

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 Monday, August 18, 2003

6 from 3:30 p.m. to 7:06 p.m.

7 * * * * *

8 BOARD MEMBERS PRESENT:

- 9 SUZANNE GREEN, Chairman
- 10 WAYNE "BUZZ" GEORGE, Secretary-Treasurer
- 11 JOSEPH CIRIELLO
- 12 BOB COX
- 13 JOHN "JACK" GORMAN

12 * * * * *

13 ALSO PRESENT:

14 GEORGE McCLURE, Esquire, Rogers, Towers, Bailey,
15 Jones & Gay, P.A., 170 Malaga Street, St. Augustine,
16 FL, 32084, Attorney for Airport Authority.

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

18 BRYAN COOPER, Assistant Airport Director.

19 * * * * *

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22 St. Augustine Court Reporters
 23 1510 N. Ponce de Leon Blvd., Suite A
 24 St. Augustine, FL 32084
 25 (904) 825-0570

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1 PROCEEDINGS

2 CHAIRMAN GREEN: Call the meeting, special
3 meeting of the Airport Authority Board of St.
4 Augustine to order. Stand for the pledge,
5 please.

6 (Pledge of Allegiance.)

7 APPROVAL OF MINUTES

8 CHAIRMAN GREEN: The first item on the
9 agenda is the approval of the minutes. And we
10 have two sections of minutes, the July 1 and the
11 July 21. My understanding is the last special
12 meeting didn't even get -- wasn't commenced,
13 correct --

14 MR. GEORGE: Correct.

15 CHAIRMAN GREEN: -- due to power? Okay.
16 So, are there any additions or corrections to the
17 minutes?

18 (No additions or corrections.)

19 CHAIRMAN GREEN: If there are not, I'll
20 entertain a motion to approve them as entered.

21 MR. GEORGE: So-move.

22 MR. CIRIELLO: Second.

23 CHAIRMAN GREEN: Any further discussion?

24 (No discussion.)

25 CHAIRMAN GREEN: Then both sets of minutes

4

1 for July 21 (sic) and July 22 will be approved as

2 transcribed.

3 ACCEPTANCE OF FINANCIAL REPORTS

4 CHAIRMAN GREEN: Financial reports are next?

5 MR. GEORGE: Yes, they are.

6 CHAIRMAN GREEN: Mr. George, have you been

7 able to go through? This is the June 30th --

8 MR. GEORGE: Yes.

9 CHAIRMAN GREEN: -- ending June 30?

10 MR. GEORGE: I've taken a look at the June

11 30th, and they seem to be consistent.

12 CHAIRMAN GREEN: Are there any exceptions or

13 comments with regards to the financial reports?

14 (No exceptions or comments.)

15 CHAIRMAN GREEN: Hearing none, then I will

16 entertain a motion to approve the financial

17 reports for the nine months ending June 30, 2003.

18 MR. COX: So moved.

19 CHAIRMAN GREEN: Second?

20 MR. CIRIELLO: Second.

21 MR. GEORGE: Second.

22 CHAIRMAN GREEN: Any further discussion?

23 (No discussion.)

24 CHAIRMAN GREEN: Financial reports will be
25 accepted as approved as presented.

5

1 APPROVAL OF MEETING AGENDA

2 CHAIRMAN GREEN: Next we have our agenda.
3 From where I'm seated, the agenda that was typed
4 for the 11th is the same as the 18th, unless I'm
5 missing something else. Are there any other
6 additions or comments to the agenda? Yes,
7 Mr. Ciriello?

8 MR. CIRIELLO: Madam Chair, on the agenda,
9 item 7.G. I believe that this item was put on
10 the agenda prematurely, and because the question
11 is still open, that it should be taken off the
12 agenda until such time that Staff comes back as
13 the motion was made in February with a -- their
14 report on bids, which haven't been let out yet.
15 Then we have a discussion.

16 But unless there's a statute of limitations
17 on motions made and not acted on at this board
18 being null and void, it is still open, that there
19 should be a bid for the position sent out, and
20 when the Staff compiles their record of the bids,
21 they come back to us for further discussion of

22 what we want to do. So, discussing that problem
23 or question right now, I don't think we should be
24 doing, because it's premature.

25 And also in that light, I don't know if it's

6

1 proper, because I said to take it off of there,
2 to say that Staff should be directed to
3 immediately put those jobs out for bid, not be
4 dilly-dallying for months and months and months
5 until we get the bids out. Because they were
6 already supposed to have been out and back to us
7 by July the 1st.

8 CHAIRMAN GREEN: I think what you're
9 commenting on is the February meeting where we as
10 a board voted for a July 1 --

11 MR. CIRIELLO: Well, I can --

12 CHAIRMAN GREEN: -- contract.

13 MR. CIRIELLO: I can -- I have the minutes
14 here from that meeting. We have a motion to bid
15 out for -- Chairman Green: We have a motion to
16 bid out for a new firm, and it was seconded.

17 Mr. George: I'd like to second -- or amend
18 the motion to make it including a time limit that
19 we actually review this to be maybe sometime in
20 four or five months down the road. That gives us

21 a better chance to take advantage of the history
22 that we have with these circumstances.

23 And so that amendment was okay. So -- let
24 me see here.

25 MR. GEORGE: Joe, you have the minutes, but

7

1 it was my understanding that we had basically
2 said to bring it up again in July, and the
3 purpose of this item right here was for us to
4 give them instruction to go out with bids.

5 MR. CIRIELLO: No, no, no, no, no. I have
6 it underlined here.

7 MR. WUELLNER: Mr. Ciriello's correct.

8 MR. CIRIELLO: I called for the motion and
9 Chairman Green did it. And it says, Chairman
10 Green: We can always bring it up again, you
11 know, in 60 days. But there's their motion on
12 the first, floor and second.

13 I said call the question.

14 Chairman Green: There's a motion on the
15 floor to go out to bid within -- the bids being
16 presented to the board by July 1st. That's the
17 motion as amended. And it passed.

18 It doesn't say -- it says the bids will be
19 put out and then presented July 1st. The bids

20 had not yet been put out, so this question is
21 still open. So, for us to discuss whether we
22 want to replace the -- the attorneys or whatever
23 right now is premature until we get bids out.

24 And I'm saying we should get those bids out
25 immediately and not let it drag out, like it has

8

1 been for a year or so.

2 CHAIRMAN GREEN: Well, we --

3 MR. CIRIELLO: So, this -- this item
4 shouldn't be discussed today.

5 CHAIRMAN GREEN: Well, what we could do is
6 then if you want to make a motion to strike it,
7 we could all vote to see if we want to strike it
8 from the agenda.

9 MR. CIRIELLO: Well, okay. I thought all I
10 had to do was ask. But I'll make the motion that
11 we strike it from the agenda today because it's
12 premature, and that Staff be directed to put the
13 bids out immediately, and then when they come
14 back to us with the results, we will then discuss
15 what we want to do with it.

16 CHAIRMAN GREEN: Is there a second to that
17 motion?

18 MR. COX: I'll second it.

19 CHAIRMAN GREEN: Any discussion?

20 MR. GORMAN: Why was it put on the agenda in
21 the first place?

22 CHAIRMAN GREEN: Well, I think there was
23 confusion, because as Mr. Ciriello pointed out,
24 in the minutes, there's discussion about four or
25 five months from now, let's put it out and get

9

1 back to us. But then there was a pending motion
2 that was forgotten and seconded on the floor,
3 which I brought back up, which had a July 1 date.

4 So, I think it was put back on here because
5 we were trying to stay abreast of it and say,
6 what's going on, where are we? And as
7 Mr. Ciriello pointed out, it just hasn't been put
8 out to contract.

9 There could be a lot of reasons, that we
10 have ongoing litigation, we have some other
11 things. But I think the point is now that the
12 motion is there and seconded for the purposes of
13 let Staff do what they needed to do and get back
14 with us as soon as possible. That's my
15 understanding.

16 MR. GORMAN: Do we have a time line as to
17 when we actually accomplish this bids?

18 MR. WUELLNER: I would think we could have
19 you the stuff for the September meeting. I
20 wouldn't see any reason why not. Just a matter
21 of getting the advertisement out and soliciting
22 the -- the term, if you want to -- I mean,
23 particular firms who'd be interested.

24 It takes about five weeks, four or five
25 weeks. So, we can get it out this -- we'll get

10

1 the ad out this week and we'll -- we'll have it
2 back for the September meeting.

3 CHAIRMAN GREEN: Any further discussion?

4 (No further discussion.)

5 CHAIRMAN GREEN: Okay. There's a motion on
6 the floor to strike this from the agenda today,
7 and according with Staff recommendation, it could
8 be put back on. We didn't have a date in our
9 motion, but you're telling us it could be within
10 the next meeting.

11 MR. WUELLNER: Your -- that motion, yeah.
12 You had a date previously that we
13 misunderstood --

14 CHAIRMAN GREEN: Right.

15 MR. WUELLNER: -- what y'all had asked us to
16 do. But we'll -- we'll get it straightened out.

17 CHAIRMAN GREEN: Any further discussion?

18 (No further discussion.)

19 CHAIRMAN GREEN: All of those in favor of
20 the motion?

21 MR. CIRIELLO: Aye.

22 CHAIRMAN GREEN: Aye.

23 MR. GEORGE: Aye.

24 MR. COX: Aye.

25 MR. GORMAN: Aye.

11

1 CHAIRMAN GREEN: All those opposed?

2 (No opposition.)

3 CHAIRMAN GREEN: Okay. And rather than
4 amending it, putting a date, just we'll go with
5 your time frame. So, that will be stricken,
6 then, 7.G.

7 Any other further additions or comments on
8 the agenda as amended?

9 MR. GEORGE: I was under the impression that
10 as a special meeting, we could not add to the
11 agenda. This is the agenda that's set; is that
12 correct?

13 CHAIRMAN GREEN: That's correct.

14 MR. GEORGE: Okay.

15 CHAIRMAN GREEN: Okay. With that one

16 stricken point, the agenda special meeting will
17 be approved?
18 MR. GEORGE: So moved.
19 CHAIRMAN GREEN: Second?
20 MR. COX: Second.
21 CHAIRMAN GREEN: All in favor?
22 MR. CIRIELLO: Aye.
23 CHAIRMAN GREEN: Aye.
24 MR. GEORGE: Aye.
25 MR. COX: Aye.

12

1 MR. GORMAN: Aye.
2 CHAIRMAN GREEN: All opposed?
3 (No opposition.)
4 CHAIRMAN GREEN: Okay. Then this will be
5 our agenda for today.
6 6.A. - MR. BRUCE MAGUIRE
7 CHAIRMAN GREEN: Reports, Mr. Maguire, I did
8 not see. Okay.
9 6.B. - MR. MICHAEL SLINGLUFF
10 CHAIRMAN GREEN: Mr. Slingluff.
11 MS. MOSER: Mr. Slingluff or Tracine
12 Anderson are planning on attending, but due to
13 the mishap at the airport, we're extremely busy
14 and they're still with FAA. We hope that when

15 they do show, we'll have the right reserved to
16 speak.

17 CHAIRMAN GREEN: Is everybody okay?

18 MS. MOSER: Yeah, everybody's fine.

19 CHAIRMAN GREEN: Okay. That was the first
20 thing I woke up to this morning going, oh,
21 wonderful.

22 MS. MOSER: We have the FAA over there.

23 CHAIRMAN GREEN: Looking at it? Okay.
24 Thank you very much.

25 6.C. - MR. JOHN LESLIE

13

1 CHAIRMAN GREEN: Northrop Grumman? Report?

2 (Representative absent.)

3 6.D. - MR. JIM ASSELTA

4 CHAIRMAN GREEN: Hearing none, Pilots
5 Association?

6 (Representative absent.)

7 6.E. - MS. DONNA TOSTEVIN

8 CHAIRMAN GREEN: Hearing no reports from the
9 Pilots Association, Bjorn?

10 MS. TOSTEVIN: No report. I'm Donna
11 Tostevin, and no report from Florida Aviation.

12 CHAIRMAN GREEN: Okay. Thank you, Donna.

13 6.F. - MR. GEORGE McCLURE

14 CHAIRMAN GREEN: And attorney's report.

15 MR. McCLURE: The -- I'm pleased to report
16 that the mediation of our proceeding against
17 Earth Tech has been scheduled for October 1st of
18 this year. And we -- our mediator who's been
19 appointed by the Court is Terry White.

20 Terry is an experienced attorney out of
21 Daytona and is frankly one of the most
22 sought-after mediators on the east coast. He is
23 a very experienced mediator, understands complex
24 issues, and if there is an agreement to be
25 reached, with his assistance, chances are it will

14

1 be.

2 There was a motion -- I forget from the last
3 meeting -- the matter has been set for trial in
4 the November calendar for Judge Traynor. The
5 defendants filed a motion to continue the trial,
6 and what we did is we had another matter that
7 wasn't quite as urgent, and essentially canceled
8 that hearing time in order to get hearing time
9 quickly in front of Judge Traynor, and we opposed
10 the motion to continue the trial.

11 Judge Traynor denied their motion to
12 continue it. So, in fact, it is still on the

13 calendar in November, despite their request that
14 it be postponed. What will need to happen,
15 either at the August meeting or at the September
16 meeting, still gives us time, is for the
17 Authority to designate a representative to attend
18 the mediation.

