

1 ST. AUGUSTINE - ST. JOHNS COUNTY AIRPORT AUTHORITY

2 Special Meeting

3 held at 4796 U.S. 1 North

4 St. Augustine, Florida

5 on Tuesday, November 30, 2010

6 from 4:00 p.m. to 4:31 p.m.

7 * * * * *

BOARD MEMBERS PRESENT:

- 8 WAYNE GEORGE
- JOHN "JACK" GORMAN
- 9 KELLY BARRERA, Chairman
- CARL YOUMAN
- 10 JAMES WERTER, Secretary-Treasurer

11 BOARD MEMBERS ABSENT:

- 12 JOHN "JACK" GORMAN

13 BOARD MEMBERS ELECT:

- 14 ROBERT COX
- JOSEPH CIRIELLO
- 15 * * * * *

16 ALSO PRESENT:

17 DOUGLAS N. BURNETT, Esquire, St. Johns Law Group, 509
 Anastasia Boulevard, St. Augustine, FL, 32080, Attorney
 18 for Airport Authority.

19 EDWARD WUELLNER, A.A.E., Executive Director.

20 * * * * *

21 JANET M. BEASON, RPR, RMR, CRR, FPR
 22 St. Augustine Court Reporters
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24

1 P R O C E E D I N G S

2 CHAIRMAN BARRERA: I'd like to go ahead and
3 call the meeting of the St. Augustine-St. Johns
4 County Airport Authority into session. Let's all
5 rise for the Pledge of Allegiance.

6 (Pledge of Allegiance.)

7 CHAIRMAN BARRERA: Thank you. We'd like to go
8 ahead and move into our agenda item, which is the
9 property acquisition. And with that, Ed, would you
10 like to go ahead and move through the slides?

11 MR. WUELLNER: Sure. Let's kind of move
12 through. There's a piece of property encompassing
13 about 7.1 acres of ground. It's located on U.S. 1.
14 It is immediately south and includes some frontage
15 on Indian Bend at the corner of U.S. 1. It also
16 includes a significant amount of U.S. 1 frontage.

17 It's a compilation of a number of properties.
18 I'm not sure of the total as it goes, but there's a
19 number of properties that made up the 7.1 acres
20 over time. They were acquired, accumulated, and
21 ultimately taken to the county, enjoined as to one
22 project, and rezoned as commerce -- commercial
23 property. I'm not sure of the detailed
24 classification under the commercial zoning, but it

25 is commercial zoned now.

3

1 About I want to say it was June or July, was
2 contacted by -- by Buzz George. Say -- he
3 indicated to me that he had been contacted by an
4 even more prior Airport Authority member, that he
5 had seen that piece of property, it intrigued him
6 based on the name that was in a foreclosure with
7 St. Johns County and being advertised for
8 liquidation, I guess is a good way to say it. So
9 he asked me about it. I said, you know, I
10 didn't -- wasn't aware it had gotten to the point
11 they were -- that property's being foreclosed on.

12 We had met many times with the developer, and
13 I can share with you that Kelly and I have met with
14 that particular developer group several times over
15 the last, what, four years -- three or four years,
16 anyway, trying to find projects or things that
17 might obviously not be in conflict to the airport,
18 but might benefit the airport as well, and not
19 really ever getting anywhere in particular.

20 Following through, the bank -- Synovus Bank
21 ended up foreclosing on the property. So the -- it
22 was foreclosed on a debt of approximately \$2.3
23 million that was owed on the property for -- to
24 Synovus by the owners. That transaction, I believe

25 it's -- the actual foreclosure took place in July

4

1 or August -- probably August, if my memory's

2 correct.

3 We entered into a conversation, and by "we" I

4 mean myself and Doug Burnett, engaged Synovus about

5 the property itself, what they were looking to get

6 out of it and the like. At the time, Synovus

7 indicated the value of the property, they were, you

8 know, maybe motivated down to a \$1.7, \$1.8 million

9 kind of number. After all, they had just eaten

10 \$2.3 million in their mind. We -- we basically

11 told them it was a little rich for our blood, that

12 was beyond what we would be interested in doing.

