the main concern. Byron Oldham said perhaps adding "financially" also. AM Dean suggesting changing the sentence to say, "Existing tenants in good standing may request the opportunity to upgrade." That puts the responsibility on the tenant so no one can say the airport manager did not contact them about this matter. The Board members agreed this is a good idea.

AM Dean said she will make the changes requested and bring the documents back for final review by the Board.

There was no further discussion.

Airport Project Update

Master Plan Update: Mary Soderstrum from AvCon said the ALP has received final approval by the FAA. They will print it this week and send it to FAA for signature. It usually takes a couple weeks for the FAA to sign and return it. It should be finished about the first of the year. There are some minor changes on the capital improvement program that she will be reviewing with AM Dean next week. They will print those books and send them out as well. They will also be provided to AM Dean electronically so she can send them out. The process is almost done.

Storage Hangar Design: AM Dean said FDOT has set aside about \$920,000 for construction. They would like to see both buildings built so they are looking for more funding for this project. She hopes to have the paperwork in a week. As soon as

she gets that grant she will take it to the Commission for approval and the project can move forward.

Dan Nickols from GAI said they received four bids on the project. The low bid for both buildings was \$1.595 million. The low bid for the north building only was \$844,000 and the low bid for the south building only was \$863,691.90. These numbers were very close to the engineer estimates.

Chairman Reisman asked if we are just waiting for the grant. AM Dean said that is correct. The design is done and the bids are all in. She hopes to take everything to the Commission in January with construction possibly starting as early as February. There will be two buildings with five units each. AM Dean noted that the inclusion of fire sprinklers for both blocks of hangars added \$90,000.00 to the project cost.

Runway 13/31 Rehab: Wilbur Mathurin from Hoyle Tanner and Associates said they met with AM Dean today and provided her the 90% plans and technical specifications. They are moving forward towards 100% plans for bidding and they should be done on January 8th. It should go out to bid in January with the bid opening in February. Once the bids are in AM Dean can apply for grant funding. They hope to begin construction in the fall.

Airport Manager Update

AM Dean said there is a project in the FY 20 budget to do an interior update to the Customs facility. She was able to get a grant for this project which has been approved by the Commission. The design process will start soon.

AM Dean said she also obtained a grant for the radio equipment upgrade in the air traffic control tower (ATCT). That will be on the January 13th Commission agenda. Once the grant is approved, the project will go out to bid.

AM Dean said she has an update on Wipaire. The City has reached a compromise to correct some of the deficiencies. She does not know if the agreements will come back formally to this Board. That will depend on how the City Manager chooses to handle it. She will convey any comments from this Board to the City Manager.

AM Dean said there will be an amendment to the lease which Wipaire has verbally accepted. It requires them to pay the Phase I job penalties. They were supposed to create thirty jobs and only created nine. The penalty is \$105,000 (21 jobs at \$5,000 per job). If, and only if, that amount is paid by February 3, 2020, they will be relieved of the Phase II job penalty and the required office and shop expansion of the hangar on the ramp. The lease will be reduced to five years and end on December 31, 2024 instead of 2044. At the end of the five-year term they must renegotiate or the hangar will revert back to the City. She believes the terms are fair. It will allow Wipaire to still have a presence on the airport and give them time to develop a plan for their future here.

Chairman Reisman said the doors have been shut for five months. AM Dean said they are working on developing some partnerships and hope to develop some new

business. Chairman Reisman asked of the lease includes a timeline requiring them to do something. He does not want to see the building closed and empty for five years while they pay just the base rent. AM Dean said she does not think that was included in the amendment. She does not believe that is their intent but she will pass that concern on to Mr. Minner. Byron Oldham asked if it is a real concern that they would continue to pay rent and leave the building empty rather than default on the lease. Chairman Reiman said the ground rent is so small that they could afford to sit on the building. AM Dean noted they have the option to sublet or assign the hangar as allowed by all leases.

Byron Oldham asked what the budget surplus is from the grants AM Dean obtained for the Customs facility and radio equipment. AM Dean said both FDOT grants are 80/20. For the Customs upgrade the grant is \$250,000 - FDOT \$200,000 and City \$50,000. The original budget was \$100,000 so there will be \$50,000 back in reserve if it is needed. The ATCT grant is \$150,000 – FDOT \$120,000 and City \$30,000. The final costs for this project are not in yet. Byron Oldham said she did a great job obtaining the grants.

New Business

Chairman Reisman noted that the beacon is painted and looks good.