19 Mediations for public bodies are somewhat
20 unusual, because in typical mediations, the Court
21 requires someone to attend the mediation who has
22 settlement authority within reasonable limits for
23 the value of the case. But of course this is a
24 body which can't abdicate its decision-making
25 authority to only one member or to your staff.

15

1 So, what happens in mediations involving
2 public bodies is that there will be a
3 confidential proceeding that is held with only
4 one member present, and by rule, it is -- it is a
5 privileged process, meaning we don't get to talk
6 about what went on. The other side doesn't get
7 to talk about what went on. You can't use any of
8 the positions that were taken in the mediation
9 against the other side if it fails to settle when
10 you go to trial.

11 But instead of settling it, if there is a

12 point at which the Authority's representative
13 feels that he or she can recommend a settlement,
14 then that's all written up, and what happens is
15 we come back and have another shade meeting, at
16 which the terms of the settlement are proposed to
17 the Authority.

18 If the Authority as a whole agrees that the
19 terms of the settlement are fair and reasonable,
20 then that settlement is ratified in the public
21 meeting so that everybody has a chance to see
22 what it is.

23 So, not more than one of you, in order to
24 avoid sunshine issues, can be appointed to
25 represent the body at the mediation proceeding.

16

1 It is possible to delegate that to your
2 staff, but I will tell you that the conventional
3 wisdom, for whatever that's worth, is that it
4 really is best to have one of the elected members
5 be present, presumably as someone who is aware of
6 your common concerns and who has a perspective
7 perhaps different than administration would have.

8 So that decision does not need to be made
9 today, but it does need to be made before the
10 October 1st mediation and does need to be made

11 sufficiently far in advance that -- that we have
12 an opportunity to meet with whoever the
13 representative is to review what the mediation
14 process entails and what you can expect about
15 that and to develop a strategy with respect to
16 our approach on mediation.

17 The only other issue -- and I wasn't asked
18 on the -- on the issue on the stricken agenda
19 item, but just to be clear when you talk about
20 bids on professional service contracts, what
21 happens is that you issue what's called a request
22 for qualifications, just as you do for engineers,
23 architects, accountants, et cetera.

24 And what you do is all interested firms who
25 wish to submit their qualifications do so, and at

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1 the September meeting or any meeting you could
2 wish, whether you whittle it down or don't
3 whittle it down, you can request people to make
4 presentations to you regarding the reason why
5 they feel qualified to be your counsel.

6 And then at that time, you can make a
7 decision about who you feel is the appropriate
8 appointment for counsel to the airport, and then
9 you negotiate with that counsel for the terms of

10 their fees.

11 So, rather than a bid that you might be used
12 to for a fire engine for the -- for the Airport
13 Authority, you don't issue an RFP, request for
14 proposals, that then people come back with a
15 quantified amount. By statute, you're not even
16 allowed to do that, the idea being that
17 presumably you don't want professionals to bid
18 solely on the basis of price to the exclusion of
19 more or less quantifiable things.

20 So, that's what will come back in September
21 and -- and you at that point make the call as to
22 what you wish to pursue in terms of the
23 qualifications that are submitted and the
24 procedure you want to handle on whether or not
25 you want to have actual presentations by

18

1 interested proposals -- or proposers. And that
2 concludes my report.

3 CHAIRMAN GREEN: I have one question just
4 with regards to people that are -- work outside
5 and maybe traveling. I know Mr. Cox travels a
6 while. If we're waiting till September 25th --
7 is that our September meeting -- to make a
8 decision on whom you want one week later?

9 MR. McCLURE: Better to do it in August.

10 CHAIRMAN GREEN: Okay. That would just
11 be --

12 MR. McCLURE: Yeah, that'd be -- that'd be
13 tight. The mediation --

14 MR. GEORGE: I would suggest we do it at the
15 August meeting.

16 MR. McCLURE: -- is going to be conducted --

17 CHAIRMAN GREEN: That's --

18 MR. GEORGE: Next week, yeah.

19 CHAIRMAN GREEN: Yeah.

20 MR. McCLURE: Yeah. The meeting is going to
21 be conducted -- or the mediation is going to be
22 conducted in our offices here in St. Augustine.
23 So, it won't -- it won't require travel to go
24 anywhere for the mediation. And it's something
25 that one should expect devoting a full day to it.

19

1 Some mediations can get done in half a day
2 or so, but this is one which is complex enough,
3 and there are enough dollars, as we went through
4 with Mr. Lunny's presentation a month or so ago,
5 that I would expect you should devote the whole
6 day to it, whoever is the appointee.

7 CHAIRMAN GREEN: Okay. Mr. Wuellner, action

8 items?

9 MR. WUELLNER: Yes, ma'am. The first --

10 MR. GEORGE: Mr. Slingsluff came in.

11 CHAIRMAN GREEN: Oh. Mr. Slingsluff, did you
12 have any comments?

13 6.B. - MR. MICHAEL SLINGLUFF

14 MR. SLINGLUFF: Yeah. If I may. We've had
15 sort of an exciting day at the airport. We had a
16 jet on the 13/31 that ran off the runway, blew a
17 tire on takeoff. So, we've got cranes out on
18 that end. We've got a crane working on the other
19 end with the E-2. So, the runway's closed until
20 sometime tonight; we'll open it back up.

21 This is my first day back after a week's
22 vacation. So, the good news is it certainly
23 looks like the first floor of the -- of Phase 1
24 is coming along nicely. I did a walk-through in
25 there this morning. I was very happy to see all

20

1 the tiling, and everything -- everything looks
2 like it's a go as long as we get the rest of the
3 details straightened out. So, we're all set
4 then.

5 Our focus right now is get the -- get the
6 runways opened up as soon as possible. We've got

7 jets stopped all over the country trying to get
8 in here right now. The little runways are -- are
9 functioning, but there'll be probably quite a bit
10 of activity on the runways tonight. There'll be
11 a lot of press over the next couple of days.

12 Good thing is no injuries, and the damage is
13 minimal. It -- it'll be several months for both
14 airplanes, but I think the airport's done a
15 good -- good job in securing everything out
16 there. It's been -- it's been a wild week, a
17 wild morning for us. So, thank you.

18 MR. GEORGE: You indicated you were pleased
19 with the -- how the terminal, you know, building
20 is coming. When do you anticipate taking
21 occupancy and getting on the rent rolls?

22 MR. SLINGLUFF: I'll get with Ed. As soon
23 as -- as soon as we see our way clear of any of
24 these runway incidences and get the details
25 worked out. And I think Bjorn, I'm sure, he's

21

1 eager to get in there. And the County is eager
2 to move ahead with everything else. So, it's
3 a -- it's a domino effect. We all want to be in
4 there ASAP. So, we're really pleased with the
5 effort to date.

6 MR. COX: It looks good in there.

7 MR. SLINGLUFF: Yeah, it does look real good
8 in there. So, good. Thank you.

9 7.A. - FINANCIAL MANAGEMENT REPORTS

10 CHAIRMAN GREEN: Thank you. Okay. We'll go
11 back to 7.A., the financial management reports.

12 Mr. Wuellner, is that yours or Mr. George?

13 MR. WUELLNER: Well, it's actually
14 Mr. George's.

15 CHAIRMAN GREEN: That's what I thought,
16 yeah.

17 MR. GEORGE: At the last meeting, we -- or I
18 passed out some suggested management reports for
19 the financials. And the purpose of them was to
20 try to give us a clearer handle on what's going
21 on on a day-to-day basis.

22 We have the normal financial reports, which
23 seem to mix day-to-day operational type of
24 expenses and revenue right in with capital
25 expenditures. And it was my intent to try to get

22

1 our hands around it so we could have a better
2 feel.

3 The -- it would require Staff to probably
4 spend four to five hours a month to do it. So,

5 at the last meeting, I asked everyone to -- to
6 look at the reports and see if there's any
7 recommendations they would like to make, and then
8 let's -- or come to a conclusion whether we want
9 to ask Staff to do it or not to do it.

10 CHAIRMAN GREEN: Mr. Gorman?

11 MR. GORMAN: I applaud Mr. George's efforts,
12 and I think it's absolutely something that was a
13 long time coming. I think it's a great idea.

14 I don't, like I have said before, think
15 anybody's taking any bags of money over the fence
16 or anything else, but I think -- I call it again
17 for it to be done by professionals. I would ask
18 for an independent operational audit. It's a
19 management audit. It gives an in-depth idea of
20 how we are doing business.

21 I think you're doing a wonderful job. It's
22 something that really needs to be done, but I
23 think you could use some help. And I'd like to
24 see you get some help in the -- in terms of an
25 audit firm that actually is in the business.

23

1 MR. GEORGE: I think we've got an apple and
2 an orange mixed up.

3 CHAIRMAN GREEN: Uh-huh.

4 MR. GEORGE: I'm not taking a look at it
5 from an operational audit. I'm trying to take a
6 look at it from a layman's standpoint to say,
7 "Where are the dollars and cents going?"

8 I'm not trying to pass any judgment on, you
9 know, property number 7, whether we should
10 actually have -- add a new air-conditioning or
11 not. You know, I would think that an operational
12 audit would be to bring someone else in of Ed's
13 level from another airport or from a consulting
14 firm to take a look at the overall operations
15 just to see how things are going.

16 MR. GORMAN: That would be an operational
17 audit, so you're right. You're correct.

18 MR. GEORGE: Right. And I'm not trying to
19 do that. I'm just trying to give us --

20 MR. GORMAN: Yeah. You're trying to flesh
21 it out, right.

22 MR. GEORGE: -- on the board and the public
23 a better feel for it. But you've brought this up
24 before.

25 I would suggest if you -- if you want to

24

1 continue to do that, that -- or think about that,
2 then maybe we need to bring that up at one of the

3 meetings as an agenda item: Do we need to do an
4 operational audit, you know, of -- of things that
5 are going on? But that was not the intent of
6 this.

7 MR. GORMAN: No, no. It's not to decry what
8 you're doing --

9 MR. GEORGE: Right.

10 MR. GORMAN: -- which is wonderful, which is
11 what needs to be -- it needs to be done. Yeah.
12 I just -- like I said, I think we're both on the
13 same page. We just --

14 MR. GEORGE: Okay. I have a couple of
15 things that I'd like to, you know, make some
16 suggestions on. The first one, which is the
17 financial overview for airport operations, after
18 looking at it, I think that I would like to take
19 the income items and the expense items that are
20 noncash and put them down at the bottom.

21 For instance, take presently the Northrop
22 Grumman income that we're receiving was paid in
23 full X number of years ago, and it's a -- where
24 did the money go? It's built a new runway. I
25 don't know what it -- happened. But this is a

25

1 paperwork entry, the \$678,200, and until it gets

2 to be a cash type of thing, I'd like to move it
3 down and maybe have some -- you know, another
4 category that is noncash.

5 And, to me, what would be showing up there
6 would be the Northrop Grumman income and the
7 depreciation expense. That would give us a truer
8 picture of the day-to-day cash that's coming in
9 or the month-to-month cash; are they paying our
10 bills?

11 The other -- well, let's -- let's attack
12 this one first. This is an operations side.
13 Does anybody have any other comments about the
14 first one?

15 (No comments.)

16 MR. GEORGE: Okay. Let's go to the second
17 one. The second one is the big matrix, and what
18 I tried to do here was to get the capital
19 projects that we have, to get an idea, because
20 some of these were approved three years ago and
21 they're not going to be finished until, you know,
22 a couple of years out.

23 So, the purpose of this was, let's take
24 these capital projects and let's see where the
25 money's coming from, you know, some from the

1 feds, some from the state, and how much is left
2 to be spent, and what the -- how much the
3 Authority has to match their funds; in other
4 words, what kind of cash are we going to need
5 over a time period?

6 And I think we need that information before
7 we can actually start doing a budget for how
8 we're going to spend money the next time around.

9 I think that I'd like to change it a little bit.

10 I'd like to put -- have it three different
11 sections.

12 One is a projects in progress. And the
13 reason I'm saying that is, the top one, the
14 Taxiway B, is kind of a pending. It hadn't
15 really been approved yet. So, I would put that
16 down into something that we, the board, have
17 approved, but it's pending implementation, and we
18 can see and track that one.

19 And the third one -- and this is something
20 that I -- I was not aware of until I got into it,
21 but our Staff has been working with Department of
22 Transportation and FAA to forecast the grants
23 that we're looking for out over the next three,
24 four, five years. And these are potential
25 grants.

1 Mr. Wuellner got a stack in the other day of
2 here are some grants that -- that are available.
3 But we as the board need to know, do we want to
4 spend some of our hard cash to do the matching
5 fund type of thing?

6 We're going to be getting into property
7 acquisition in a few minutes, and Mr. Wuellner
8 maybe then can give us an idea of -- of the
9 grants that we have. If I'm not mistaken, it's
10 about -- over the next three or -- three years,
11 it's about two and a half million dollars worth
12 of grants. That's, you know, Department of
13 Transportation's portion of it that they've got
14 scheduled in the year 2005 -- '4, '5 and '6,
15 to come to St. Augustine to help us with land
16 acquisition. And I think we need that visibility
17 of what kind of projects are already contemplated
18 or already on the books.