13 And we kept a line of communication open, but

14 really stopped, you know, any earnest effort.

15 About that time also, we had asked our -- one

16 of the appraisers we use, which is Weigel-Veasey

17 out of Jacksonville, to take a look at the

18 property, give us some idea of what the value is,

19 so that in the event later on there was a --

20 something could be done, we'd have some idea what

21 the -- what an appraised value would be that would

22 satisfy FDOT.

23 Fast forward of probably a month or two and

24 the lender was much more motivated to get rid of

25 the property, indicated to Doug in a phone call

5

1 that they were in a fire sale mode and would be
2 very interested to -- to get rid of this piece of
3 property and get it off their books.

4 There's nothing moving in that section of
5 U.S. 1. There are -- in fact, there are probably
6 four or five other businesses between the airport
7 administration office and this particular piece of
8 property that are available right now to purchase.

9 And no movement's occurred that I'm aware of all
10 summer and into this time of year.

11 Anyway, after Doug hung up with the gentleman
12 at Synovus, he contacted me. We had a conversation
13 about what the relative -- what would be an
14 appropriate offer and he says, well, he says, I
15 think they're motivated and suggested an offer
16 about \$500,000 for the property.

17 Now, realizing that's, you know, way low of
18 what it appraised at and also what it was
19 foreclosed for. So we didn't really expect it to
20 go at that kind of number, but hey, it started a
21 more -- gave them an idea of the range we're in
22 versus where they were trying to -- trying to sell
23 it. Anyway, they came down dramatically.

24 The next response I got out of them was that

25 they classically like to get about not less than --

6

1 their bottom line is usually about 40 percent of
2 what they foreclose the property, which amounted to
3 approximately \$880,000. So suddenly we have a
4 range there between \$5- and \$880- that became I
5 would say plausible or at least rational to pursue
6 conversations.

7 We spoke with Florida DOT about their support,
8 meaning would they allow that property to be used
9 under a current grant we have with them that still
10 had a balance in it. They were supportive of that.

11 We -- we in fact met for a couple of hours and
12 roadmapped some -- some additional land money that
13 will be available later on, meaning next summer and
14 beyond. Doesn't impact this particular sale.

15 We -- after they indicated an \$880-, I think
16 I -- we brought it up about \$50,000. They ran it
17 all the way up the flag pole, back down. That's
18 when the \$880- number kind of got kicked around.

19 He countered again at about I think it was
20 \$700,000. We were still at \$550- at the time. I
21 think we were at \$6-.

22 We basically said, all right, we'll give you
23 \$650- and we'll consider it done, you know, subject
24 to your ratification of that. They responded

25 that's fine, but the condition was added that we be

7

1 able to close it within a couple of weeks' time.

2 We didn't see that being a problem, but obviously

3 that was going to occur before the next Authority

4 meeting. So that's why we're here today, is to

5 consider the 7 -- 7.1 acres at \$650,000.

6 We have -- and I'll talk through the terms of

7 this in a second, but essentially we have \$250,000

8 of -- approximately, maybe as much as \$260,000 of

9 match money from Florida DOT, meaning the Airport

10 Authority's out of pocket on this would be about

11 \$400,000. So it's not a true 50/50, although the

12 grant allows for that. It does not have the

13 revenue or the grant funds available to get it to a

14 true 50/50 arrangement. But we can -- we can bill

15 it for the total of \$259,000 reimbursable from DOT.

16 That would -- that would basically fill the

17 \$650,000 number.

18 There are a myriad of uses for the project --

19 or, excuse me, for the property over time. Bryan

20 and I over the years have had a number of

21 conversations with hotel developers. You know, I

22 know Mr. Ciriello goes back to some of that. In

23 fact, I think it was one of his suggestions many

24 many years ago, about the possibility of that.

25 It could make a very good consolidated rental

8

1 car facility location. It could be developed in
2 any aviation or nonaviation use into the future.
3 Keeping in mind it does have a high percentage of
4 frontage. I mean, it's a significant U.S. 1
5 frontage kind of parcel. So it's likely to have a
6 high likelihood of return on investment to the
7 Airport Authority over time.

