

**Airport Advisory Board Minutes
January 13, 2022 5:30pm
Airport Administration Building
8807 Airport Boulevard
Leesburg, Florida**

Attendance: Tweet Coleman
Fred Griffin, Jr.
Byron Oldham
Alan Reisman
Bo Wroten

Call to Order

Chairman Alan Reisman called the meeting to order at 5:30pm.

Chairman Reisman gave the invocation and led the Pledge of Allegiance.

Approval of Minutes from December 9, 2021

Tweet Coleman made a motion to approve the minutes from the December 9, 2021 meeting as written. Fred Griffin, Jr. seconded the motion and it was approved unanimously.

First Amendment to Lease Agreement with Lake County Florida (Lake County Sheriff's Office Aviation Unit Hangar)

Airport Manager Dean said the original lease expires in January 2023. The agreement does not include any extensions. Their budget is set about a year in advance so they asked to work on this agreement now and have asked for a ten-year extension that begins in January 2023.

Chairman Reisman asked if there was a reason a market analysis was not done to get a better rate. AM Dean said she and the City Manager discussed the terms for this lease. The base rate for the land is increasing to \$.16 which is the norm. They are currently paying a little under \$.11. Since they are a government entity, they are not expected to pay market.

Bo Wroten said it is hard to justify not going to market when we have done that with everyone else. He is not sure it needs to go all the way to market, but it's hard to justify treating them differently. Byron Oldham asked how far off market this rate is. Bo Wroten said there is no way to know without an appraisal on the building. He reiterated that this is not being consistent. Fred Griffin, Jr. agreed with Bo Wroten and suggested making a recommendation to reevaluate the agreement. Bo Wroten said perhaps they could be given a 25% discount off the market rate since they are another government enterprise.

Bo Wroten made a motion to recommend getting an appraisal and charging 75% of the appraised value. Byron Oldham seconded the motion and it was approved unanimously.

Lease Agreement with Import Sales of Lake County, LLC D/B/A Bill Bryan Subaru

AM Dean said there are two separate parcels on this agreement. One has the showroom on it and the other has the paint and body shop. This is an entirely new lease agreement. The current agreement was assigned to them and has been amended a few times so the City Attorney recommended starting over with an entirely new lease.

This lease is for an initial term of five years with three allowable five-year renewal options. The rate for the first five years will remain at the current amount of \$11,821 per month. The City Manager and their General Manager agreed to this to help them recoup their cost for roof replacement, which under the lease agreement is a shared cost but they paid the full amount.

Chairman Reisman asked if the airport contributed to the roof cost. AM Dean said it did not. Chairman Reisman asked how much they spent. AM Dean said it was approximately \$60,000. Chairman Reisman asked for the market value of the buildings. AM Dean said the showroom parcel is valued at \$2 million and the other is valued at \$715,000. The appraisal was done for a sale price, not leasing. Byron Oldham said a 5% cap rate would be \$100,000 per year on a value of \$2 million so that seems to be in the ball park but might be on the low end. Commercial real estate usually goes from 5%-10%. Chairman Reisman asked if the rate starts to increase by CPI after the first term. AM Dean said it will increase bi-annually so it would go up twice in each 5-year term. Chairman Reisman asked why the City did not pay towards the roof. AM Dean said the airport previously paid for some roof work on this leasehold including putting a new roof on the body shop last fiscal year. However, much of the work was long enough ago that she has been unable to find all the paperwork to definitively say if work was done on the showroom building and exactly what type of work was done.

Bo Wroten said that once again he thinks they should be consistent with all the leases. This seems low compared to Skybolt and Av-Mech. AM Dean said both of those were purchased outright to pay for the long-term. Bo Wroten again said we need to be consistent and make sure the cap rate with this lease is consistent with how those other lease amounts were calculated.