19 So, that's why I would take this report
20 and -- and put it into three. And I really think
21 a quarterly look at this is probably better than
22 just a month-to-month, you know, type of thing.
23 Anyway, those are my comments on the two -- the
24 two reports.

25 CHAIRMAN GREEN: Any public comment? Yes,

1 sir.

2 MR. MARTINELLI: Victor Martinelli, 24

3 Carriage Lane, Ponte Vedra Beach.

4 As I said at the last meeting on the

5 subject, this is a work in progress, and it will

6 continue to be a work in progress. It's

7 evolutionary. And as you build your awareness of

8 certain areas of concern, that awareness then

9 will lead into operational audit desirability.

10 I don't -- I don't mean -- Mr. Gorman, I

11 don't mean in any way to minimize the operational

12 audit thrust, but I do think that you've got to

13 know where you're going. And I think this type

14 of reporting and analysis, as it evolves, is

15 going to tell you where you want to go and where

16 you need to tweak up the -- the operations, if --

17 if that's a requirement.

18 So -- and as I said before, I'd be very

19 happy to work with anyone here on the board or

20 with Ed on -- on these reports. I spent about 40

21 years of my life doing this, so I'm kind of

22 familiar with it. Thank you.

23 CHAIRMAN GREEN: Thank you, Mr. Martinelli.

24 Any further public comment?

25 (No further public comment.)

1 CHAIRMAN GREEN: Close public discussion. I
2 don't think there's any action that needs to be
3 taken at this point in time on these reports.

4 MR. GEORGE: I think that we as a board need
5 to give the staff direction, yes, continue with
6 these. So, therefore, I'd like to make a motion
7 that we give Staff direction to prepare these for
8 right now on a monthly basis, and then as we see
9 that we're not using them, we can slip one or two
10 to quarterly or whatever.

11 CHAIRMAN GREEN: Second?

12 MR. GORMAN: I'll second that.

13 CHAIRMAN GREEN: Any further discussion?

14 (No further discussion.)

15 CHAIRMAN GREEN: All those in favor?

16 MR. CIRIELLO: Aye.

17 CHAIRMAN GREEN: Aye.

18 MR. GEORGE: Aye.

19 MR. COX: Aye.

20 MR. GORMAN: Aye.

21 CHAIRMAN GREEN: All those opposed?

22 (No opposition.)

23 CHAIRMAN GREEN: Motion carries.

24 7.B. - HANGAR INSPECTION INFORMATION

25 CHAIRMAN GREEN: Okay. We're at 7.B.,

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1 hangar inspection information?

2 MR. WUELLNER: Yeah. This is at the request

3 of one -- one of your -- one of the members,

4 Mr. Ciriello, relative to hangar inspections.

5 I think we provided you at an earlier

6 meeting, I believe we did, the results of the

7 hangar inspections held July -- excuse me, May --

8 May 5th and 6th. The memo to you is dated in

9 July. We inspected 100 -- 118 hangars. Sixteen

10 work orders were generated. Twelve were

11 completed as of July 7th, and four were pending

12 completion at that point.

13 Fourteen hangars, we were unable to inspect

14 at that time because of key issues. That

15 generated five letters to specific tenants. And

16 several hangars were rekeyed, and at least three

17 hangars were issued new padlocks because they had

18 nonconforming padlocks on the hangars.

19 Seven hangars at that time were identified

20 without fire extinguishers. In those cases, they

21 had not been installed there previously. They

22 have since been installed by Authority staff.

23 Twenty-eight hangars were identified with

24 nonaircraft-type vehicles in them, to which we
25 sent those twenty-eight tenants a vehicle

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1 disclosure form, wherein they declare that
2 vehicle in there and provide us with
3 license-related information and specifics related
4 to that -- to that vehicle being -- or vehicles
5 being stored in the hangar. These were to be in
6 addition to an aircraft being stored in the
7 hangar. And as of July 7th, we had gotten 27 of
8 those -- 27 out of 28 back, and we were waiting
9 on the 28th.

10 Two tenants were identified who currently
11 did not own aircraft. Those tenants were
12 contacted and informed that their lease will not
13 be renewed at the end of September automatically,
14 unless they obtain an aircraft or convert that
15 hangar use at that point to an aviation use.

16 We promulgated the development of a
17 newsletter to be -- to send out to all the
18 tenants that endeavors to -- to provide baseline
19 information relative to how the leasing
20 activity's conducted on the airport and what
21 their expected participation in that process is,
22 communicate things like electrical circuit

23 overload concern issues, hangar issues, contact
24 emergency people after hours, proper use of
25 hangar doors, fire extinguishers, things of that

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1 nature, and try and get that out.

2 I think one of the areas we don't do a great
3 job of is -- at the initial rental, is making
4 people fully aware of all the -- all the things
5 that go with the hangar and all the
6 responsibilities on both sides. So, we're trying
7 to get that information out in the mail, if
8 that's acceptable.

9 I think that was it. I know Mr. Ciriello
10 had several concerns relative -- he had
11 accompanied us on those inspections back in May
12 and I think had several comments he wanted to --
13 to put on the table related to that.

14 CHAIRMAN GREEN: Okay. Thank you. Is there
15 any public comment with regards to the hangar
16 inspection?

17 Seeing no public comment -- or,
18 Mr. Martinelli?

19 MR. MARTINELLI: Yeah. I am not a member of
20 the board or an officer in the Pilots
21 Association, but a number of the folks in the

22 Pilots Association have voiced their concerns,
23 and I guess I'm elected to tell you what those
24 concerns are.

25 I guess the issue is one of privacy, because

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1 to have the opportunity to rent a facility, and
2 you might like it to renting a house or -- or a
3 garage or what have you. Once you rent that, you
4 rent it under certain rules, and -- and you're
5 obliged to abide by those rules, and if you don't
6 abide by those rules, of course there's --
7 there's a penalty, whether it be cessation of the
8 lease or whatever.

9 But to have your -- your home or your
10 hangar, whatever, open without you knowing it and
11 having people come and take pictures and
12 inventories of what you have in your hangar,
13 really, in the opinion of a lot of the folks, is
14 a violation of privacy.

15 Why do I say that? Well, I don't think that
16 anyone here on the board or anyone in the
17 audience would appreciate someone coming into
18 their home unannounced when they're not there and
19 going through their possessions and determining
20 what those possessions are and taking pictures of

21 them. And that's precisely what the case is
22 presently.

23 Prior to this lease, which we have all
24 signed -- and I guess we would have to say we
25 signed them because if we didn't, we wouldn't

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1 have a hangar, and so we were kind of over the
2 barrel, if -- if I can use that term, to have
3 that kind of a lease -- that change in the lease
4 from what it was previously.

5 Previously, it was if you wanted to come and
6 inspect the hangar, you're notified, and you can
7 meet the person at the hangar at the appointed
8 time; you could go through the hangar and do your
9 inspection. Of course, if there's something
10 happening in the hangar, fire or something like
11 that, of course, you know, emergency procedures
12 would be in effect.

13 So, what we are asking is that you folks
14 revisit that lease and return the original clause
15 to that lease where it's obviously open for
16 inspection by any of the Airport Authority, but
17 only after notification and an invitation to the
18 owner to come, if he would so choose, or she, or
19 just giving you a written or -- and I don't know

20 whether it'd be written or verbal agreement or
21 access to the hangar, but notification prior and
22 the opportunity to be there with you when you
23 come through the hangar. Okay?

24 CHAIRMAN GREEN: Thank you. Yes, sir?

25 MR. HOLIDAY: Dan Holiday, 11 Aviles Street,

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1 St. Augustine, Florida. Victor did a very good
2 job as -- as to the hangars. And I have to keep
3 going back to I rent places. I wouldn't think of
4 going into one of my tenant's apartments without
5 their permission. It just isn't done.

6 Commercially or residential. It just isn't done.

7 Government is known for just carrying a big
8 stick and whipping you over the head with it and
9 you've just kind of got to take it.

10 I'm -- I'm really troubled with the way the
11 Airport Authority or Staff, or whatever we want
12 to call it, is -- is -- is running its rentals.
13 You've got -- you seem to be in the rental
14 business. Residences -- residential, how many,
15 50? How many do you have, 50 residences? Is
16 that a fair number of people actually living in
17 property that you've purchased for expansion and
18 going to do that later on?

19 MR. WUELLNER: Uh-huh.

20 MR. HOLIDAY: And then we -- we get into
21 other things about the list, the famous list of
22 people. And I've been in contact with a hundred
23 or so of the people on the list, and they're
24 really upset about how they're being handled.

25 The difference between handling something,

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1 everybody being happy, is -- it's called
2 diplomacy, and we're lacking diplomacy. We're
3 lacking style, as Gallagher would say, class.

4 I thought at one time this airport was a
5 community of people that got along with each
6 other and didn't have to have the "we in the day"
7 and work with each other and we weren't
8 constantly under the thumb of someone, "May I?"

9 "If we feel like it."

10 "Well, may I?"

11 "Well, you know, be nice to me."

12 And I really am a little worried or bothered
13 about it. And I don't -- we've talked it over
14 with different members of the Pilots Association.
15 I'm not coming here as any representative of the
16 Pilots Association, but we've talked amongst
17 ourselves, and I've talked individually with the

18 members of the -- of the Authority.

19 And I really am troubled about this
20 heavy-handed way of handling things. And Joe,
21 put yourself in my shoes, please.

22 MR. CIRIELLO: I've been there.

23 MR. HOLIDAY: Been there, done that, huh?

24 Thank you.

25 MR. GEORGE: Before you leave, Mr. Holiday?

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1 MR. HOLIDAY: Yeah.

2 MR. GEORGE: I understand Vic's reference to
3 renting a house and -- and to you renting
4 commercial.

5 MR. HOLIDAY: Yeah.

6 MR. GEORGE: I think one thing that might
7 make a difference, and it's a joint problem, and
8 that is we have a restriction of use for an
9 aviation-related, you know, activity, if you
10 will. Let's talk about the 105 people that are
11 on the waiting list for a hangar, and let's say
12 that there are seven hangars out there that have
13 no aviation stuff in it at all.

14 MR. HOLIDAY: Period.

15 MR. GEORGE: Period. I need to know how --
16 how we -- how do you suggest we police that? I

17 understand your comment on style --

18 MR. HOLIDAY: Gotcha.

19 MR. GEORGE: -- okay? And -- but look at

20 the -- it's a common problem that we all have.

21 So, how do we solve it?

22 MR. HOLIDAY: You've got -- you've got

23 hangars and you've got garages. The garages that

24 you're renting are definitely not for -- you can

25 put cars in those garages.

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1 MR. GEORGE: Okay. But let's talk about

2 hangars. I was talking about hangars.

3 MR. HOLIDAY: We'll get to that. Well, that

4 keeps getting thrown in. If someone is renting a

5 hangar from you, I would say there should be an

6 aircraft in that hangar, or a project.

7 MR. GEORGE: An aircraft-related project,

8 yeah.

9 MR. HOLIDAY: Or a related project. If

10 someone has room enough in the hangar to put a

11 motorcycle or to put something else in addition

12 to his own plane, I see nothing the matter with

13 that. Of course, I'm doing that very same thing

14 myself. So I'm, you know --

15 MR. GEORGE: Absolutely correct.

16 MR. HOLIDAY: I'm shooting from the hip
17 here.
18 MR. GEORGE: But how do I police that there
19 is an aircraft --
20 MR. HOLIDAY: But if there -- okay. Then
21 get ahold of the person and say, "We would like
22 to find out exactly what the N number is of your
23 aircraft. Do you have it -- is it experimental?
24 Is it -- what is it?"
25 And go in there and look at it. And if --

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1 if there's a fuselage sitting there and a couple
2 sets of wings and you can see that it isn't that
3 dusty, well this guy is trying to -- trying --
4 he's got a project.
5 We've all through the years -- this is not a
6 public storage facility. I -- I agree with you.
7 This is not a public -- they're just down the
8 road and they're -- they're a little more money.
9 So, you've got to find the fine line. But
10 it's not exactly -- and I could be really crude
11 now and say the difference between such and such
12 and such and such is diplomacy, a good deal, a
13 willing buyer and a willing seller.
14 I have to go and get together with my

15 tenants once in a while and say, "Now, look it;
16 you rented this place to sell furniture. What
17 are you doing selling jewelry right next door to
18 the person that has rented the place to sell
19 jewelry? I don't quite understand. You -- can't
20 you make enough money to pay your rent selling
21 furniture?"

22 And these are things that a landlord has to
23 do. But you have to do it with a little -- I'm
24 not -- I'm not the person in the world -- and
25 George will be my -- my guide here -- to handle

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1 things softly and with a -- with a lot of
2 diplomacy. I kind of roll up the sleeves and
3 wade into people. But there is a way of doing
4 it.