8 And also, hotel developments that we've talked
9 to could offer, in addition to a ground lease kind
10 of arrangement, the Authority could be in a
11 position to get a piece of the action related to
12 this without the influx -- any input of capital
13 into the project, meaning the developer would
14 construct the -- the hotel on airport property, pay
15 a minimal ground lease, and then the Authority
16 could share also in the profits of the hotel
17 itself. That's down the road, but those kind of
18 agreements do exist. I would -- we already had a
19 pretty sound development plan for a rental car
20 facilities should that need re -- re -- recur, I
21 should say.

22 So with that, I want to orient you, make sure
23 you're completely clear on where the piece of
24 property is. I added a couple of slides in

25 today's, just -- just to help. I'm not sure it

9

1 completely helps. But it's along U.S. 1. Where
2 the -- we still don't have a laser pointer out
3 here, but let me walk up here because I do have
4 that ability.

5 U.S. 1 is right -- runs right down here. It's
6 about 7.1 acres. The back side of here is Casa
7 Cola. It's not Lasa Cola as it's shown here. The
8 next slide, if I can advance it. When Cindy gets
9 back here, we'll pop it ahead one more.

10 All right. This kind of orients you of a
11 portion of the piece of property as it relates to
12 the current airport. Also remind you all the gray
13 stuff is already owned by the Airport Authority.
14 All of the pink stuff is kind of where you're
15 sitting now, this whole development complex back
16 here. So you can see it -- it's proximate here.

17 The entrance to this conference center is
18 approximately in this location as I'm pointing
19 here. So it's directly across the street from the
20 entrance road. It adjoins -- adjoins airport.
21 I -- I was unable because of the size of the
22 drawing obviously to show you the entirety of the
23 parcel, but you get -- kind of get the idea. Next
24 one, Cindy.

25 This is -- I just kind of chunked it on a

10

1 photograph we had of the area and you can see the
2 conference center, the development, the T-hangars,
3 and where the parcel kind of sits right here
4 adjacent to it. It's actually just west of the
5 conference center, but just south of existing
6 ownership here.

7 The circles, I just threw them on here to help
8 you understand, we don't own those pieces yet, but
9 pretty much everything else you're seeing in the
10 foreground here is already owned by the airport.
11 So's there's -- I think it's a grand total of four
12 residents that sit in these three circles. There's
13 one here, two here, one here. And that's -- that's
14 largely it in terms of what we don't own back in
15 that 100 block of Araquay, Estrella, and Indian
16 Bend Roads. So it does -- and it bolts right up if
17 you will to the back side of Indian Bend lots that
18 we own.

19 So reality is that parcel up there could be
20 joined together, if we found it necessary in the
21 future, to create maybe as much as 12 to 15 acres
22 of development property that's all contiguous into
23 the future. That's -- that's down the road, but
24 it -- you know, it does have a bigger property

25 implication later on, if necessary. Pop it one

11

1 more time.

2 Again, it's the same kind of drawing. It --
3 this is the perimeter. Airport property you can
4 see picks up right behind it. And there are some
5 outparcels that sit down here and they include that
6 little sandwich shop restaurant and the Parts
7 Direct store that's been vacant for a while. Those
8 are -- kind of get to the corner of North
9 Boulevard. Other than that, the parcel behind it
10 and everything all the way up to Indian Bend is
11 essentially in that -- that 7.1 acres.

12 So it's a nice -- there's a building on the
13 property that looks a lot like an old railroad
14 station. There's another building back there, too.
15 But people seem to recognize that building when I
16 describe it as -- that sits right on that property
17 as a part of it. And there's some little cabin
18 kind of units --

19 MR. YOUMAN: On the corner.

20 MR. WUELLNER: -- on the corner of Indian Bend
21 and U.S. 1. And that -- those are in that --

22 MR. YOUMAN: Are they occupied? Can I ask --

23 MR. WUELLNER: I really don't know if they're
24 occupied, to be -- that was originally a --

25 MR. GEORGE: They took some of those cabins

12

1 down within the last year.

2 MR. WUELLNER: Jacalone -- yeah. Jacalone,

3 Mark Jacalone and his family owned that little

4 house thing there on a couple of lots at one time.

