

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

Attendance: Joel Hargis
Byron Oldham
Alan Reisman
Bo Wroten

Call to Order

Chairman Alan Reisman called the meeting to order at 5:35pm.

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

Approval of Minutes from September 8, 2022

Joel Hargis made a motion to approve the minutes from the September 8, 2022 meeting as presented. Bo Wroten seconded the motion and it was approved unanimously.

Lease Renewal Agreement – Orlando Financial Corporation

Airport Manager (AM) Tracey Dean said the most recent agreement with Orlando Financial Corporation was signed in 2017. It had a five-year term with one five-year renewal option. The agreement before the Board today is for the five-year renewal which will extend the lease through 2027. The terms of the lease remain unchanged.

Bo Wroten made a motion to approve the agreement. Byron Oldham seconded the motion and it was approved unanimously.

Project Update

US Customs and Border Protection Interior Remodel: AM Dean said she has received the Letter of Acceptance from US Customs and Border Protection for the building. They have also received the final project close-out and the final pay application from the contractor for the project retainage.

Main Ramp Resurfacing: Dan Nickols from GAI said the project is down to the punch list. There are a few areas on the pavement the contractor needs to grind. They are scheduled to do that on the 20th and 21st. There is also some final painting left that will be done at that time. After that is done, the project will move to the close-out phase.

FY 2022 Hangar Design: Dan Nickols from GAI said they are waiting for the report on the soft digs for existing utilities on the site. Unfortunately, the preliminary results show the utilities are only about three feet underground. Once they have the official report and know exactly where everything is, they will go back to each utility so a relocation plan can be developed.

Wildlife Hazard Assessment: Jack Thompson from GAI said the second site visit has already been completed. There will be site visits done twice each month. They make observations at three different times each day during those visits. There are six sites on property and seven off property where they will do the observations. That process will be repeated for a total of twelve months.

GAI will receive a mid-project update report with some data in about three months. Once GAI has the full report they will provide that information to the FAA. At that point, the FAA will most likely direct that a Wildlife Management Plan be developed. That Plan will probably call for things like fencing and stormwater management. Joel Hargis asked if the report will cover all animals on the airport. Jack Thompson said it will cover everything – from hogs to turkeys to alligators to wading birds. AM Dean said the report will provide justifications for traditional things like fencing along with other things such as stormwater improvements and tree clearing.

Joel Hargis noted that Hurricane Ian brought quite a bit of rain to the area. He asked if anyone had assessed the water levels on the airport from the storm. AM Dean said she drove the property on Thursday. She was surprised that she did not see any flooding at all. She said that during Hurricane Matthew taxiway Juliet was nearly flooded. She said the mower is currently on the field and they are not having any issues with wet areas.

Fuel Farm: Dan Nikols said there has been no change in the status of this project.

AM Dean said the Board's recommendation has not gone to the City Commission yet. This is part of a wider discussion on projects that the Board needs to have tonight. She and Jack Thompson met with City Manager Al Minner this afternoon regarding the ongoing and proposed projects at the airport. He put together some information on the projects and available funding.

Over the next three years the airport will receive approximately \$1 million in grant funds from FDOT each year. The airport also has approximately \$2.7 million in cash available to spend. There are five projects under consideration at this time. The Board needs to determine the priority order of the projects in order to make the best use of the FDOT and airport funds. There are several options from the City Manager for the Board to consider regarding that order or the Board can come up with a different option/combination.

Option A:

1. Veterans Road Site Development now / \$1 million FDOT grant
2. Rehabilitate Fuel Farm in summer 2023 / \$1 million FDOT grant and \$500K airport cash
3. Hangar Sitework in summer 2024 / \$1 million FDOT grant and \$1 million airport cash
4. Build 1 Hangar Building in summer 2025 / \$1 million FDOT grant \$1 million airport cash

Option B:

1. Hangar Sitework in summer 2023 / \$2 million FDOT grant

2. Hangar Building #1 (construct) in summer 2024/ \$1 million FDOT grant and \$500K airport cash
3. Hangar Building #2 (construct) in summer 2024 / \$1.5 million airport cash
4. Hangar Building #3 (construct) in summer 2025 / \$1 million FDOT grant and \$500K airport cash

Option C:

1. Veterans Road site development now / \$1 million airport cash
2. Relocated Fuel Farm summer 2023 / \$2 million FDOT grant and \$1.4 million airport cash

Joel Hargis asked how much the airport's revenue will increase over the next three years and how much of that will be added to the airport's available cash. AM Dean said the airport's annual revenue is about \$1.2 million. Approximately \$600,000 of that comes from the six properties on US 441. Byron Oldham asked how much of that is left after expenses. AM Dean said last year there was about \$260,000 left at the end of the year that was returned to the airport cash balance. Bo Wroten asked how much the budget was over/under for the last three years. AM Dean said that is difficult to answer because of several things including roll overs, encumbrances and the timing of grant payments. She will not have the final numbers for this year until Accounting closes out period 13. She noted that depreciation also affects the bottom line and the airport always shows in the red due to that.