5 MR. GEORGE: Would you accept as a way of
6 doing it, when we're doing an inspection of the
7 fire extinguishers, that there's nobody in there
8 taking pictures; there's nobody out taking a
9 list; but the member from the staff that goes in
10 to look at that --

11 MR. HOLIDAY: Can go tattle.

12 MR. GEORGE: -- cannot obviously see an
13 aviation-related project --

14 MR. HOLIDAY: Then get ahold of the person.

15 MR. GEORGE: -- then he comes back and they
16 get in touch with the person.

17 MR. HOLIDAY: Exactly.

18 MR. GEORGE: Because otherwise, if we got in
19 touch with the person every time, it'd be like
20 calling the -- the drug trafficker and say,
21 "Okay, we're going to inspect you next
22 Wednesday." It won't be there next Wednesday,
23 then.

24 MR. HOLIDAY: I don't -- I don't have any --
25 I have no problem with the spirit of it, what

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1 you're saying.

2 MR. GEORGE: Yeah.

3 MR. HOLIDAY: You are an aircraft owner.

4 You are a pilot. You are active, so active that

5 you're even on the Airport Authority, and I

6 really am -- I feel good about that. Nice warm

7 feeling.

8 But to have someone that is just not

9 anything go and start in pushing their -- pushing

10 their luck with me, I just -- I don't think -- I

11 don't think it's a -- Mr. -- Bob, I think -- I

12 was sitting, watching you shaking your head. I

13 think you agree with exactly what I'm saying.

14 MR. COX: I think -- can I --

15 CHAIRMAN GREEN: Yeah.

16 MR. COX: -- comment? Another reason I --

17 Buzz said something about it. It's kind of a

18 two-way street, too, because I think the pilot

19 community out there, if we see, "we" including

20 myself, see somebody that's utilizing a hangar in

21 a way that they shouldn't be utilizing it, peer

22 pressure does a heck of a lot.

23 MR. HOLIDAY: Yeah.

24 MR. COX: You get two or three pilots go

25 over there and say, "Look, guy, you can't have

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1 pickup trucks and boats in here."

2 MR. HOLIDAY: Only.

3 MR. COX: Just pickup trucks and boats.

4 MR. HOLIDAY: Yeah.

5 MR. COX: Get your airplane in the hangar.

6 MR. HOLIDAY: Now, if it's a 50 x 50, and

7 they've got a boat in there, of course. They're

8 paying for a 50 x 50.

9 MR. COX: As long as the guy is using it for

10 aviation-related purposes. What do you say about

11 that, Victor?

12 MR. MARTINELLI: Well, may I?

13 CHAIRMAN GREEN: No. We have Mr. -- just a

14 second. Mr. Holiday, are you through? I didn't

15 want to cut you off. That's all.

16 MR. HOLIDAY: What I -- what I was trying to

17 do, Ms. Green, is -- is to get some kind of

18 feeling of -- of I don't think we belong to a

19 mutual admiration society here at all, but

20 somewhere along the line, we need to just sort of

21 approach stuff like this with a little bit of

22 finesse and style. And, John, appreciate it.

23 MR. MARTINELLI: May I offer --

24 CHAIRMAN GREEN: Thank you. Yes,

25 Mr. Martinelli?

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1 MR. HOLIDAY: See you.

2 MR. MARTINELLI: Can I offer a suggestion?

3 I -- I subscribe to what Dan has said, and I

4 fully appreciate the position that you stated,

5 Mr. George.

6 Offer a suggestion. First of all, before a

7 hangar is leased to any one of us, there is an N

8 number and an airplane identified that should be

9 in that hangar, okay? Now, if when you want to

10 go and inspect, you call me and say, "I want to

11 inspect your hangar," and I say, "Fine; I can be
12 there tomorrow morning or whenever," we go to my
13 hangar.

14 Well, if my airplane registered to me -- and
15 you can check that through the FAA -- is there,
16 you know I've got my airplane in my hangar. Now,
17 if I don't have an airplane and I don't have an
18 aviation-related project and -- which also should
19 be identified in the lease -- then when you come
20 there, I can't manufacture an airplane into my
21 hangar with an N number that's on the lease.

22 And so, I don't see the need for these,
23 quote, surprise audits, if you will, of hangars.
24 There's no need for that. As long as what's in
25 my hangar is legal, is nonhazardous, and I have

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1 my airplane in there, I think that should be the
2 concern of the board, and it shall be fulfilled.

3 So, I don't think that you need to have --
4 for fire extinguisher protection or whatever
5 inspection, that you need to have any kind of
6 access to the hangar without the knowledge and
7 concurrency of the tenant. That's the way I feel
8 about it.

9 CHAIRMAN GREEN: Thank you. Any further

10 public comment?

11 (No further public comment.)

12 CHAIRMAN GREEN: Close public comment.

13 Board comment, Mr. Cox?

14 MR. COX: Is -- is the airport required by

15 local, county, federal regulations at all to do

16 specific fire inspections or fire code

17 inspections with the -- you know, with a fire

18 extinguisher and fire suppression system?

19 MR. WUELLNER: Yeah, only related to -- the

20 only inspection that -- we have two inspections

21 currently required. One is one that was required

22 by you folks that we conduct annually, and that

23 -- you --

24 MR. COX: Annually.

25 MR. WUELLNER: You conscribed that to us at

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1 least annually last year.

2 MR. COX: So, do we do that on one

3 particular day every single year, or what?

4 MR. WUELLNER: Well, what we did this year,

5 as a matter of convenience primarily, was

6 schedule that with the second inspection

7 that's -- that's required, and that is the annual

8 inspection of the fire -- fire extinguisher and

9 the recertification --

10 MR. COX: So, both of those inspections
11 could be concurrent in the same inspection.

12 MR. WUELLNER: They were in fact concurrent
13 about 95 percent of the cases.

14 MR. COX: And we send out a letter to
15 everybody saying that that -- I don't know. I
16 don't know what the -- how do we --

17 MR. WUELLNER: I'd have to defer and ask
18 whether we sent an advance notice this year or --
19 relative to the fire extinguishers.

20 MR. COX: Well, let's assume we do, but in
21 case we don't, can we make sure that that
22 happens --

23 MR. WUELLNER: Certainly.

24 MR. COX: -- from now on so that the --

25 MR. WUELLNER: Sure.

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1 MR. COX: -- so that the aircraft -- I'm
2 sorry, the hangar lessee will --

3 MR. WUELLNER: Well, you had -- you know, I
4 think there's -- there's a misconception that --
5 and perhaps there is; maybe I'm wrong. But it
6 appears there's a misconception that -- that for
7 whatever reason, Staff undertook these items --

8 MR. COX: I understand what you're saying.

9 MR. WUELLNER: -- you know, and did this.

10 And, in fact, what we did was respond to the
11 direction we were given vis-a-vis policy that
12 this Authority gave to us.

13 So, when there's a problem with the
14 frequency or the lease provisions that allow
15 those inspections or the like, those were
16 provisions that were specifically requested to be
17 modified at the last review of the lease policy
18 last summer.

19 MR. COX: So, to make it clear for the --
20 the aircraft lessees -- or the hangar lessees
21 that are in here, the inspection that's
22 required -- that's required is once a year.

23 MR. WUELLNER: And that's your own
24 requirement. That's not ours.

25 MR. COX: Okay. And then the fire --

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1 that's -- can be done concurrently. It's not a
2 surprise inspection; it's just something
3 required. So, there's really no need -- unless
4 there's an emergency or we feel something
5 untoward is going on in a hangar, there's no need
6 for surprise inspection of the type that we --

7 MR. WUELLNER: Correct.

8 MR. COX: Okay. So, we can lay that to

9 rest. And I'll -- I have a motion to proffer

10 later once further discussion is done.

11 MR. GEORGE: When -- when was that approved

12 for this one-time -- this annual inspection? You

13 mentioned last summer.

14 MR. WUELLNER: Last July, I believe, is when

15 the lease policy was revised.

16 MR. GEORGE: Yeah. What was the concern of

17 the board at that time that they were going to

18 ask you to do an annual inspection?

19 MR. WUELLNER: Frankly, it was situations

20 surrounding --

21 MR. GEORGE: Nonaircraft use situations

22 like --

23 MR. WUELLNER: Yeah, exactly.

24 CHAIRMAN GREEN: The seven or eight that you

25 found. Right.

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1 MR. WUELLNER: That's exactly what it was.

2 It was, you know, an attempt to identify

3 noncompliant behavior out there, to move the --

4 the hangar waiting list, if you will, to get that

5 off, you know, and moving occasionally. If

6 people aren't going to comply with what you
7 ascribe as rules, then they're -- they're to be
8 moved along and we put people in there who
9 presumably will.

10 CHAIRMAN GREEN: And part of the complaints,
11 if I recall, came from people that were on that
12 waiting list.

13 MR. WUELLNER: Absolutely.

14 CHAIRMAN GREEN: Other pilots who came up
15 and said I know so and so, just like you're
16 saying the self-policing mechanism.

17 MR. WUELLNER: Frankly, it's -- you know,
18 it's incredibly time consuming to -- and
19 especially, the original tenor was we were going
20 to do this with a great deal of frequency, and
21 you know, continually go out and there and -- you
22 know, and that.

23 It's a tremendous amount of Staff time to --
24 to do that. For, you know, 90, 95 plus percent
25 of the cases, there's absolutely nothing, you

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1 know, that -- that's reasonably out of
2 compliance.

3 MR. COX: Well, if I'm not mistaken, weren't
4 you required by FAA right after -- shortly after

5 9/11 to go -- to do an inspection in hangars to

6 make sure that aircraft were in there?

7 MR. WUELLNER: Well, we were -- it was short

8 of regulatory. But what they suggested was

9 that -- that airports get a better handle on

10 matching aircraft to owners to -- to hangars --

11 MR. COX: And that's --

12 MR. WUELLNER: -- and make sure that those

13 all agree with what -- you know, so that, for

14 instance, as an example, FBI or someone walked in

15 wanting to know what was, you know, hangar H4,

16 you'd have some response and some reasonable

17 assurance that the aircraft in there and the

18 owner are -- could be -- they get a starting

19 point.

20 MR. GORMAN: I have a question. What --

21 just for my information, what was the reason --

22 we had 28 hangars with vehicles in them. What

23 was the reason to ask for the disclosure of the

24 specifics on the vehicle? Is it -- is it

25 something law enforcement wanted or --

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1 MR. WUELLNER: The concern --

2 MR. GORMAN: What was the concern?

3 MR. WUELLNER: The concern that kept getting

4 raised was do they indeed belong to the tenant of
5 the hangar.

6 MR. GORMAN: What would the difference be?

7 MR. WUELLNER: Well, there's the question.

8 Because you have a specific policy that prohibits
9 subleasing the hangar in any form or fashion.

10 And as such, you -- you had the potential -- we
11 didn't find any cases of this, but you have the
12 potential of individual hangar tenants, you know,
13 leasing a spot in the back of the corner to the
14 neighbor for their boat. That's what was thrown
15 on the table as why.

16 I mean, I -- again, we didn't find any
17 instances where the additional vehicles in the
18 hangar didn't -- you know, weren't registered to
19 the owners or connected to the owners. It's an
20 additional step that, you know, frankly don't
21 care, you know, whatever you tell me.

22 MR. GORMAN: So, of all those 28 that you
23 found --

24 MR. WUELLNER: They all --

25 MR. GORMAN: -- they're -- almost all of

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1 them matched up. So, it's kind of a nonproblem,
2 really.

3 MR. WUELLNER: Correct.

4 MR. GORMAN: All right. Okay.

5 CHAIRMAN GREEN: Mr. Ciriello?

6 MR. CIRIELLO: Yeah. I've got a lot to say
7 on this subject. I've been the stinker behind it
8 all. I don't see the sense of having a lease if
9 you're not going to go by it. I guess I want to
10 be more strict on going by the lease than other
11 people.

12 I'll make a comment that some of these
13 gentlemen made that being that people's human
14 nature is such to take advantage of things is one
15 reason why I wanted to do these inspections, like
16 Mr. Wuellner was telling Mr. Gorman.

17 I wanted to be sure that people who had
18 airplanes and then had cars and boats and that
19 wasn't subleasing. I wanted to know if there was
20 a car or boat in there. I didn't care, but it
21 had to belong to the person who owned the
22 hangar -- or who rented the hangar and owned the
23 airplane, because of the subleasing.

24 Now, when we went on this inspection, I
25 found a lot of things that I didn't like. And I

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1 asked -- talked to Mr. Wuellner about what, three

2 or four hangars didn't have airplanes in them, or
3 whatever?

4 MR. GEORGE: Ed?

5 MR. CIRIELLO: It's been empty like that for
6 months. Now, the people leasing the hangars have
7 a responsibility, according to the lease and
8 everything else, to come to us and let us know
9 what's going on.

10 Now, as far as I'm concerned, when a person
11 lost their airplane, got rid of it, sold it or
12 whatever, and just kept paying their hangar rent
13 and keeping a Bentley automobile or a Mercedes or
14 a motor home in there and no airplane, they've
15 broken the lease and should be thrown out right
16 now as -- as of yesterday.

17 But Mr. Wuellner didn't agree with that. He
18 sent them a letter and he gave them till the 1st
19 of October, which is five months, to get an
20 airplane or they wouldn't renew the lease.

21 So, you've got a hangar being wasted five
22 months while these hundred and some people are
23 out on a waiting list wanting to get into a
24 hangar. I say you're not being fair to the ones
25 on the lease (sic) and you're being too lenient

1 to the ones that have the hangars. Now, yeah,
2 there's got to be a compromise somewhere. But
3 you've got to have some strictness.