5 It's like an apartment sort of setup. They -- I

6 think that all got joined together as a part of

7 what they did last year in the county rezoning.

8 Yeah?

9 MR. WHITEMAN: I just noted in the contract,

10 and this was language that they wanted, they

11 basically say that the seller acquired title --

12 property through foreclosure. Seller's best

13 knowledge and belief the property which included

14 rental units is now vacant and unoccupied.

15 MR. WUELLNER: Okay. Thanks. Those of you

16 that haven't met John, John Whiteman works with

17 Doug. So if you -- he's their real estate guy, so

18 that's why he's here today.

19 I think that's it for the -- otherwise, it's

20 just the summary of stuff I've already mentioned to

21 you. So obviously I think it's -- it's a piece of

22 property that's worth considering. I think we've

23 got a -- you know, you're looking at a number -- I

24 was told I probably shouldn't reveal what the

25 appraised value is, but suffice it to say an

13

1 earlier slide version that went out probably had
2 that in there. That is protected information and I
3 feel better now telling you what the number is
4 because I actually have a signed document. They
5 were -- our attorneys were looking out for our
6 interest ahead of that, that once they saw the
7 appraisal perhaps, you know, there could be some
8 renegeing on it, but --

9 MR. WHITEMAN: You don't really have a
10 contract until you sign it.

11 MR. WUELLNER: Till I sign it, but it's --
12 they've at least executed something that is now
13 subject to our ratification, not theirs. So
14 suffice it to say the appraisal is multiples of
15 what we have offered on the property, and as a
16 result, I think it's an excellent deal.

17 It's unfortunately taking advantage of a very
18 difficult economic time, but for once we're on the
19 winning side potentially of that versus the losing
20 side. And I would recommend that the Authority
21 approve the acquisition of that at \$650,000.

22 CHAIRMAN BARRERA: Let's open it up for public
23 comment. Do we have any public comment on this
24 agenda item?

1 CHAIRMAN BARRERA: No public comment. We'll
2 open it up for board comment. Yes, Carl?

3 MR. YOUMAN: I drove around that property
4 today. On the back side, I couldn't tell where,
5 you know, the actual point comes into Casa Cola,
6 but are there any homes back this there?

7 MR. WUELLNER: No.

8 MR. YOUMAN: And that street looks like it's
9 First Street.

10 MR. WUELLNER: It is.

11 MR. YOUMAN: And it goes all the way through
12 the property. Is that titled to be part of the
13 property or does that have -- does that street have
14 to stay there?

15 MR. WUELLNER: The street can be abandoned.

16 MR. YOUMAN: Okay.

17 MR. WUELLNER: The street's established by
18 easement and the county could release -- well, just
19 like they have all of the -- the original streets
20 back in this neighborhood, once they cease to be
21 needed. And it may have been honestly -- and we
22 haven't looked at the document, that may have
23 already been accomplished as a part of the rezoning
24 effort that was done by the previous owner.

25 MR. WHITEMAN: Yeah.

15

1 MR. WUELLNER: So it may already be released.

2 MR. WHITEMAN: I don't know. I haven't --

3 MR. WUELLNER: It could be.

4 MR. WHITEMAN: As I indicated to you, I just

5 got this -- this was just e-mailed to me right

6 before I left the office. And this is the title

7 report that shows all the covenants and

8 restrictions and -- on the properties.

9 And this was put together -- it appears that

10 the title company is showing it at 10 separate

11 parcels of property that have all been combined.

12 So it may be in there. I'll look for that. But

13 generally, if property owners on both sides of a

14 road that is -- that is not providing access to

15 somebody else --

16 MR. WUELLNER: Yeah.

17 MR. WHITEMAN: -- petition the county to close

18 the road and vacate the road, they will generally

19 do it.

20 MR. YOUMAN: Okay. One other question. On

21 the -- on this -- this slide here, there's a white

22 line that comes between the green and our parcel

23 there. Does that have any significance of any

24 kind? Is there a reason for that?

25 MR. WUELLNER: There -- I believe there is a

16

1 drainage easement and it's just not owned directly
2 by us; it's owned by the county. It's not an
3 obstacle. It's just shown as an easement.