Byron Oldham asked why they paid the whole cost of the roof if it was supposed to be a shared responsibility. AM Dean said when they came to her about the roof problem she would not agree to pay part of it without doing due diligence on previous work that was done on the buildings. What she found was a lot of inconsistencies in the paper trail when she was trying to figure out who paid for what

and exactly what work was done. She could not definitely say we turned over a watertight building to them. They claim it has leaked for years. They expressed that they were anxious to get the roof repaired and stop the leaks, so during the negotiation process the City Manager told them to go ahead and fix it and we would work it out to make them whole.

AM Dean noted that if this agreement is not approved, their current lease will remain in affect until 2026 with one additional 5-year option. The only difference is there would not be a break in the cost for the next five years so the City will have to work something out with them to reimburse for the \$60,000 roof expense. Bo Wroten asked what they are paying now. AM Dean said it is the \$11,821 plus it will go up by CPI in November. Bo Wroten said if the cap rate in the new lease is consistent with other leases he is OK with it but he does not like the 20-year term. AM Dean said she does not believe we have done a comparable non-aeronautical appraisal recently. Bo Wroten said 441 properties should appraise higher than airside properties so we need to at least be equal with the airside rates.

Byron Oldham said he is not comfortable giving them a concession for something that was agreed to 16 years ago. It seems that issue should have been addressed before now. He recommended that they should have to prove we are responsible for the roof problems. Bo Wroten asked what the city attorney said about this. AM Dean said we cannot prove we turned over a water tight building. Bo Wroten said that was when it was leased to the original tenant. AM Dean said that is correct – the original tenant was Johnson Sales. Byron Oldham said the agreement does not state the building won't leak for 16 years. AM Dean said they justify their position by saying that their roofers advised the roof was never properly repaired and they only see patch work. We cannot disprove that. Chairman Reisman asked when they started complaining about leaks. AM Dean said about two years ago.

Byron Oldham said unless it is clear cut that the responsibility for the roof repair is the City's, he would recommend we stay with original lease. Chairman Reisman asked if the original lease says we are responsible for building repairs. AM Dean said it covered the roof situation and parking lot. The parking lot was resurfaced in 2017. Byron Oldham asked for confirmation that we are not responsible for maintenance. AM Dean said that is correct. She said she made certain the new agreement explicitly says they are responsible for maintenance, repair and replacement of everything.

Bo Wroten made a motion to recommend to continue with the current agreement and turn down the new agreement. Byron Oldham seconded the motion and it was approved unanimously.

AM Dean asked if there was a recommendation on reimbursement for the roof. Bo Wroten said he would leave that up to the City's judgement. He does not think it should fall to the City 16 years after the lease started. If it is a triple net lease they are responsible for that. Byron Oldham agreed.

Project Update

US Customs and Border Protection Interior Remodel: Dan Nickols from GAI said we are still waiting for some security devices to come in. Bo Wroten asked if we can tour the facility before the next meeting. AM Dean said that is not allowed. She also noted they do not have a full-time agent yet. Bo Wroten asked if they could schedule an appointment to see it. AM Dean said she will ask about that.

RW 13/31 Rehab: Wilbur Mathurin from Hoyle Tanner said the contractor for this project has been back on site and it is almost done. Runway 3/21 has been renumbered to 4/22 and a NOTAM has been sent out. All the signs have been changed out. On January 27th all the FAA publications will change to 4/22. The only thing left to do is a flight check for the 31 PAPIs. Once that is done the project will be closed out.

Main Ramp Resurfacing: Dan Nickols from GAI said they are waiting for a schedule from CW Roberts. The start date was pushed back to the end of January or early February due to issues related to COVID. Once they have the contractor start date they will put together some updated exhibits showing first phase impacts and reach out to affected tenants.

FY 2022 Hangar Design: Dan Nickols with GAI said the geo-tech investigation and field work was done last week and the survey work is being done this week. In a couple weeks they will have the results from that and can begin work on the design.