4 But anyhow, going through these hangars,
5 now, it says right in this lease -- and I think
6 one of the things we need to do is get a
7 definition of what a hangar is. Everybody says
8 aviation-related. I think when a person wants to
9 rent a hangar, they should have an airworthy
10 aircraft as number one going into that hangar.

11 And then if somebody has a home built that
12 they're building, they can be number two. But
13 if -- say if I had a home built, I was going to
14 build, and I'm next on the list, and you're under
15 me but you have an airworthy airplane you're
16 flying every day, I think you should get
17 preference over that hangar, you know, by
18 priority. We need to stipulate what a hangar is.
19 It's not just for anything. And there are people
20 taking advantage, using these for storage units.

21 Now, in our leases, it says that if you get
22 a permission to the Authority, you can do things.
23 And this is what the people aren't doing. They
24 want privacy. They want to be able to do
25 whatever they want without us knowing.

1 If you come and put in -- in other words, if
2 you go out there and get one of the leases and
3 you look it out -- you pull it out, you see F7
4 has a Citabria in it. You go out there and look
5 in that hangar and there's a boat and there's a
6 car and there's some jet skis and everything
7 else, but it's not on the lease.

8 So, if this person would write to the
9 Authority and itemize all this stuff that he's
10 going to have in there besides his airplane, it's
11 on the lease, then it is -- well, I say legal,
12 because you're claiming it. That's not the right
13 word, but whatever.

14 MR. COX: You've claimed -- you've declared
15 it.

16 MR. CIRIELLO: Yeah, you're declaring it.
17 But if you go out there and you get the lease and
18 you see this F7 has a Citabria and that's what's
19 supposed to be in there, and you go in there and
20 you see all this other stuff in there, then as
21 far as the lease goes, the person is breaking the
22 lease because they didn't notify us of this
23 update.

24 And that's all I'm saying, that I don't care
25 if you have a car or a boat or motorcycle in

1 there if it's yours and you're not subleasing it.

2 But it should be a matter of record on the lease.

3 So, when somebody looks at your lease and sees

4 all of this stuff in there, that's what's there.

5 I have the report of all what you people

6 were complaining about, the hangars we went into.

7 One airplane out there -- I think it was a

8 Marchetti. I can't remember for sure. Somebody

9 was stripping it to repaint it, didn't even have

10 a number on it, but the floor was littered with

11 big paint -- chips of paint as big as this. And

12 if there's environmental issues about paint shops

13 and such, I don't know if this guy is breaking

14 laws by stripping that airplane in his hangar to

15 repaint it.

16 There were hangars that had air compressors,

17 lathes, tons of tools, more than a little toolbox

18 that you would need to do your own maintenance if

19 you're not an A&E mechanic. There was all kind

20 of things in these hangars that weren't declared

21 and weren't on the leases that should have been.

22 And that's all I'm complaining about.

23 And I -- I want, you know -- and it's -- if

24 these people think we're disturbing their privacy

25 because they want to go and do whatever they want

1 and not let anybody know about it, well, I don't
2 agree with that. And I think we're too
3 wishy-washy that we're not keeping up with our
4 list because we're not keeping up with the people
5 doing the right thing in the hangars and by their
6 lease. Go ahead.

7 CHAIRMAN GREEN: Mr. Gorman?

8 MR. GORMAN: Well, let me pick a fight with
9 Joe. What ends up happening, Joe, is if we've
10 got enough time for the staff to worry about
11 extra gear stowed, I mean, I think the gear's
12 irrelevant to the issue.

13 I don't think, as long as someone's got an
14 airplane in there and it's -- and it's an
15 aviation usage and you've got extra space and
16 they aren't subleasing the space, it's just their
17 stuff, what -- what is the difference about other
18 things?

19 Every -- my point is, every single hangar in
20 America is like that. I mean, if you drive -- if
21 you -- if you fly all throughout America and you
22 look in hangars, you're going to see lots of
23 extra stuff. It's just stuff and it's owned by
24 the people that are leasing the hangar.

25 MR. CIRIELLO: Oh, but just because

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1 everybody else does it doesn't mean we have to.
2 Why -- how hard of a hardship is it for you to go
3 and list the things that you have in your hangar
4 besides your airplane and give it to Authority to
5 put it on with your lease to make it a part of
6 the record? Is that so much to ask?

7 MR. GORMAN: I don't think it's relevant to
8 the issue of the public safety and to the proper
9 leaser -- leasers of the -- the hangars.

10 MR. CIRIELLO: No part of the demised
11 premises shall be used for any other purpose. No
12 commercial aviation or anything. In other words,
13 it's only to be used for putting an aircraft in.
14 Not cars, boats or anything else. And I have no
15 objection to that as long as it's recorded and
16 part of the deed.

17 Now, you're saying well, what difference
18 does it make what people want to put in there
19 besides an airplane? And then like I said, when
20 somebody loses their airplane and they just keep
21 paying for the hangar and they think they have a
22 right to it --

23 MR. GORMAN: On that point, I would agree

24 with you. If there is no airplane --

25 MR. CIRIELLO: Well, how are you going to

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1 find that out if they don't --

2 MR. GORMAN: -- you know, we need to use it
3 for airplanes.

4 MR. CIRIELLO: -- come in and tell us? You
5 find that out by inspecting them once in a while
6 to keep them on their toes.

7 MR. GEORGE: What if you use the jet ski to
8 get to the hangar sometime?

9 MR. CIRIELLO: Well, when it rains --

10 MR. GEORGE: Then it's part of aviation, no?

11 MR. CIRIELLO: Yeah, when it rains you might
12 have to, but it doesn't rain that often around
13 here.

14 CHAIRMAN GREEN: Mr. McClure, I have a
15 question with regards to generally accepted lease
16 terms for general aviation airports such as us.
17 Do we have, upon reasonable notice or at
18 reasonable times? I mean, what's the norm?

19 MR. McCLURE: I'm going to disagree slightly
20 with my old friend Mr. Holiday on a couple of
21 things. It's not that uncommon to have
22 inspection, including inspection without notice

23 provisions in leases, particularly commercial
24 leases.
25 The -- the hangar lease is somewhat unusual

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1 in that most tenancies that you can think of,
2 with the exception of -- I think the term of art
3 these days is "self-storage, they don't like
4 calling them warehouses -- is that the tenant is
5 present on the facility most of the time.

6 So that if you have a term in your
7 commercial lease that says, "Don't store volatile
8 materials on leased premises," the business is
9 open from --

10 CHAIRMAN GREEN: 9:00 to 5:00.

11 MR. McCLURE: -- 8:00 to 5:00, 9:00 to 5:00,
12 Monday through Friday, and you can show up at 11
13 o'clock in the morning and say, "Could you show
14 me the back room, please?" and the tenant is
15 there.

16 The same is true of residential leases. If
17 the provision is you're not going to have a pet
18 or, "I don't want you to have four students in
19 this two-bedroom apartment," you can show up in
20 the evening and say, "I'd like to take a look at
21 it. What's going on?" And you have someone

22 there.

23 In this case, particularly with out-of-state
24 tenants and also with people who may not fly or
25 use the hangar regularly, you are encumbered

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1 somewhat in being able to do that inspection when
2 the tenant is there, but without advance notice.

3 The only concern -- and we participated a
4 little bit in the drafting of the lease policy,
5 and -- and the operative word is "policy." And
6 that means that it isn't up to me to decide or
7 Mr. Wuellner to decide, but it is a policy to be
8 set by the board, is that there were some
9 concerns about inappropriate usage for things
10 such as hazardous and volatile materials.

11 Some of the hangars we'd seen had, I don't
12 know whether it was paint or acetone or, you
13 know, other things that were being used for
14 people who were either cleaning their aircraft or
15 they were going to repaint their aircraft, and
16 there was concern about that.

17 And if you called and said, "I'm going to be
18 out there day after tomorrow," those kinds of
19 things could be gone pretty quickly, and then
20 come back as soon as the inspection was over.

21 I think that it's -- it's probably harder to
22 produce a plane out of nowhere or get rid of a
23 plane un -- without it being identified,
24 particularly with the tower keeping track of --
25 of flight operations.

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1 But the -- that's just a little bit of
2 background of where we came up with the -- with
3 the policy. It is not that unusual to have the
4 inspection provision in there.

5 Now, in terms of whether or not it's
6 something that you think that, given the
7 character of the airport and the character of the
8 use, that you would like to have a different
9 policy, it is entirely within this board's
10 discretion to adopt a different policy and to
11 provide for notice in advance.

12 If that answers your question, Madam
13 Chairman.

14 CHAIRMAN GREEN: Uh-huh.

15 MR. GORMAN: This airport's always been
16 involved in -- for the most part, in sport
17 aviation. And part of being involved in sport
18 aviation is cleaning your aircraft, is in
19 touching up your aircraft -- not painting the

20 whole thing and stripping it all up -- and that
21 involves a certain amount of solvents. That
22 involves a certain amount of -- so, in other
23 words, it's -- it's just a matter of common
24 sense.

25 In other words, if you've got a 50-gallon

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1 drum of acetone in the -- in the hangar, I expect
2 that the fire marshal would -- would probably not
3 like that. But, I mean, if you've got a
4 one-gallon can, I mean, isn't there some
5 discretion there and that should just be left to
6 the judgment of the airport manager?

7 MR. WUELLNER: Yeah.

8 MR. GORMAN: Really.

9 MR. WUELLNER: Odds are you'd never hear
10 from us over a one-gallon can.

11 MR. GORMAN: Sure.

12 MR. WUELLNER: I mean, it's -- there are
13 certain things that we've come to expect over,
14 you know, 15 or 20 years in this business that,
15 you know, are part and parcel to the average
16 aircraft owner. I mean, that's just the way it
17 is.

18 There are also practices that you stumble

19 across occasionally that have absolutely no
20 business being conducted in there, and we deal
21 with those case by case.

22 MR. GORMAN: So, instead of the wording
23 being the "storage of solvents," maybe you could
24 make the wording the "excessive storage of
25 solvents."

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1 MR. WUELLNER: It's actually fairly
2 specifically defined in your airport rules. It's
3 not a lease item, but it's a reference item from
4 the lease, so... I mean, it --

5 MR. COX: You know, storing flammable
6 liquids like hundred low lead, for instance, 450
7 gallons for your airplane, I think that would
8 be -- I'd consider it dangerous.

9 MR. WUELLNER: We don't mind you keeping the
10 cans in there, but let's try not to keep them all
11 full.

12 MR. GEORGE: I -- I would like to suggest to
13 the staff, with everybody's concurrence, that the
14 spirit of togetherness on the airport be
15 practiced a little bit more than it has, you
16 know, in the past, you know, and only when there
17 are obvious violations do we actually do an

18 inspection and we get the, you know, the
19 concurrence -- not the concurrence. We do the
20 proper notification.

21 So, having said that, I also would like to
22 make a motion that section 3, "Permitted Uses,"
23 the part that says, "No part of the demised
24 premises shall be used for any other purpose" be
25 eliminated.

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1 MR. GORMAN: I would second that, because
2 it's too inclusive as it's written. Exactly.

3 CHAIRMAN GREEN: Any discussion? It's a
4 motion then seconded on the floor.

5 MR. COX: I'd like to add to that, so amend
6 that motion.

7 MR. WUELLNER: Wait.

8 (Whereupon, there was a pause in the proceedings.)

9 MR. COX: That's the quickest you've ever
10 done that. Ed, did you have something?

11 MR. WUELLNER: No. It might be more -- more
12 constructive to do them individually.

13 MR. COX: All right.

14 MR. WUELLNER: I mean, they might get
15 muddied in, if you don't mind.

16 CHAIRMAN GREEN: So, there's a motion and a

17 second on the floor to strike the language quoted

18 by --

19 MR. WUELLNER: The second sentence --

20 CHAIRMAN GREEN: -- the board members and

21 their second.

22 MR. WUELLNER: -- under permitted uses.

23 MR. CIRIELLO: What language do they want?

24 MR. GEORGE: Section 3, "Permitted Use."

25 MR. WUELLNER: Second sentence --

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1 MR. GEORGE: Second line down. Delete,

2 quote, no part of the demised premise shall be

3 used for any other purpose, end quote.

4 MR. CIRIELLO: And what do you want it to

5 read?

6 MR. GEORGE: Nothing.

7 CHAIRMAN GREEN: He just wants to delete it.

8 The motion is to delete it.

9 MR. GEORGE: I want it to stay that the

10 purpose is for the storage of an aircraft or an

11 active assembly of a kit type. That's it.

12 MR. GORMAN: Thank you.

13 CHAIRMAN GREEN: Let me see your -- we are

14 in discussion mode, so I just want to make sure.

15 So, it's going to be strike sentence two of

16 section 3, but it shall still contain the
17 language that "the permitted use for the demised
18 premises is a storage of aircraft or active
19 assembly of kit aircraft."

20 MR. GEORGE: Joe, it is diametrically
21 opposed to what you want. And I'm just -- I'm
22 trying to move this on, because I think that
23 there are probably some feelings.