4 MR. YOUMAN: Okay.

5 MR. WERTER: Productivity-wise, I know that
6 Andre -- how does Andre say his last name? You
7 know City Helicopters?

8 MR. WUELLNER: Old City?

9 MR. WERTER: Yeah, I know. Gets you, doesn't
10 it? Was once interested in a -- a stand-alone
11 operation. Has he ever gotten back to you with any
12 renewed interest in that department?

13 MR. WUELLNER: Well, we've -- honestly we've
14 kept him at kind of arm's length for a while
15 waiting on something that we could develop that
16 would be suitable for helicopter operations, that
17 provided him enough U.S. 1 frontage.

18 MR. WERTER: Uh-huh.

19 MR. WUELLNER: At first blush, the south area
20 sounds like a great idea until you start running
21 that helicopter 45 times a day over the neighbors.

22 MR. WERTER: Yeah.

23 MR. WUELLNER: So we -- we've kind of kept him
24 from getting back into this part of the airport.

25 The idea long term is that we would redevelop

17

1 what are the equivalents, I think we did this three
2 or four years ago in a discussion phase, Hangars A,
3 B, C, D, E and F, is essentially redevelop that at
4 some point into a more commercial -- commercial
5 area. That provides the U.S. 1 frontage and
6 provides the barrier -- and the buffer kind of
7 location.

8 MR. WERTER: Continuing along those kind of
9 lines.

10 MR. WUELLNER: Uh-huh.

11 MR. WERTER: The hotel business with occupancy
12 rates and things like that, you know, I kind of
13 wonder about in this economy.

14 MR. WUELLNER: Yeah.

15 MR. WERTER: Even in the -- over the next five
16 to ten years. But on the other hand, with the
17 prospect of bringing in, you know, additional
18 commercial --

19 MR. WUELLNER: Sure.

20 MR. WERTER: -- service, the -- the car rental
21 complex, which would also free up those offices in
22 the lobby for further tenants there is a -- is a
23 good alternative as well. What I'm thinking is in
24 general, how fast can we turn this property around

25 so it's producing for us?

18

1 MR. WUELLNER: Well, in this economy, it's
2 kind of tough to predict.

3 MR. WERTER: Yeah.

4 MR. WUELLNER: I mean, I would be optimistic
5 there's some rental potential within the next year
6 to 18 months, even if it's small scale and if only
7 a part of it and, you know, it starts generating.

8 MR. WERTER: Yeah.

9 MR. WUELLNER: The beauty of the -- of the
10 value of this property is you -- you've cut the ROI
11 expectation from, you know, \$250,000 a year kind of
12 number down to the vicinity of \$60,000 a year.

13 MR. WERTER: Yeah.

14 MR. WUELLNER: You know, it's much more
15 attainable and we'll be able to get there much
16 quicker.

17 MR. WERTER: No, with that approach in mind,
18 you can't turn down the deal, you know? It's
19 just -- it's a long-term income producer.

20 MR. WUELLNER: You're never going to get it
21 for these kind of numbers --

22 MR. YOUMAN: It's a phenomenal opportunity --

23 CHAIRMAN BARRERA: Joe?

24 MR. YOUMAN: -- because the real estate

25 markets never stays down.

19

1 CHAIRMAN BARRERA: Did you have a comment,
2 Joe?

3 MR. CIRIELLO: Yeah. About these possible
4 uses, Mr. Ed mentioned the hotel. Way back when,
5 if I remember correctly, some teenage abuse outfit
6 wanted to build a complex over by Gun Club Road and
7 we didn't particularly like that idea. And I think
8 way back then I suggested why not put a motel or
9 something, send out letters to see if somebody
10 would be interested in building it, you know.
11 Because then -- I can't remember his name from
12 Galaxy that comes to the meeting all the time.

13 MR. WUELLNER: Michael Slingluff.

14 MR. CIRIELLO: Yeah. I asked him if there's
15 many -- in a year's time corporate pilots who stay
16 here overnight. You know, rather than just fly in,
17 gas up and leave. And he said about 1400 a people
18 a year stay overnight. And so he thought that
19 idea -- you know, because I thought that would be a
20 good idea.

