

**Airport Advisory Board Minutes
November 10, 2022 5:30pm
Airport Administration Building
8807 Airport Boulevard
Leesburg, Florida**

Attendance: Fred Griffin, Jr.
Joel Hargis
Byron Oldham
Alan Reisman
Bo Wroten

Call to Order

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

Fred Griffin, Jr. gave the invocation and led the Pledge of Allegiance.

Approval of Minutes from October 13, 2022

Joel Hargis made a motion to approve the minutes from the October 13, 2022 meeting as presented. Bo Wroten seconded the motion and it was approved unanimously.

Capital Improvement Plan Update

City Manager (CM) Al Minner said the issue of future planning on capital projects was discussed at the last Airport Board meeting. He understands there were some questions from the Board members regarding the airport's cash flow, especially in future years. He is here to provide some additional information on that and also look at where both this Board and the City Commission see the airport headed on future CIP planning.

CM Minner noted that this Board recommended approval of the Curry lease at the last meeting. The City Commission approved the agreement with a couple of changes. There will be no extensions to the term length and in lieu of land rent during the construction phase they requested Mr. Curry obtain a \$250,000 performance bond. The Commission feels that if the Airport is going to spend \$1 million to improve the area, they want to ensure a hangar is built on the site. The performance bond will be used for that purpose if necessary. The revised lease has been provided to Mr. Curry for review. Airport Manager (AM) Dean said based on her conversations with Mr. Curry she believes he is looking into the performance bond requirement.

CM Minner said he put together a chart that shows the airport cash flow and explains it a little better than the information this Board had at the October meeting. (See Attachment A) He has already presented it to the City Commission. The chart starts in 2015 when the Airport was separated from the general fund and the stand-alone Airport Enterprise Fund was created.

The revenues shown are primarily rental incomes from the US Highway 441 properties and airside buildings. Expenses are operational expenses such as salaries, utilities,

maintenance costs, etc. The available cash line (highlighted in yellow) is revenues minus operating expenses. That averages about \$550,000 per year. If you spend nothing, the amount of available cash will continue to build. There is also \$2.7 million in airport cash reserves that is available if needed.

The green line on the chart shows match amounts for the FAA grants the airport receives. FAA grants usually require a 10% match and FDOT typically has a 20% match. (He noted that FDOT will usually pay 8% of the FAA match requirement, leaving the airport responsible for 2%.) All airport match amounts are paid from available cash. FAA provides grants only for certain projects that support/maintain the infrastructure of the airport such as paving runways, repairs to lighting and some fencing. It is important to remember that about half of the available cash each year will be spent on FAA grant matches for maintenance projects.

The blue line shows how much money is left per fiscal year to match FDOT grants for projects that are not eligible for FAA funds. The match would generally be up to 20% of the project cost for items such as the fuel farm, hangars and the Veterans Drive area site work. However, for the next few years FDOT has advised they will only have about \$1 million in grant funding available per year for Leesburg, regardless of how many projects we have and how much a project may cost.

CM Minner said the list of capital projects under consideration includes the following:

- Fuel Farm - Refurbish for \$1.5 million or relocate for \$3.4 million
- Veterans Road site development - \$1 million
- Hangars sitework - \$2 million
- Hangars (4 buildings) - \$6 million
- Hangars (individual buildings) - \$1.5 million each

He noted that there have been discussions about placing an emphasis on projects that are considered economic engines and job creators along with building hangars, such as the Veterans Road site where Dr. Curry plans to build his hangar.

CM Minner said the Board was shown with three options with different orders for completion of these projects. He noted there are many ways they could be done, not just the three that were presented. He believes the Commission would prefer to them in the order of: 1 – Veterans Drive sitework; 2 – Hangars; 3 – Fuel Farm. We know the life of the fuel farm is in question. The airport does have cash available to help with repairs if it becomes necessary. He thinks the Commission prefers the option of rehabbing the fuel farm if it gets moved up.

AM Dean noted that right now the hangar site design is underway and is being paid for with cash. When that design is done, it can sit on the shelf until we are ready to build. The fuel farm design grant has been issued based on the rehab project cost estimates. If the option for the new location is chosen they will submit a change order for 80% of the difference in cost (\$95,000). Should a decision be made to make construction of the fuel farm a lower priority, once the design is complete it can sit on the shelf until we are ready to build. However, we must continue with the design process in order to ensure the grant funding is received. She also noted that it is possible to pool two years of grant funding by timing when a project starts in order to have \$2 million to use towards one project.

Bo Wroten said he doesn't want Sunair Aviation to have to spend a lot of money to keep repairing the fuel farm. CM Minner noted that Sunair only pays \$.04 in fuel flowage to the airport which is very low. The current fuel farm meets the basic needs and is not a money maker for the airport. He thinks the Commission will struggle with the cost of a new fuel farm. Bo Wroten said he struggles with spending over \$1 million on rehabbing the fuel farm when the tanks will not have a warranty when it's done. Joel Hargis asked if the current fuel farm will last for three more years if a decision is made to push that project farther out. Chairman Reisman said the airport can repair it if needed.