24 MR. CIRIELLO: I don't understand what
25 you -- it's opposed to what I want. You're

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1 saying that --

2 MR. GEORGE: You were saying that -- that
3 they would have to -- to store a car there, they
4 would have to give us -- that they couldn't do
5 it, that they would have to give us registration
6 information and the -- the -- what was the term
7 you used? The acknowledge -- declare, I'm sorry,
8 declare that it's there.

9 And you were using that part of that
10 sentence that says "no other use of that hangar
11 is permitted." And I was going to get rid of
12 that, because I don't agree with what you said.

13 MR. CIRIELLO: Well, I think it's somewhere
14 else in the lease here that says that if you want

15 to do anything other than store an aircraft in
16 the hangar, you have to give written permission
17 to the Authority for approval. I think that's
18 somewhere else --

19 MR. GEORGE: I don't have a problem with
20 that.

21 MR. CIRIELLO: -- in here other than that.

22 MR. GEORGE: Yeah. I don't have a problem
23 with that. In other words, if I'm going to do
24 something with that hangar other than store an
25 aircraft or do a kit, I have got to get

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1 permission from the -- from the Authority. I
2 don't have a problem with that at all.

3 MR. CIRIELLO: So, by taking out what you
4 want to do doesn't mean somebody can unilaterally
5 just do whatever they want.

6 MR. GEORGE: No. But it stops people from
7 taking potshots that I've got a jet ski in there
8 in addition to my airplane or maybe even a
9 riverboat, in case you might have one, or a
10 fireplace, even.

11 MR. CIRIELLO: If they don't declare it, how
12 would that stop us from taking potshots? That's
13 the whole point, that you have to go and declare

14 all of this stuff in there other than your

15 airplane. It's in here somewhere.

16 MR. GEORGE: Okay. Well, I need to find it,

17 because I couldn't find it.

18 MR. CIRIELLO: So, if it's in here --

19 MR. GEORGE: Ed, do you -- do you know if

20 it's in that lease or -- George, you wrote it and

21 approved it. You probably ought to know exactly

22 where it is in --

23 MR. WUELLNER: It's in the policy somewhere.

24 MR. McCLURE: What we did was that it

25 references policies in the -- in the lease and

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1 they're in the separate policies, that I think

2 you'll find that language. But I'll check.

3 CHAIRMAN GREEN: Policies are referenced in

4 the lease and therefore become a part thereof?

5 MR. McCLURE: Yes.

6 CHAIRMAN GREEN: Okay. Just want to make

7 sure. So, they are incorporated, then.

8 MR. CIRIELLO: This is specifically

9 mentioning refrigerators and everything else.

10 But it still -- it says that you have to have

11 prior permission by -- by rating. And I would

12 assume that would be for cars and everything

13 else, is what I'm saying. So in here, of course
14 it's under "Utilities," there is writing that you
15 have to notify us.

16 MR. GEORGE: Which paragraph?

17 CHAIRMAN GREEN: Mr. Ciriello is speaking of
18 paragraph 13, reference "Utilities."

19 MR. CIRIELLO: And I don't see a hardship
20 with somebody declaring what they have in their
21 hangar if it's nothing illegal. What's -- you
22 know, if you're not hiding anything, what do you
23 care? You know, just -- just a matter of writing
24 a few sentences on a paper and turning it in.

25 MR. WUELLNER: You know, until -- until last

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1 year, we got along just fine without some of
2 those provisions in the lease agreement, and they
3 were -- you know, they were determined by the
4 Authority as necessary in an effort to solve a
5 perceived problem, and they've been in there
6 since.

7 MR. CIRIELLO: Well, I know for a fact --

8 MR. WUELLNER: As a result, we've been
9 enforcing what we're being told to do.

10 MR. CIRIELLO: -- people that's told that --
11 before I got on the board, that there were people

12 subleasing parts of their hangar. And that's why
13 it was brought up in the first place, because
14 there was nothing saying you couldn't do that,
15 and people were doing that.

16 CHAIRMAN GREEN: Well, I think that's been
17 addressed.

18 MR. CIRIELLO: Well, that's why the things
19 were changed and that's why, you know, that
20 there's -- there's a controversy now.

21 CHAIRMAN GREEN: Okay. I have a motion and
22 a second.

23 MR. WUELLNER: You know, on that matter?

24 CHAIRMAN GREEN: On that deletion of that
25 sentence.

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1 MR. GEORGE: I fail to see where section 13,
2 where it's talking about utilities,
3 refrigerators, and household appliances, how that
4 has anything to do with storage of an automobile.

5 MR. CIRIELLO: Well, I saw it somewhere in
6 here somewhere and I'd have to reread it, but...

7 CHAIRMAN GREEN: Okay. Any further
8 discussion on that motion?

9 (No further discussion.)

10 CHAIRMAN GREEN: All those in favor of the

11 motion?

12 MR. GEORGE: Aye.

13 MR. CIRIELLO: Aye.

14 CHAIRMAN GREEN: Aye.

15 MR. COX: Aye.

16 MR. GORMAN: Aye.

17 CHAIRMAN GREEN: All those opposed?

18 (No opposition.)

19 CHAIRMAN GREEN: So, the deletion of that
20 sentence, hearing no opposition, will pass.

21 Do we need any other further direction on
22 the lease? I think Mr. -- oh, I'm sorry.

23 MR. COX: Yes. I had -- I'd like to make a
24 motion to add language to policy concerning the
25 inspections of the hangars, and that would --

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1 just as background, I feel like -- very strongly
2 that individual or even a group of Authority
3 members have no reason or purpose to be
4 inspecting hangars for the purpose of detailing
5 contents and taking pictures to try to define
6 some wrongdoing. I think that's a staff
7 responsibility.

8 If we have detailed the staff to find out if
9 people are subletting illegally, whatever it is,

10 that's their responsibility. It's not individual
11 Authority members.

12 Based on that, I'd like to add language
13 or -- or at least discuss this language that only
14 authorized Staff members be allowed to inspect
15 the hangar only -- and only for the purpose of
16 maintenance/fire inspections, and only by
17 qualified personnel; i.e., personnel qualified to
18 actually look at fire extinguishers to see if
19 they're -- meet the standard, and with a -- at
20 least a 24-hour notification to the hangar lessee
21 under the -- the paragraph we spoke of earlier
22 for the annual inspection, except in an emergency
23 as defined by the Airport Director under section
24 24 of this lease, which says that we reserve the
25 right to inspect the hangar. And that's it.

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1 MR. WUELLNER: The only concern -- I have no
2 issues at all with that at its core. My -- my
3 question is, we -- we contract with a vendor,
4 obviously, because it's required to use a vendor
5 to do fire extinguisher inspections, as an
6 example.

7 In order to do that and to obviously take
8 advantage of having to do that 118 plus times, we

9 schedule that for a single day, or in this case,
10 it was like a day and a half, to do all those
11 inspections and recertifications.

12 The -- I have no problem with advance notice
13 for any other purpose, but -- and I have no
14 problem with notifying them a week ahead of time
15 or something that those inspections will be done
16 a date. But we -- we still have people that
17 contact us, and I know this based on previous
18 history with us, that say, "No, you still can't
19 go in there; I don't want you there."

20 Well, now we have an issue where, you know,
21 Authority property is out of compliance and in
22 theory illegal to use because it's no longer
23 certified.

24 MR. COX: How can we reconcile the language
25 then to meet the standard that you like?

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1 MR. WUELLNER: You know, I -- I think
2 "providing that," you know, something, "where
3 possible," or where --

4 MR. COX: Okay.

5 MR. WUELLNER: You know, something that
6 provides just that -- that smidge of latitude
7 for -- that we don't drag a vendor --

8 MR. COX: I see.

9 MR. WUELLNER: -- out here 10 times or 15
10 times to accommodate one hangar tenant who's
11 inconvenienced by the hangar -- or the inspection
12 schedule.

13 CHAIRMAN GREEN: No. I think the purpose --
14 and I don't want to speak for Mr. Cox -- but the
15 purpose is upon reasonable notice, whatever that
16 is; I mail it to you, your last known address,
17 your listed address. That's notice.

18 MR. WUELLNER: If everybody's okay with
19 that, I'm fine with that, too. That -- that
20 solves what I'm after. All I want to do is not
21 have to drag that vendor back out four times.

22 CHAIRMAN GREEN: I don't think that's the
23 purpose. I think -- yeah. Notify them, "I'm
24 going to be there next Thursday."

25 MR. COX: I agree.

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1 MR. WUELLNER: It's a \$3 job per unit, and,
2 you know, they put their foot down after a couple
3 of trips.

4 CHAIRMAN GREEN: Well, I don't think we need
5 to carry a motion on that. I think if that could
6 be brought back before the board --

7 MR. COX: Okay. That's fine.

8 CHAIRMAN GREEN: -- whatever language to be
9 incorporated into --

10 MR. CIRIELLO: He made that a motion and
11 nobody actually seconded it, so you don't need to
12 be talking about it.

13 MR. WUELLNER: It's actually -- I was going
14 to say, it's actually a policy change.

15 MR. GEORGE: He's still talking.

16 CHAIRMAN GREEN: He's still talking. I
17 haven't heard him --

18 MR. WUELLNER: Yeah, it's not a lease --
19 it's not a lease issue. It's a policy change.

20 CHAIRMAN GREEN: Right.

21 MR. COX: Right. Well, I -- you know, the
22 policy, you know, we've got in here in the lease
23 language already basically that the -- was it
24 24 --

25 MR. GEORGE: Yeah, 24.

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1 MR. COX: Right to inspect?

2 MR. WUELLNER: Uh-huh.

3 MR. COX: The airport may at any time in its
4 sole discretion or without prior notice enter
5 in -- into the demise premises.

6 MR. WUELLNER: We which we don't do.

7 MR. COX: I understand that. But -- but I
8 look at this as -- as an emergency type of a
9 situation.

10 MR. WUELLNER: Right. Exactly.

11 MR. COX: Hey, there's something really bad
12 in hangar X, Y, Z, or something, we needed a
13 fire -- whatever it is. You had some --

14 MR. GEORGE: Yeah, I was going to suggest
15 that the staff add to our policy the
16 notification, you know, for these annual things
17 and let's cover it in the policy.

18 But I would like to make an -- another
19 motion, and that is, at section 24 of the
20 contract where it says, "and without prior
21 notice" be eliminated. That way, you've got a
22 policy that's going to tell you how you basically
23 are going to do it, but take it out of the --
24 take it out of the -- the contract. Do you
25 disagree?

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1 MR. McCLURE: The only thing that we've been
2 concerned about before and that you'll find not
3 uncommon, including in self-storage leases, is
4 except in cases of emergency. If you've got a

5 fire, you've got something going on where you
6 need access to the premises to get in to remove
7 the plane so the 450 gallons don't blow up or
8 whatever.

9 MR. COX: What if -- what if we did exactly
10 what the Chair suggested, say "with reasonable
11 notice except in the case of an emergency"?

12 MR. McCLURE: Yes.

13 MR. GEORGE: There you go.

14 MR. COX: Change that --

15 MR. McCLURE: Yes.

16 MR. COX: -- to the language of that. Does
17 that work?

18 MR. McCLURE: Yes, sir.

19 MR. COX: That would just about cover all of
20 the bases.

21 MR. McCLURE: Yeah.

22 MR. GEORGE: Therefore, I drop my motion in
23 favor of your motion.

24 MR. COX: Okay.

25 MR. GEORGE: And I second his.

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1 CHAIRMAN GREEN: Mr. Gorman, I think, had a
2 comment on that.

3 MR. GORMAN: Oh, let's -- we'll get that

4 done first. I just have one quick one after

5 that.

6 CHAIRMAN GREEN: All right. Then as far as

7 there's a motion on the floor to add -- or this

8 is going to be to actually reword paragraph 24?

9 MR. COX: Yes.

10 CHAIRMAN GREEN: For the lease to read,

11 "upon reasonable notice -- "

12 MR. COX: "-- except in the case of

13 emergency."

14 CHAIRMAN GREEN: -- "except in case of

15 emergency."

16 MR. CIRIELLO: Madam Chair?

17 CHAIRMAN GREEN: Yes, sir.

18 MR. CIRIELLO: When he originally made the

19 motion, nobody seconded it, but everybody started

20 discussing it. And then Mr. George made a

21 motion. And then after his motion made, then he

22 said he seconded his, but nobody seconded his.

23 But, anyhow, since we're just breaking rules left

24 and right --

25 CHAIRMAN GREEN: I don't think we've broken

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1 rules, Mr. Ciriello. If nobody seconds it, the

2 motion fails. So --

3 MR. CIRIELLO: We can't even discuss it if
4 it's not seconded, according to parliamentary
5 procedure. That's what I'm trying to say. But
6 forget that.

7 I have taken a little exception to what
8 Mr. Cox said, but I don't want to make anybody
9 think I've got a big ego and I'm somebody
10 important. But he says, let Staff do everything;
11 take it out of our hands; it's none of our
12 business; it's all Staff's.

13 I'd like to remind Mr. Cox that this board
14 runs this airport. And Staff, I don't care how
15 much money they make or how nice they are -- and
16 I like all of them; every one of them I like --
17 does their job at our discretion.