21 Plus the overflow on golfing units,
22 Gator/Bulldog game, racing down at Daytona, the
23 area up here gets an overflow for motels, so this
24 motel would be used throughout the year. I didn't

25 think it would just --

20

1 MR. WUELLNER: Right.

2 MR. CIRIELLO: -- be hardly ever used. I
3 thought it would be a good idea. But -- so that
4 property up by Gun Club, do you have any reasons or
5 any ideas of using that?

6 MR. WUELLNER: Well, it was -- it was
7 originally a property that -- that staff discussed
8 with the same entities that were interested in a
9 hotel.

10 But we got to a point where it's prime time in
11 terms of market valuations when the discussions
12 were going on and you were looking at a seven-acre
13 parcel up there that was \$2.7 million -- I'm sorry,
14 it's a five-acre parcel that was -- I think it is
15 seven, now that I say it -- but anyway, about \$2.7
16 million. And when you did the ROI math and the
17 cost the developer had to get the site -- make it a
18 hotel usable kind of property, it just -- it
19 doesn't work because of the -- the land valuation.

20 Of course he kept pressing us, well, you know,
21 down in South Florida, they're just getting -- you
22 know, it's a much smaller number they're trying to
23 throw at us. I said, well, I don't know what their
24 property values are and I couldn't tell you whether

25 they're doing what they should be doing relative to

21

1 the property. All I know is our -- our obligations
2 are to get an ROI on it that was acceptable by
3 policy. So it kind of eventually eroded the
4 discussions because the math just doesn't work at
5 the end of the day.

6 Plus, in that north piece that you're --
7 you're remembering, at the time there were active
8 discussions about -- to include how we were working
9 with Florida East Coast Railroad and Grumman and
10 others about the necessity or possible necessity of
11 extending the runway. This goes back five years
12 ago, four or five years ago now.

13 But when that was actively being discussed and
14 all of that stuff was on the table, the approach
15 zones and safety areas associated with the runway
16 as it would be extended significantly cut the
17 amount of property that could be put into that
18 development anyway down. That's why I'm saying now
19 it's -- I think it put it down to about four, four
20 and a half acres, the total property, which from
21 their point of view was minimally acceptable for a
22 hotel development.

23 So it just -- suffice to it say we're not
24 currently doing anything with it. The market is

25 such there's so much property available. The only

22

1 benefit right now is the valuation came down, which
2 is both a plus and a negative. But the valuations
3 are down such that you may have a value that more
4 neatly fits in a business plan of a private
5 developer. But as -- as things are right now, I
6 don't see anybody, you know, knocking at the door
7 to try and do something.

8 MR. CIRIELLO: Okay. One other thought. You
9 mentioned about consolidated car rental in this
10 particular area. If I'm not mistaken, your
11 multimodal unit that you people were pushing for
12 was going to have that over there, too. So are you
13 giving up on that multimodal center, which --

14 MR. WUELLNER: The multimodal center that
15 everybody's talk -- that, you know, I know your
16 remembrance of is different than the multimodal
17 center we've been talking about in the last year in
18 terms of not only where it is, but the scope of
19 that. So it may -- and we can go -- we can go do
20 that some other time, but --

21 MR. CIRIELLO: Yeah.

22 MR. WUELLNER: -- suffice it to say that this
23 could still augment multimodal dramatically.
24 Primarily because it can pull in -- in the concept

25 we have today, it could pull a lot of that

23

1 congestion around airline and multimodal use out of
2 the terminal area and locate it remotely as many
3 airports are doing now. It simplifies the
4 operation of rental cars. It tends to be a -- a
5 joy.

6 MR. CIRIELLO: Okay. I'm done.

7 CHAIRMAN BARRERA: Bob?

8 MR. COX: A couple of comments directed, if
9 you would. The parcels, you said there are ten
10 parcels now, separate parcels? Has the county
11 combined that into one parcel or just the bank is
12 looking at it as one parcel?