Byron Oldham asked if there is some type of statement that shows income without depreciation. AM Dean noted that the \$1.2 million in revenue will go up a little each year as leases with built in CPI increases are adjusted. Byron Oldham said it seems backwards to be trying to make this decision with only the cash balance that is available now but the project expenses through 2025. AM Dean said the grant agencies program projects out several years so the airport has to forecast these expenses and plan the matches. Jack Thompson said he would estimate that the possible additional income from the new Veterans Road hangars will be about \$12,000 annually per site. The fuel farm improvement will not increase income. There is no revenue with the sitework for the new hangar location north of Airport Boulevard. A block of the box or t-hangars at that location will probably bring in about \$40,000-\$50,000 annually.

Jack Thompson noted that along with the five specific projects being discussed, in the next three or four years there are some other projects planned that will receive FAA grant funding that are not reflected here (such as a taxiway rehabilitation). If the airport is making about \$200,000, most of that will probably go to the local share of these grant matches. Chairman Reisman asked how much the match would be for those grants. Jack Thompson said the match is usually 10%. AM Dean said FDOT will typically pay about 8% on FAA grants leaving the City with a 2% match. However, we know FDOT only has about \$1 million total for Leesburg so in this case we will pay the full 10% and use the FDOT funds on the other projects being discussed today. That will also streamline the process a bit. Chairman Reisman noted the FAA grants are not shown on the project charts they have in front of them. Jack Thompson said the upcoming projects are small enough that the airport should be able to fund the matches from the budget with no problem.

Bo Wroten asked how we know FDOT will only provide \$1 million in grant funds for the next few years. Jack Thompson said that is the amount they have programmed for this airport.

Joel Hargis asked if the Board needs to make a recommendation on one of the options presented – A, B or C – or if this is just for discussion purposes. AM Dean said there needs to be a recommendation. This is important because we have limited funds and it affects the Veterans Road site development. The hangars are a multi-year project and the Board has identified it as a high priority. The Fuel Farm is important and it is also a multi-year project. The discussion and the options show that everything that is being considered cannot be done in three years.

Joel Hargis asked what the hangar building project includes. Jack Thompson said the proposed plan includes four sets of buildings – seven box hangars, two rows of 14-unit t-hangars and four maintenance hangars. Joel Hargis asked for confirmation that this Board had previously identified this project as a priority. AM Dean said that is correct. The design for the project is currently underway and will be ready to go whenever the funding for construction is available.

Joel Hargis asked which projects make the most money for the airport. Jack Thompson said the hangars will generate about \$45,000-\$50,000 annually per building.

AM Dean reiterated that these are not the only combinations or order of projects. The Board can make other recommendations.

Byron Oldham said that at the last meeting the Board recommended moving ahead with the new fuel farm. It seems like the City is now saying that the funds aren't available to do that and the other projects the Board have said they would like to do. His understanding is that rehabbing the fuel farm is not a practical option.

Bo Wroten said rehabbing the fuel farm is not a good option. The current fuel farm is worn out and is in a bad spot. If you move it to the proposed new location there are a lot less problems with the fuel trucks having to communicate with the tower. AM Dean said the fuel trucks are always supposed to be escorted. Bo Wroten said that will be much easier at the new site because it will not be on an active taxiway.

Joel Hargis asked if the current fuel farm will last four more years. AM Dean said it is in good shape. Jack Thompson said the maintenance on it will need to be continued. The report showed some delamination at the top of the tank but not at the bottom where the fuel is. There is also the issue of the tank being tipped the wrong way that will need to be addressed. Bo Wroten asked why the airport should invest \$1.5 million in 20-year old tanks. Byron Oldham agreed there are concerns with spending that much money and still having something not be right. Bo Wroten said there is also the possibility of taxiway incursions in the current location.

Chairman Reisman said based on the discussion it seems that the Board is leaning towards Option C. Bo Wroten said he hates to delay the hangars but he is leaning that way. Joel Hargis said it is a tough decision. Chairman Reisman said finishing the Veterans Road site opens spaces for several new potential tenants. Byron Oldham questioned if we are overstating/understating the condition of the fuel farm. He

wondered if it might be possible to get some type of warranty if it is rehabbed. Joel Hargis asked if a decision needs to be made today or if they can wait and discuss it further at another meeting. AM Dean said the decision affects whether or not the lease to Dr. Curry moves forward.

Bo Wroten said he prefers Option C. He feels strongly that we need these two projects completed and he does not want the rehabbed fuel farm. The hangar design will be ready to go when the money for construction is available. Jack Thompson noted with the selection of Option C the site work for the hangar location could be done in 2025 and the first hangars could be built in 2026.