18 They don't tell us what to do. We tell them
19 what to do. And if we, the board, who run this
20 airport is not allowed to go into somebody's
21 hangar because it's going to bother them,
22 their -- their privacy and everything like that,
23 what do we need this board for? We're not
24 running this airport. We're just sitting here
25 doing nothing. And I take exception to his

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1 remarks that only Staff can go into a hangar and

2 nobody else.

3 MR. COX: I beg to differ with you, Joe, but
4 the Authority sets policy for the staff to
5 administer, period.

6 MR. CIRIELLO: Is not Staff our employees?
7 Then that means we run the airport.

8 MR. COX: Well, I guess we've got a
9 difference of opinion, then.

10 MR. CIRIELLO: Yes, we do.

11 CHAIRMAN GREEN: Is there any further
12 discussion on the pending motion?

13 (No further discussion.)

14 CHAIRMAN GREEN: Closing discussion. All in
15 favor of the motion that's been seconded?

16 MR. COX: To change --

17 CHAIRMAN GREEN: Paragraph 24.

18 MR. GEORGE: Aye.

19 CHAIRMAN GREEN: Aye.

20 MR. COX: Aye.

21 MR. GORMAN: Aye.

22 CHAIRMAN GREEN: All opposed?

23 MR. CIRIELLO: No.

24 CHAIRMAN GREEN: Motion carries. Okay.

25 Okay. Mr. Gorman, you had further discussion on

1 the hangar lease?

2 MR. GORMAN: While we're beating this lease
3 up, I just want to get one quick thing. After --
4 you're in default of this lease after 30 days,
5 and people that travel -- well, maybe I'm just
6 the only person that travels. But people that
7 travel, you could be in default of the lease
8 easily being after 30 days. And I'd just like to
9 make it 60.

10 Now, if you can't get back home after 60
11 days, you know -- and it probably isn't part of a
12 hangar inspection; however, I would like to make
13 that -- while we're changing this lease, I'd like
14 to make a motion that we change it from 30 to 60,
15 only because there is a lot of people like myself
16 that could not make it 30 --

17 MR. COX: Where is that at, Jack?

18 MR. GORMAN: It -- it should be right up
19 front. After 30 days.

20 MR. COX: Default of lease or something?
21 Lease terms?

22 MR. GORMAN: You're in default after 30. We
23 should be in default after 60. That's my only --
24 my suggestion.

25 MR. WUELLNER: It was -- it's paragraph E

1 under policy --

2 MR. GORMAN: Maybe at least clarify.

3 MR. WUELLNER: -- policy 02-02, section 3,
4 it talks about the rental agreement.

5 MR. COX: Right, right.

6 MR. WUELLNER: Paragraph E, it says
7 "consistent with other Airport Authority
8 policies."

9 And this, again, was a change made last
10 summer. Originally was 60 days, and was changed
11 to be consistent with the same standard you apply
12 to all your home renters and other renters, in
13 that you had 30 days. And it was brought back to
14 30 days. It was originally the only piece of
15 lease out there that was 60.

16 MR. GORMAN: So, that's why they brought it
17 back.

18 MR. WUELLNER: And they brought it back to
19 30 to be consistent with home rentals and -- and
20 everything else.

21 MR. GORMAN: I see why they brought it
22 back --

23 MR. WUELLNER: Yeah.

24 MR. GORMAN: -- but I still can't agree with
25 it.

1 MR. WUELLNER: In fact, I remember you
2 commenting on it.

3 MR. GORMAN: Right. Well, until we get the
4 aging straightened out --

5 MR. WUELLNER: Right.

6 MR. GORMAN: -- you'll be in default of your
7 lease before you paid it if you paid it on the,
8 you know, the first day. That's been fixed.

9 I still don't feel that -- I mean, people
10 that own aircraft are -- a lot of them are
11 travelers, and I don't feel that on the 31st day,
12 you should be in default of your lease. That's
13 simplest --

14 MR. GEORGE: That's really 45 days.

15 CHAIRMAN GREEN: There's a grace period.

16 MR. GEORGE: You get a bill to pay in
17 advance. So, you're not late for 45 days. So,
18 they're getting 45 days already. And if a pilot,
19 you know, that owns an airplane can't remember
20 that he also owes financial responsibilities...

21 CHAIRMAN GREEN: You said you'd like to make
22 a motion. Did you make one?

23 MR. GORMAN: Yes.

24 CHAIRMAN GREEN: Okay.

25 MR. GORMAN: I make a motion that we move it

1 to 60. That's all. I know we're moving it back
2 and forth. I just -- I just feel that that's too
3 close a time frame. My --

4 CHAIRMAN GREEN: Is there any --

5 MR. GORMAN: That's my own opinion. That's
6 all.

7 CHAIRMAN GREEN: Is there any second on the
8 motion?

9 (No second.)

10 CHAIRMAN GREEN: Hearing no second, the
11 motion will fail. Okay. Any further discussion
12 of the board we need to take on the hangar? I
13 think we've addressed that.

14 MR. COX: Well, do we need to -- do we need
15 to add language to make sure that -- that an
16 individual Authority member unilaterally won't
17 decide to start inspecting hangars and detailing
18 the contents of the hangars, or are we square on
19 this?

20 CHAIRMAN GREEN: I think we're square and
21 we've directed Staff to --

22 MR. COX: All right.

23 CHAIRMAN GREEN: -- review the policy.

24 We're not amending any lease or terms or anything

25 with regards to that.

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1 MR. McCLURE: Well, the lease term with
2 respect to inspection is in there, and that says
3 that nobody on behalf of the Authority, whether
4 it's Mr. Wuellner, me, or the janitor --

5 MR. COX: So, if I came to the Authority and
6 said, "Give me the keys; I want to inspect
7 hangars," that -- that wouldn't happen.

8 MR. McCLURE: That's correct.

9 MR. COX: Okay. Very good.

10 MR. WUELLNER: Okay. One other -- one other
11 question. Are we still -- I just want to make
12 sure the policy agrees with the lease document
13 now. Now, you've amended the lease to prior
14 notice on the inspection and the like. Are you
15 still requiring Staff to do an annual inspection
16 of all the T-hangars?

17 MR. GEORGE: No.

18 MR. WUELLNER: I just -- or are we just
19 doing an annual inspection with prior notice?

20 MR. COX: My concern would be from a
21 maintenance liability standpoint.

22 CHAIRMAN GREEN: Right.

23 MR. COX: That -- I mean, if we --

24 MR. WUELLNER: I can tell you historically,
25 our big -- one of the bigger maintenance issues

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1 we have is that it doesn't get reported.

2 MR. COX: Yeah.

3 MR. WUELLNER: And little problems turn into
4 big problems because they don't have time to deal
5 with it or don't report it.

6 CHAIRMAN GREEN: I think we should leave it
7 with the reasonable notice so we're not --

8 MR. COX: Yeah.

9 MR. WUELLNER: We -- we're going to do it
10 annually because we want to do -- I mean,
11 relative to fire extinguishers. And we can do
12 that with prior notice, no issues there.

13 We can do it all at one time, because we
14 have to have a staff person accompany that
15 inspection anyway. We do our annual inspection
16 at that point for maintenance issues and we're
17 done.

18 MR. GEORGE: Let's do --

19 MR. WUELLNER: It's done with prior notice
20 anyway. Is that -- so the -- so the policy is
21 going to remain the same.

22 CHAIRMAN GREEN: Right. And we believe

23 that's consistent with --

24 MR. WUELLNER: We'll just amend the lease so

25 it's with prior notice.

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1 CHAIRMAN GREEN: Okay. Next -- actually

2 interrupt the agenda item. Mr. Maguire, did you

3 have any reports?

4 COMMISSIONER MAGUIRE: I do, but I can wait

5 until later if --

6 MR. COX: Oh, no, wait.

7 CHAIRMAN GREEN: It's your discretion. If

8 you want to sit here and listen to us for that

9 long, that's fine.

10 MR. COX: You're not going to be able to

11 slide out of here.

12 MR. WUELLNER: See, this way, you can leave

13 when you're done.

14 6.A. - MR. BRUCE MAGUIRE

15 COMMISSIONER MAGUIRE: No, I'm going to

16 stick around. First, you probably told me and

17 I -- and I missed it. Are we at 3:30 now for our

18 meetings instead of 4 o'clock?

19 CHAIRMAN GREEN: No, this is a special

20 meeting that was called.

21 COMMISSIONER MAGUIRE: Okay. I apologize

22 for not being here, because I was bound and
23 determined to make it on time this time.
24 Three things real quickly. I just left the
25 intergovernmental -- I mean, the Industrial

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1 Development Authority meeting at 3 o'clock. They
2 have decided to join the Enterprise North Florida
3 organization out of Jacksonville, and they
4 decided to take a board position on that. It
5 costs them \$40,000 plus \$10,000 annually.

6 I'm not encouraging or suggesting that the
7 Airport Authority consider that. But Enterprise
8 North Florida is an organization which is trying
9 to promote entrepreneurial activity for the
10 smaller organizations to develop economic growth
11 and development.

12 And I suggest that you talk with some people
13 from Enterprise North Florida and with Mr. Gene
14 Watson from the Industrial Development Authority
15 to see what they propose might generate some
16 benefits. And -- and maybe there's a smaller
17 activity that the airport could look into to help
18 the people here inside the -- the area.

19 The big thing I really want -- and I want to
20 apologize. Who's the intergovernmental member

21 here?

22 MR. GORMAN: Two.

23 CHAIRMAN GREEN: Two.

24 COMMISSIONER MAGUIRE: Two of you? I

25 apologize. Y'all -- y'all went to the last

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1 meeting and that's one I missed because I was up

2 in Jacksonville, so I apologize for not being

3 there for that one.

4 MR. GEORGE: I wasn't there.

5 COMMISSIONER MAGUIRE: Okay.

6 MR. GORMAN: I was.

7 COMMISSIONER MAGUIRE: I don't apologize to

8 you, then. Just to the one that was there.

9 MR. GEORGE: The next meeting's at 3

10 o'clock.

11 COMMISSIONER MAGUIRE: That's it. The --

12 what I really wanted to bring you up to speed on

13 was the MPO issue, if you haven't read the

14 newspaper already. Do you remember the

15 presentation we gave a while back on the MPO

16 organization? Just a quick refresher.

17 The MPO, First Coast MPO, included all of

18 Duval County, a little bit of Clay, and a little

19 bit of the northern end of St. Johns County.

20 It's controlled by an MPO board, having eleven
21 members, of which St. Johns County only had one.
22 And that's the county representative, who I am
23 the one for right now.

24 They wanted to expand, and because of the
25 census, St. Augustine was qualified to have their

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1 own MPO. So, the question was: Do we go
2 independent ourselves and have two MPOs trying to
3 govern the county, or do we join and move
4 St. Augustine up into the First Coast and have a
5 bigger, larger one?

6 We were not ready to do that, because we
7 felt like we were not getting fair
8 representation, primarily at the staff level, but
9 also at the board level.

10 Currently, the staff is eleven members, and
11 there's an executive director. The eleven-member
12 staff is dual-hatted. Primary job is
13 Jacksonville transportation planning. Secondary
14 job is MPO planning. So, we felt like that that
15 had to go, sever the ties.

16 The second one is the executive director of
17 the First Coast MPO is hand-selected by the mayor
18 of Jacksonville and has no ties or no commitment

19 to any other county or organization.

20 The third issue was that they were located
21 in the same facility as the Jacksonville
22 transportation planning, obvious. So, there's a
23 lot of ties, not only command and control
24 structure, which we're all familiar with, but
25 also logistically, they were right there. It was

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1 very easy to get wrapped up in city issues, not
2 pure MPO issues.

3 The fourth issue was that we wanted better
4 representation on the board. One out of eleven
5 was not satisfactory.

6 So, we -- we tried to go independent. And
7 of course the -- the real issue we wanted was a
8 bigger, better regional independent MPO. What we
9 ended up agreeing to last Thursday that was voted
10 on, was the staff will sever all ties with the
11 City of Jacksonville. As of -- and we're
12 shooting for a target date of March 1.

13 As of March 1, if we can get everything
14 logistically lined up, the staff will be
15 separated completely. The executive director
16 will be selected by the MPO board. The MPO
17 facility organization will relocate to a new

18 facility. And we're looking at three separate
19 host organizations so we don't have to fund our
20 own structure; the Jacksonville Transportation
21 Authority, the Regional Planning Council, and the
22 City of Jacksonville in a different location.

23 We'll set up a host agreement. However, the
24 command and control has been severed.

25 So, we got -- out of the four issues that we

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1 pushed, we got three exactly the way we wanted.
2 The fourth issue, we were hoping for a real
3 strong position on representation; however, the
4 position that was approved was the same position
5 or representation schedule that's followed
6 statewide, and that's based on population.

7 And so, they increased board membership from
8 11 to 17. We have three. The three will be the
9 County, continue to be me; the City of
10 St. Augustine and the City of St. Augustine Beach
11 will have to decide how they're going to handle
12 that; and the St. Augustine Airport Authority
13 will have a designated position. So, you'll have
14 to look and see who you want on the MPO board.

15 That's all the good news that I wanted to
16 pass on to you. And we have -- we have a major

17 accomplishment, major improvement.