Chairman Reisman asked for an update on the gates and whether or not any of the damage was covered by insurance. AM Dean said right now Gate 3 is the only one not operating. They are still working on the wireless functionality. All the other gates are working. All badges should work at the east gate entry. She is waiting for all the costs for Gate 3 to come in before she files with the insurance company. She has a packet ready to go as soon as she receives the Gate 3 information.

Chairman Reisman asked for information on the note on the monthly report regarding the tree obstruction cited on the FDOT inspection. AM Dean said there are a couple of trees across R21 on the east side of the RPZ and one tree at the end of RW 31 in the wet area. She is working on a plan for those now.

Chairman Reisman asked for an update on the roofs at Bill Bryan and Family Furniture. Am Dean said the Subaru roof is almost done. There are some issues due to rusted metal. They are putting together a proposal for steel work. She is waiting for that cost. The Family Furniture roof is done.

Chairman Reisman asked for updates on the pond and signage projects. AM Dean said the signage project is in final design. She had to raise the height of the Wilco sign. The logo will also have a two-dimensional affect with the plane swoop being offset and lit so the cost is a little more. Chairman Reisman asked if there will be landscaping at the Wilco entrance. AM Dean said she has not budgeted that yet, but agrees it is needed. AM Dean said there is no change on the status of the pond project.

Byron Oldham asked if there are any statistics on the use of the seaplane ramp. AM Dean said last month there were 24 operations, which is pretty good. The average is about 11 or 12.

Chairman Reisman asked if a breakdown is available of Customs use, comparing tenants to transients. AM Dean said the report she gets from Customs doesn't always show names but she can check using the N numbers. That report corresponds with the SunAir payment receipt tickets. Brian Sapp from SunAir Aviation said from their involvement in the Customs process he would say it is 50/50.

Adjournment

Chairman Reisman moved to adjourn. Mark Crawford seconded and the meeting adjourned at 6:19pm.

Chairman

Recorder

ATTACHMENT A

AIRPORT	SIZE sqft	Mo. Rate	AVERAGE MO. RATE	Rate/sqft/mo	Annual Rate	Rate/sqft/annual	UTILITIES	Quantity
Dunnellon	930	250.00		0.27	3,000.00	3.23	Included	14
Lakeland	938	310.00	238.89	0.33	3,720.00	3.97	Included	35
Gainesville	963	196.59		0.20	2,359.08	2.45	Included	17
Gainesville	975	198.98		0.20	2,387.76	2.45	Included	10
Ocala	1,000	247.20		0.25	2,966.40	2.97	Included	55
Gainesville	1,008	204.94		0.20	2,459.28	2.44	Included	14
Crystal River	1,041	304.78	262.92	0.29	3,657.36	3.51	All but E	6
Gainesville	1,046	213.27		0.20	2,559.24	2.45	Included	10
Gainesville	1,050	292.34		0.28	3,508.08	3.34	Included	14
Lakeland	1,050	315.00		0.30	3,780.00	3.60	Included	30
Dunnellon	1,078	250.00		0.23	3,000.00	2.78	Included	10
Umatilla	1,080	299.70	266.57	0.28	3,596.40	3.33		1
Williston	1,100	250.00		0.23	3,000.00	2.73	Included	31
Inverness	1,120	309.07		0.28	3,708.84	3.31	All but E	4
LEESBURG	1,121	275.00	294.69	0.25	3,300.00	2.94	Included	14
Dunnellon	1,134	300.00		0.26	3,600.00	3.17	Included	16
LEESBURG	1,152	275.00		0.24	3,300.00	2.86	Included	12
Umatilla	1,180	324.50		0.28	3,894.00	3.30		6
Crystal River	1,181	323.08	323.79	0.27	3,876.96	3.28	All but E	3
Ocala	1,250	309.00		0.25	3,708.00	2.97	Included	38
Dunnellon	1,260	300.00	321.01	0.24	3,600.00	2.86	Included	2
Inverness	1,285	354.02		0.28	4,248.24	3.31	All but E	4
LEESBURG	1,342	308.00		0.23	3,696.00	2.75	Included	3
Umatilla	1,376	374.96	348.81	0.27	4,499.52	3.27		6
Gainesville	1,392	363.46		0.26	4,361.52	3.13	Included	12
LEESBURG	1,420	308.00		0.22	3,696.00	2.60	Included	4
Inverness	1,470	405.58	356.79	0.28	4,866.96	3.31	All but E	4
Crystal River	1,541	365.75	365.75	0.24	4,389.00	2.85	All but E	2
Gainesville	1,625	390.98	390.98	0.24	4,691.76	2.89	Included	8
Ocala	1,700	386.25		0.23	4,635.00	2.73	Included	8
Dunnellon	1,701	350.00	368.13	0.21	4,200.00	2.47	Included	4