Chairman Reisman asked if the incubator hangars will be larger than the current hangars and what is the biggest they could be. He also inquired about starting a waiting list for them. Dan Nickols said the size of the hangars will depend on minimum standards, setbacks, land use and regulations, etc. AM Dean said there needs to be discussion on who the customer base for these hangars will be. She is not sure if the best use is as a maintenance hangar. There is also a question of how long the terms should be. If the facility is to be used as an incubator that is an issue because in a true incubator the tenants graduate to a new space and there is really nowhere on the airport for a new business to move to. Before she can start a waiting list there needs to be further discussion on this matter. She is also not sure that will be the first structure built.

Bo Wroten asked if the best plan is to start building at Airport Boulevard and go out from there. Dan Nickols said it makes sense to start near the road and work from there to alleviate disruption to tenants in the new buildings. AM Dean noted that the wingspan of aircraft in these hangars will be limited by the width of the taxilanes. Chairman Reisman agreed but said if the hangars are large enough they could possibly accommodate more than one aircraft.

Ed England said he was there representing First Class Aerospace and they will need two of these hangars.

Fuel Farm: Dan Nickols from GAI said they are in the process of signing subcontracts with the survey crew and geo-tech. They will be coordinating with AM Dean soon to get those scheduled.

Chairman Reisman asked if they are looking at both sites. Dan Nickols said the first phase is a study and full analysis of constructability for both locations. AM Dean noted that the current Airport Layout Plan (ALP) shows the new location so the FAA will want an explanation if it is changed. Bo Wroten said the proposed new location would be a good spot and chairman Reisman agreed.

Airport Manager Update

- City Commission – Airport Impacts/Issues

AM Dean said she has no items for discussion.

Chairman Reisman said he has been told that all the approaches are down and asked why that is. AM Dean said she was not aware of this. Dan Nickols noted that Flagler had something similar happen without notice and they are trying to figure out what happened. Wilbur Mathurin said a couple years ago the same thing happened at another airport and they found out that FAA had done approach studies and shut them down without notice based on that. He suggested checking and to see if that is what happened here.

Bo Wroten asked for an update on the three COVID grants received by the airport. AM Dean said the first grant was \$69,000; second grant was \$57,000 of which \$34,000 was specified for tower use only; and the third was \$59,000. Chairman Reisman asked how the tower funds were spent. AM Dean said they purchased some computer equipment for about \$2,000 and new motorized shades for about \$12,500. The tower staff is working to determine what else they need. It is a four-year grant so there is time to spend the remaining amount. The remaining amounts have been designated for operating expenses. Bo Wroten asked what that encompasses. AM Dean said it covers anything other than capital expenses such as gate repairs, lighting, obstruction clearing, etc. It can also be used for personnel expenses.

Chairman Reisman said he saw that the airport maintenance person resigned and asked who is doing the mowing now. AM Dean said they are trying to determine if it is more cost effective to contract out the mowing service instead of hiring a full-time employee. She did hire a company for a one-time service while we are working through the bid process. The bid packet for the airside has gone out and the bids are due back by January 25th. If the airside is reasonable, the landside responsibilities may possibly be shifted to Public Works staff. She is also getting quotes for the landside work from outside contractors. They have to determine if using a contractor and not buying and maintaining mowing equipment along with not paying an employee is better financially for the airport.

Chairman Reisman asked if the existing equipment would be sold. AM Dean said it might be utilized by the grounds division if they take over the mowing work. Chairman Reisman asked if she will hire a new maintenance person. AM Dean said that all depends on how the bids come back.

Tweet Coleman asked why he left. AM Dean said he had an opportunity to go to work for the State with a much shorter commute.

New Business

Chairman Reisman said Wipaire is holding their annual seaplane Splash Down on January 23rd at 11:00am. Brian Sapp said SunAir Aviation will be providing a shuttle to take people to the seaplane ramp area.

Adjournment

Bo Wroten made a motion to adjourn. The motion was seconded by Tweet Coleman and the meeting adjourned at 6:20pm.

Alan Reisman

Chairman

Pam Hester

Recorder