Chairman Reisman said if we spend down airport cash on some of these projects, it will be important to build the reserves back up. Building the hangars will bring in about \$50,000 annually in additional income to the airport.

Bo Wroten reiterated that he would prefer to have a new fuel farm rather than keep the old one, regardless of when it is built. Byron Oldham said over the course of these discussions he has heard many things about the condition of the current fuel farm. He asked how grave of an issue it really is. Brian Sapp said the location it's in has a lot of traffic. They have fuel tankers on the taxiway every day getting to it. The fuel farm itself can probably make it three years but the taxiway is falling apart. The new fuel farm plan has huge upgrades including larger tanks and restrooms.

CM Minner said the plan for the rehab includes fixing the taxiway and adding restrooms and a wash station.

Joel Hargis said the cost of all the projects adds up to more money than we have. It will take at least three years to get everything done. Bo Wroten said he does not want to rehab the current fuel farm. He is OK with pushing the project out if we need to do so. Byron Oldham said he is okay with pushing the fuel farm back.

CM Minner said we can bring a performance back to the Board that extends past 2025 if that will help. He noted a decision does not have to be made today on this. Perhaps let the Commission know the Board wants the fuel farm design to be for the new site and that it will require additional funding. GAI can finish the hangar site design and move forward with the Veterans Road sitework so the Curry hangar can be built. Joel Hargis said he would like to see the performance out to 2026.

Byron Oldham said with the information provided today they now know the airport brings in a minimum of \$250,000 each year, possibly up to \$500,000. So that is about \$750,000 additional money that will be available in 2025, maybe more. If we strike the rehab and move the new fuel farm construction out to 2025 with the design being completed now, there will be more money available to help pay for it. Bo Wroten noted the airport revenues will also be increased when the new hangars are built. Chairman Reisman noted there will be income from the Veterans Road sites as well.

CM Minner said there is also the option to bank cash by selling some property. There is a piece across 441 that has generated interest and there has been consideration in the past of selling the parcel with the Subaru dealership. The parcel across the highway is located by the dog park and is about three acres. Several Board members agreed that

they would consider selling the parcel by the dog park if there was interest in it. That piece does not affect operations and is not generating any income now.

CM Minner said they will come back to the next meeting with the information showing the project order based on today's discussion. He will also provide the perma for extended years. The Board can review then everything and when a consensus is reached it will move forward to the Commission for necessary approvals.

BHI Properties of Central Florida, LLC – First Amendment to lease

AM Dean said the lease with BHI includes ten tie-down spaces that were set to begin generating revenue in June 2023. BHI realized they only need three tie-downs. They also asked that four concrete pads near their hangar be designated for their exclusive use with the square footage being added to their leased area. It was never written into their lease, but for safety purposes it was understood that these areas were for helicopter operations only. This amendment removes seven tie-downs and adds the four 60x60 concrete pads. They will pay an additional \$122 per month as a result of these changes.

Byron Oldham asked if the concrete pads are on the Brainerd property or general space. AM Dean said the lease ends at about the hangar. No one except Sunair Aviation actually rents apron space. There is an outlined safety buffer area in place in front of their hangar that is accepted as being for helicopter operations only. Byron Oldham asked if giving Brainerd exclusive use will run out someone else who may want to have helicopter operations. Chairman Reisman said the concrete pads are in front of their hangar so they are not available for anyone else to use. AM Dean said they are not true helipads.

Chairman Reisman abstained from voting.

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

Central Florida Avionics and Instruments, LLC – First Amendment to Lease

AM Dean said the agreements with Central Florida Avionics, Sunair Aviation and Wipaire all reflect changes in how the tie-down spaces associated with their leases are placed and numbered. As part of the ramp resurfacing project the tie-down spaces throughout the apron were reconfigured. These amendments reflect those changes. There is no change to the rental amounts.

Joel Hargis asked if all the parties are OK with the changes. AM Dean said they have all signed their lease amendments.

Joel Hargis made a motion to approve the amendment with Central Florida Avionics. Bo Wroten seconded the motion and it was approved unanimously.

Sunair Aviation, Inc. – Third Amendment to Lease

Fred Griffin, Jr. made a motion to approved the amendment with Sunair Aviation. Byron Oldham seconded the motion and it was approved unanimously.

Wipaire, Inc. – Fourth Amendment to Lease

Bo Wroten made a motion to approve the amendment with Wipaire. Fred Griffin, Jr. seconded the motion and it was approved unanimously.