13 MR. WHITEMAN: Yeah, I'm not certain what the
14 county has done.

15 MR. COX: Okay.

16 MR. WHITEMAN: These were parcels that were
17 combined in the mortgage.

18 MR. COX: Right. Okay.

19 MR. WHITEMAN: So they were -- they could be
20 that the zoning has been changed on all these
21 parcels.

22 MR. COX: Okay.

23 MR. WUELLNER: I think it has.

24 MR. WHITEMAN: But -- but they're still

25 separate tax parcels for the tax appraiser's --

24

1 MR. COX: Which goes into my next question.

2 So are we -- will we be looking at combining it to

3 be one -- I mean, the tax benefit, I don't know

4 which way it will be best, but I mean, probably in

5 one parcel, is that what we're intending --

6 MR. WUELLNER: Well, for our purposes, we

7 can -- we can fairly quickly and without a lot --

8 any real fanfare just get it zoned airport and be

9 done with it, and then that allows a myriad of land

10 uses.

11 MR. COX: I think it's going to be a

12 tremendous asset.

13 MR. WUELLNER: I think it's already been done

14 by the developer back six months, maybe a year

15 ago --

16 MR. COX: Okay.

17 MR. WUELLNER: -- was completely rezoned as

18 commercial highway frontage. But what I -- I'm not

19 sure and John's not sure of is whether they

20 combined them and made them a single parcel I.D.

21 number --

22 MR. COX: Right.

23 MR. WUELLNER: -- or simply zoned multiple

24 parcels so they keep their I.D. numbers of ten

25 pieces and are similarly zoned to allow one

25

1 project. We don't know.

2 MR. COX: And the second part of that question
3 is will we be able or do we want to go to the
4 county and say, we bought this for X price, we need
5 to be taxed on that price as opposed to the --

6 MR. WUELLNER: As long as the property remains
7 unoccupied right now, it is tax exempt.

8 MR. COX: Okay. Good. And I take it --

9 MR. GEORGE: And there's no buildings on that
10 or rent, so that's tax exempt --

11 MR. WUELLNER: But when you do rent -- just to
12 be clear, when it is rented, it becomes the
13 tenant's obligation, not the airport's obligation
14 relative to tax.

15 CHAIRMAN BARRERA: Correct.

16 MR. COX: And I'm assuming that all the title
17 work's been done and that all of the parcels
18 have -- were --

19 MR. WHITEMAN: That's what I -- that's what I
20 just got. This is the title work, and I haven't
21 had a chance -- I literally -- it literally came by
22 e-mail while I was getting ready to walk out the
23 door to come here.

24 MR. COX: We won't -- with 10 parcels, there's

25 a lot of -- a lot of outlying liens that could be

26

1 out there. I'm just saying we're protected that
2 way, I hope.

3 MR. WUELLNER: It is being looked at and
4 certainly would be accomplished before we ever
5 closed.

6 MR. WHITEMAN: And -- and the contract
7 provides for a closing on December the 10th --

8 MR. COX: Right.

9 MR. WHITEMAN: -- because the bank was
10 interested in having a quick closing. They want to
11 get this off their books as quickly as possible.
12 And the inspection period in which you can cancel
13 the contract is until 5 o'clock on the 9th of
14 December, the day before closing.

15 MR. COX: That's a lot of title work for 10
16 days.

17 MR. WHITEMAN: Oh.

18 MR. WUELLNER: Not for this guy.

19 MR. COX: Okay. Good. Thank you very much.
20 I think it would be a great asset for the airport.

21 CHAIRMAN BARRERA: Carl?

22 MR. YOUMAN: The buildings, will they have to
23 be torn down, or can they stay like they are and
24 just fall down eventually?

1 state where they're an eye sore and the county
2 begins to violate us through code enforcement, they
3 can stay the way they are.

4 There may be future uses for them. An example
5 was the consolidated car rental kind of mentality,
6 originally we were building a building -- you know,
7 those of you that go back that far in those
8 projects. We were building a building and all
9 that.

10 It's possible that the rail station kind of
11 looking building could serve as that building we
12 were building. We have not done that analysis to
13 see if it makes sense. But the option's on the
14 table and it could be, you know, the rest of it be
15 parking lot related to -- to rental cars. That's
16 just me saying the possibility exists. I don't
17 know, you know, that it ultimately makes financial
18 sense, but...