Bo Wroten made a motion to select Option C. Joel Hargis seconded the motion and it was approved unanimously.

Lease Agreement with Curry Aviation, LLC

AM Dean said the lease with Curry Aviation goes hand in hand with the site design for that land. The lease has no effective date yet. If the airport decides to use a grant for this project, the application process with FDOT has to be finished before GAI can begin any work. At the same time the grant application process is moving forward, the availability of the other spaces at that location will have to be advertised with a Request for Offer (RFO). FDOT is aware the City is already working with Dr. Curry for one of the spaces. Once the grant is issued, GAI can officially start the design process. Getting the permit from St. Johns will probably be the most time-consuming step and is estimated to take about 100 days. At this point they are anticipating it could be as long as a two-year process from beginning to when Dr. Curry receives his CO.

Bo Wroten asked how long it will take from today to get this done. Jack Thompson said it will about 45 days to get the grant. They believe the design can be completed in 90 days. The bid process usually takes about 45 days. AM Dean noted that Dr. Curry will have front end work to do as well with things like permitting. The lease allows 24 months for him to get his CO from the commencement date of the lease. If there is a delay on the City's part that causes him to go beyond 24 months for his CO, we will amend the agreement. If he receives the CO sooner than 24 months there is no issue.

Joel Hargis asked what type of business Curry Aviation operates. Dr. Chris Curry said he purchased Horton STOL Craft. They will be building and installing the kits on aircraft. Along with that he is getting certified to install LS corvette motors on airplanes.

Chairman Reisman asked why there is not a renewal option in the lease agreement. He remembers there had been talk about a 30-year term with two ten-year renewal options. Byron Oldham asked if there is precedent for a lease with that term length. Chairman Reisman said there are a few leases that are 50 years but some previous commissioners had indicated they no longer wanted to see any 50-year leases. Dr. Curry said he thought the term was for 30-years with the two ten-year options. Chairman Reisman said the City Manager had discussed that Dr. Curry's investment made it worth the extended term and he felt the Commission would be open to considering the 30/10/10. AM Dean said she can have the lease agreement amended by the City Attorney to add the renewal options so it is ready for Monday's Commission meeting if that is what this Board wants.

Joel Hargis made a motion to approve the lease agreement based on language being added with two ten-year extension options.

AM Dean told the Board that the standard lease language for renewals says that renewal option rates are based on a negotiated fair market value for the property at the time of the renewal. She also said the agreement allows for a broad range of uses so conducting the businesses Dr. Curry talked about earlier should not be an issue.

Bo Wroten seconded the motion and it was approved unanimously.

Bo Wroten asked Dr. Curry how it will take him to get the building done. Dr. Curry said once the concrete pad is poured it should not take long at all. However, he does not know how long it will take to get the concrete.

Task Order with GAI Consultants, Inc. for design services for the development of vacant land, located north of Veterans Road and east of Taxiway Kilo

AM Dean said this Task Order is for the site development design and bidding on the Veterans Road location where Dr. Curry will be building his hangar. It is for a cost of \$86,000. Chairman Reisman asked if the utility design is included in that cost. AM Dean said utilities are the responsibility of the tenants. Chairman Reisman asked where the utilities will be fed from. AM Dean said there are some different options for the utilities. It will be up to the tenant's design team to determine the best route for their particular site.

This Task Order is for the stormwater (dry retention), taxi lane, vehicle access road and ground work. The tenants will be responsible for their own apron, hangar, parking, utilities and impact fees.

Bo Wroten asked for confirmation that Dr. Curry will have to pay ¼ of the cost for improvements. He said it is important that the entire area is done at one time. Each tenant will pay their share of the improvements.

Byron Oldham made a motion to approve the Task Order with GAI. Joel Hargis seconded the motion and it was approved unanimously.

AM Dean said she has both the lease with Dr. Curry and the Task Order with GAI on the October 24th City Commission agenda.

Airport Manager Update

- City Commission – Airport Impacts/Issues

AM Dean said at last month's Airport Advisory Board meeting, the renewal for the Dominick agreement for the clinic was approved. During discussion the Board had mentioned that they did not like the clause that required the City to maintain the landscaping, but realized it could not be changed at this point. AM Dean mentioned that to Michael Dominick and he volunteered to change the agreement and take over the landscaping. The renewal agreement was revised to reflect that modification.

Bo Wroten asked if the repairs have been completed on the seaplane dock. AM Dean said she just received the *Caution* sign and should have that finished up tomorrow.

New Business

There was no new business.

Adjournment

Joel Hargis made a motion to adjourn. The motion was seconded by Bo Wroten and the meeting adjourned at 6:52pm.

Alan Reisman
Chairman

Pam Hester
Recorder