Project Update

Main Ramp Resurfacing: Dan Nickols from GAI said the contractor is working on the punch list. They are closing out the staging area. There is some gate work and painting left to do. They are scheduled to do that work next week.

FY 2022 Hangar Design: Dan Nickols from GAI said St Johns has asked for some additional information on the modeling. They are preparing that response now. The soft digs on the utilities indicated they will all need to be relocated. They are moving forward with design and should have the stormwater permit in about 60 days.

Wildlife Hazard Assessment: Dan Nickols from GAI said they are continuing with the site visits. AM Dean said they come twice each month and were just here on November 3rd. That will continue for a full year.

Fuel Farm: Dan Nickols from GAI said this project is in hold for now.

Taxiways Alpha & Delta Rehab Design: AM Dean said before she applies for the grant for this project she wants to discuss it with the Board because it deviates from what many people are expecting.

In the budget was the project for the taxiway/taxilane pavement design for the Alpha connectors 1-6 and Delta and the relocation of Alpha 2. It has been presented to the FAA and is a high priority for them. When the preapplication paperwork was filed, FAA suggested including taxiway Alpha in the project also.

AM Dean said everyone has always thought that when the realignment project was done it would remove the two “S” jogs in taxiway A. Pilots don’t like them, but the FAA does not care about them. Realigning it would allow for an expansion of the apron in the future.

Realigning it would require tearing out all of Alpha. However, the pavement condition rating is too high to qualify for that. It only qualifies for resurfacing. That means the long-held plan for the realignment and expansion of the apron is not likely to happen. The condition of the connectors and Delta is much worse. The FAA believes that if we are doing work on all the connecting pieces, Alpha should be done as well.

AM Dean said at this time there is not justification to get a grant to re-align it. FAA wants to incorporate it since it qualifies for resurfacing. She noted that once it is resurfaced it will be good for another 20 years. They would have to try to find additional ramp space somewhere else on the airport such as through the relocation of Bravo.

Brian Sapp from Sunair Aviation asked if it is possible to only rehab Delta. Bo Wroten said he agrees – if that is all we really need to do, just do that and wait on the others. Dan Nickols said FAA will probably say that if we are not going to move Alpha 2, they will not pay for Delta.

Chairman Reisman asked if the FAA would agree to just doing Alpha 2 and Delta. AM Dean asked for confirmation that the Board would prefer a standalone project that only does the work on Delta and Alpha 2.

Dan Nickols said the issue may be that taxiway Alpha is at a point where the FAA says it need to be resurfaced. They do not want to wait until it gets to a point where they have to pay to reconstruct it. Chairman Reisman asked if the FAA could refuse to pay for the realignment in the future. Dan Nickols said there are a number of things that could come into play with that decision.

AM Dean said they will have to justify the need for realignment. Since the FAA doesn't care about the S curves, they would have to justify the need for the additional apron space the realignment would allow. Chairman Reisman asked AM Dean if she will discuss this option with the FAA. AM Dean said she will do that.

Bo Wroten asked if the FAA will approve a project to only move Delta. Dan Nickols said he does not think they will do that because Delta does not qualify for reconstruction yet. Chairman Reisman asked AM Dean to talk to the FAA about two options: 1 – move Delta only; 2 – Alpha 2 move and redo Delta. AM Dean said she will have an update on this at the next meeting.

Airport Manager Update

- City Commission – Airport Impacts/Issues

AM Dean said CM Minner already discussed the changes the Commission requested on the Curry lease.

The step on the seaplane dock has been repaired. Bo Wroten said it looks good.

New Business

There was no new business.

Adjournment

Byron Oldham made a motion to adjourn. The motion was seconded by Joel Hargis and the meeting adjourned at 6:46pm.

Alan Reisman
Chairman

Pam Hester
Recorder

ATTACHMENT A

AP CASH FLOW AFTER OPERATIONS



AIRPORT FUND - CASH FLOW AFTER OPERATION COSTS									
	ACTUAL							ESTIMATED	BUDGET
	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Revenues	1,133,328.79	1,116,290.34	1,150,404.10	1,199,656.42	1,312,666.01	1,247,265.13	1,358,236.99	1,497,147.76	1,497,788.00
Expenses:									
Operating Expenses	621,726.26	612,708.34	642,453.09	628,746.46	816,151.99	687,016.82	807,267.54	937,787.19	887,158.00
Grant Match (Capital)	170,274.54	139,088.45	102,052.85	461,853.07	479,649.00	440,234.70	276,579.48	484,459.30	350,000.00
Unallocated Funds	341,327.99	364,493.55	405,898.16	109,056.89	16,865.02	120,013.61	274,389.97	74,901.27	260,630.00
									1,967,576.46
Available Cash	511,602.53	503,582.00	507,951.01	570,909.96	496,514.02	560,248.31	550,969.45	559,360.57	610,630.00