19 MR. YOUMAN: If it's developed, would the
20 person who's doing the developing be responsible
21 for tearing the buildings down, or would the
22 airport?

23 MR. WUELLNER: Ordinarily. Ordinarily would
24 be just a cost of construction.

25 MR. WHITEMAN: It's whatever you negotiate.

28

1 MR. YOUMAN: Okay. And one last question.

2 Where it says available here, does that mean it's
3 available for purchase at this time? Right here on
4 this.

5 MR. WUELLNER: Yeah, those are available right
6 now.

7 MR. YOUMAN: At super discount rates?

8 MR. WUELLNER: I don't know. The one's been
9 at -- that Parts Direct is the two that are kind of
10 not U.S. 1. One's at the corner --

11 MR. YOUMAN: Yeah.

12 MR. WUELLNER: -- and behind it, which they
13 use as drainage retention if my memory's correct.

14 MR. YOUMAN: Yeah, because it's a pizza place,
15 a parts place and --

16 MR. WUELLNER: And a drainage --

17 MR. WERTER: And I can guarantee you next
18 year, they'll be something else. Those are kiss of
19 death locations that never succeeded at anything.

20 MR. WUELLNER: Well, they've never been able
21 to find a tenant nor have they been able to sell it
22 at that location. It's been vacant for -- two
23 years? Probably close to two years if it's not.
24 And the pizza place there -- well, it's been pizza.

25 It's been a bunch of things.

29

1 MR. YOUMAN: It's now a new pizza place.

2 MR. WUELLNER: Yeah. And they don't -- you
3 know, they last typically a six-month lease and
4 they're gone.

5 CHAIRMAN BARRERA: Buzz?

6 MR. GEORGE: I think that we're -- if you look
7 at the holdings that we have in the industrial
8 park, we haven't done anything with it. The county
9 didn't jump on it and say that's where we want to
10 put the industrial park. But if we want to
11 generate some more revenue, operating revenue
12 coming in, we need to do something with that.

13 If -- Ed and I have talked about the
14 possibility of -- and I'm taking numbers out of the
15 air -- of offering three parcels for a hundred
16 bucks a year lease for a hundred years to get
17 somebody in there, because activity breeds more
18 activity. And if we had rental cars on the -- on
19 U.S. 1, if we had a small hotel there, that would
20 be another reason for those people to think of
21 coming in. There's no hotels up by Palencia or
22 anything. This would be the closest.

23 So I think it's a good deal. It might take us
24 a while to start getting some revenue off of it,

25 but I think it -- it could very easily fall into

30

1 the master plan thinking of, you know, increasing
2 operating revenue by making it more conducive for
3 this end of town.

4 MR. WUELLNER: Especially when you can
5 purchase it at this kind of price.

6 CHAIRMAN BARRERA: I'd like to make a motion
7 that we go ahead and purchase the property for
8 \$650,000 and pay for the closing costs.

9 MR. YOUMAN: I second.

10 CHAIRMAN BARRERA: All -- any more board
11 discussion on the matter?

12 (None.)

13 CHAIRMAN BARRERA: All in favor, aye?

14 MR. GEORGE: Aye.

15 MR. YOUMAN: Aye.

16 MR. WERTER: Aye.

17 CHAIRMAN BARRERA: Aye. Motion passes
18 unanimously.

19 MR. WUELLNER: All right. That concludes the
20 agenda items.

21 CHAIRMAN BARRERA: And that concludes the
22 meeting of the St. Augustine-St. Johns County
23 Airport Authority.

24 (Meeting adjourned at 4:31 p.m.)

1 REPORTER'S CERTIFICATE

2

3 STATE OF FLORIDA)

4 COUNTY OF ST. JOHNS)

5

6 I, JANET M. BEASON, RPR-CP, RMR, CRR, FPR, certify

7 that I was authorized to and did stenographically report

8 the foregoing proceedings and that the transcript is a

9 true record of my stenographic notes.

10

11 Dated this 5th day of December, 2010.

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JANET M. BEASON, RPR-CP, RMR, CRR, FPR

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