18 And now here's the issues of what we hope to
19 get out of this: You know the Jacksonville
20 airport is on there, and they're looking at an
21 intermodal facility. The MPO controls funding
22 for intermodal facilities. They control funding
23 for infrastructure, highway, and all modes of
24 transportation, and to include airport. They
25 also -- the third element is that they prioritize

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1 funding for transit systems.

2 So, those are the types of things that when
3 you're doing your planning, that you can look at
4 that and make sure your representative is briefed
5 up to speed on where y'all want to go in terms of
6 infrastructure, transit, and other issues along
7 those lines.

8 We are hoping to get a synergistic effect
9 out of this. We've always known that the size of
10 the MPO directly relates to the amount of money
11 that comes into that MPO.

12 Now a reminder: MPOs do not receive money.
13 They don't write checks. What they do is they
14 prioritize projects to receive money. And one of
15 the reasons we felt always underfunded, because

16 we go in with one person, our priorities never
17 made it to the top ten.
18 Now we're hoping that, with Clay County
19 having two, us having three, and we're going to
20 try to talk Nassau into coming in, that
21 collectively, the three outlying counties will
22 have bigger representation and push the other
23 issues. So, we -- we will prioritize projects to
24 get the funding. Bigger MPOs mean hopefully more
25 money.

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1 Secondly, though, the five regions of the
2 DOT, Florida DOT receives money, and they barter
3 and negotiate who's going to get the big pots and
4 whatever. By going with a regional independent
5 MPO, we hope to lend credence to the second
6 region's ability to generate more money. So,
7 between the two of us, the DOT and the MPO, we
8 hope to get a lot more money for transportation,
9 especially with Congressman Mica representing us
10 up here.

11 So, we envision good things on the horizon.
12 You won't see a change tomorrow. By March 1st,
13 we hope to have one of you on the MPO board. And
14 by next year, we can get our projects moving

15 forward, hopefully. And that's it. Any

16 questions?

17 (No questions.)

18 CHAIRMAN GREEN: Thank you very much.

19 COMMISSIONER MAGUIRE: Thank you.

20 7.C. - PAINT FACILITY INFORMATION

21 CHAIRMAN GREEN: Next on the agenda is paint

22 facility information.

23 MR. WUELLNER: Basically, all we were doing

24 today was asking you -- we -- we contacted the

25 original manufacturer of the strip --

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1 strip-cleaning, material-cleaning equipment in
2 the last of the three paint shop hangars. And
3 basically, they told us that they can't determine
4 whether there's any residual value in what's
5 there, which appears to be in fairly rough shape,
6 without actually creating spillage in there, if
7 you will, of strip material, and running the
8 machine and -- and seeing if it does what it's
9 supposed to do.

10 We found that to be a little ridiculous in
11 terms of what it was, and are asking that we be
12 permitted to just have the -- the balance of
13 materials that are in there, which is just some

14 small quantity stuff, a couple of gallons here
15 and there, of material of unknown origin or
16 material, and have that disposed of properly, and
17 then remove and dispose of what's left of that
18 equipment in there.

19 It's -- from what we're hearing, it would
20 not be -- it would create an issue as a small
21 quantities generator and a hazardous materials
22 treatment facility under current DEP regulations
23 in order to be restarted, which in the event
24 you -- and you don't really want to go down that
25 road, even owning it as the Authority.

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1 As a result, we're suggesting that we just
2 kind of properly dispose of what's left of
3 that -- the cleaning -- clean equipment, leave
4 the ventilation system in place, all that back
5 there, finish the floor in there. We have spent
6 quite a bit of time in there in the last couple
7 of months.

8 Whatever was being done in there, i.e.,
9 stripping of aircraft, severely eroded the
10 concrete surface in that hangar to the point
11 where it had to be basically shot-blast into
12 something even -- even serviceable from this

13 point forward.
14 We would move that equipment and -- and put
15 the hangar into service and -- in a storage
16 capacity from this point forward and -- and give
17 up the idea of the Authority providing equipment,
18 should one day a paint facility want to go in
19 there, to make that a requirement of the future
20 tenant. That would allow proper disposal, as
21 well as just getting that additional space in the
22 hangar for storage of an aircraft.

23 CHAIRMAN GREEN: I --

24 MR. WUELLNER: Those are 50 x 65s, if you're
25 counting the size. I think it's 50 x 65. Might

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1 be 50 x 60, that unit.

2 CHAIRMAN GREEN: If there's no further
3 presentation, I'm going to open up to public
4 discussion, and then the board can have their
5 discussion. So, I don't want to cut Mr. Wuellner
6 off, if that's the information.

7 Is there any public discussion with regards
8 to the paint facility?

9 (No public discussion.)

10 CHAIRMAN GREEN: Hearing no public
11 discussion, Mr. Gorman, you had a comment?

12 MR. GORMAN: You know, I'm cognizant of the
13 fact that the -- the EPA and everyone else moves
14 quickly to change the regulations. Is there no
15 way to adapt that -- that? In other words, it
16 seems like how old is that facility? Let's --
17 just for the public.

18 MR. WUELLNER: Well, it's seven or eight
19 years old now.

20 MR. GORMAN: Seven or eight years old. Is
21 there any way to adapt what's there and try to
22 market the whole thing as a -- you know, in the
23 initial and original --

24 MR. WUELLNER: Yeah, I don't know where the
25 original equipment came from in terms of the

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1 selection of it for the -- for that facility.
2 And it appears, while the company is somewhat
3 still operating, they're in a whole different
4 genre of treatment now than what they originally
5 manufactured this equipment for.

6 And I get the impression they don't
7 particularly support it. You can still buy
8 the -- the product that serves as the filter
9 media and collection point to have it disposed,
10 but it's -- it's not something that's considered

11 technically strong now in terms of its -- its
12 ability to cleanse the -- the strip -- the
13 strippings.

14 MR. GORMAN: Could it function as it is? In
15 other words, you're saying it actually can't meet
16 regulatory --

17 MR. WUELLNER: I have to say it's -- that's
18 undetermined, because the only way -- they're
19 telling us the only way that they could -- they
20 could verify if it even does what it's supposed
21 to do would be to put a quantity of strip
22 material down and --

23 MR. GORMAN: Actually try to use it. Right.

24 MR. WUELLNER: -- and see if it does.

25 I -- unless the Authority sees a real good

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1 reason to, you know, go back into the paint
2 business, in that -- and that, we, you know, are
3 actively seeking that, you know, I'm not sure
4 what the value of the asset would be. I mean,
5 originally it was in the \$25,000 range. So,
6 it's -- I mean, while it's significant money, it
7 is seven-year-old significant money.

8 MR. COX: We run the risk of having a hazmat
9 spill if we start it up to run it.

10 MR. WUELLNER: Well, assuming whatever's in
11 there is actually a problem. As I said, we've
12 not done that analysis. If -- if the decision is
13 we can get rid of the equipment, then we'll have
14 that tested and it will be disposed of whatever
15 way is appropriate for it.

16 MR. COX: Yeah.

17 MR. WUELLNER: You just can't dump it in the
18 sewer.

19 MR. GORMAN: I've got another question for
20 you. There's a -- you've had yourself, to try to
21 police this airport for people painting their
22 airplanes in the airport, of course, you know,
23 because I know that it's almost impossible,
24 because you basically overspray other people and
25 damage other people's airplanes.

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1 Is it possible that facility could be used
2 as a storage facility but be available for lease
3 to hangar --

4 MR. WUELLNER: Well, it becomes a question
5 of --

6 MR. GORMAN: -- tenant people to be able to
7 do paint work --

8 MR. WUELLNER: Well, it becomes --

9 MR. GORMAN: -- for the public?

10 MR. WUELLNER: It becomes a question of
11 revenue to the Authority. You --

12 MR. GORMAN: Yeah, sure.

13 MR. WUELLNER: -- decide what your priority
14 is. I mean, it's rentable at this point between
15 \$950 and a thousand dollars a month.

16 If you leave it there and just allow
17 intermittent use for it, you know, typically the
18 small aircraft owner that might want to avail
19 himself of that is willing to pay for it for a
20 couple of days or whatever -- whatever it might
21 take.

22 But, you know, if it's not a revenue
23 priority, then certainly you could do whatever
24 you want with it. I mean, it's -- it's there.
25 It's unoccupied right now. And it's not a paint

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1 facility. I mean, that -- that hangar unit was
2 strictly designed --

3 MR. GORMAN: Strip.

4 MR. WUELLNER: -- as strip. The one next to
5 it is a paint facility.

6 CHAIRMAN GREEN: Mr. George?

7 MR. GEORGE: I think that my involvement in

8 it or my knowledge of it, it -- it sounds like,

9 one, it was a bad decision --

10 MR. WUELLNER: Originally.

11 MR. GEORGE: -- originally. And we have now

12 fought with it for a year and a half to two

13 years. You know, there's been a lot of effort

14 going out to other paint facilities in -- in the

15 surrounding area, trying to get them to rent it,

16 and there's guys painting in barns and they don't

17 have to go through this and whatnot.

18 We have discussed this paint hangar twice

19 since I've been on this board and two or three

20 times before. So, we either have a choice

21 that -- that we're going to schedule this for an

22 every four month, let's waste another 30 minutes

23 talking about the thing, or let's go ahead and

24 give Staff direction.

25 It was a bad decision. Let's get it over

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1 with, dispose of the equipment, do not spend a

2 lot of time in taking fans and everything out.

3 And St. Augustine does not have a paint facility.

4 That's just my feeling.

5 MR. CIRIELLO: I kind of agree with

6 Mr. George. If it's usable right now, that we

7 put some airplanes in there and make some money,
8 we ought to be making some money. As a matter of
9 fact, I thought that it was being used temporary
10 for aircraft rental, and if somebody wanted to
11 come in as a paint shop, they would have to get
12 out.

13 MR. WUELLNER: The paint --

14 MR. CIRIELLO: But Mr. Wuellner said it's
15 empty. But if we can make some money on it, we
16 should be making money on it.

17 CHAIRMAN GREEN: Mr. Cox?

18 MR. COX: Joe, I agree with you.

19 MR. CIRIELLO: Are you sure?

20 MR. GEORGE: Write the -- write the time
21 down.

22 MR. GORMAN: Yeah. I've actually thought
23 that that -- that would what -- would come to
24 pass. I wanted to put that out for public
25 consumption about being able to adapt it and

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1 whether it was usable and whether it was
2 salvageable and the whole thing. But it sounds
3 like it was -- the evolution of that paint shop
4 is back to storage.

5 MR. WUELLNER: In fact, you know, without

6 belaboring the point, a few years back, we went
7 in support of Ricky's operation over there to
8 DEP, when DEP came out and first asserted an
9 allegation that that facility was not -- or was
10 now a hazardous waste treatment facility, by
11 virtue of what it did, and used our resources,
12 including attorney services in that specialized
13 area to -- to explain the operation and go
14 through with DEP and helped ultimately Ricky
15 negotiate a -- you know, my recollection was it
16 was over a \$120,000 potential fine for having
17 used what he believed to be the proper equipment,
18 to something under \$20,000.

19 CHAIRMAN GREEN: Ed, do you need further
20 direction from us in the -- of -- as a motion?

21 MR. GEORGE: Do you need it in the form of a
22 motion?

23 MR. WUELLNER: If there's any issues,
24 we'll -- you know, I mean, if there's general
25 concurrence, I'm not -- I don't particularly

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1 require a motion. We'll just properly dispose of
2 that, finish the floor, and get it rented.

3 CHAIRMAN GREEN: And rent it out.

4 MR. WUELLNER: Yeah.

5 MR. CIRIELLO: Sounds good to me.

6 MR. GEORGE: I'd like to put it in the form
7 of a motion, just so we've got it in black and
8 white: "The board said do that." And -- and
9 therefore, make a motion that we go along with
10 Ed, and let's get rid of the paint facility. Do
11 what we can to get it back in service as quick as
12 possible.

13 MR. CIRIELLO: I'll second it.

14 CHAIRMAN GREEN: Any discussion?

15 (No discussion.)

16 CHAIRMAN GREEN: All in favor of the motion?

17 MR. CIRIELLO: Aye.

18 CHAIRMAN GREEN: Aye.

19 MR. GEORGE: Aye.

20 MR. COX: Aye.

21 MR. GORMAN: Aye.

22 CHAIRMAN GREEN: All opposed?

23 (No opposition.)

24 CHAIRMAN GREEN: Motion's carried for
25 Staff's recommendation.

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1 MR. WUELLNER: Almost said "last item," but
2 it was only the next item. The -- you all right
3 with the tapes?

4 MS. OCHKIE: Uh-huh. Okay.

5 7.D. - ARAQUAY PARK PROPERTY AND ZONING

6 MR. WUELLNER: Next item is Araquay Park

7 property and zoning. And there are two -- we've

8 kind of blended two issues going on here. One

9 requires some direction from you folks.

10 Actually, they both ultimately do, but one

11 doesn't necessarily have to happen tonight.

12 We've provided you with a copy of this

13 drawing. And the -- the highlighted

14 properties -- this shows the Araquay Park plat.

15 And the highlighted properties are those

16 properties that the Authority does not own

17 already. So, this is kind of an opposite map of

18 some of the ones you've probably seen in our

19 office, if you've -- if you've asked questions

20 relative to Araquay Park.

21 You also were provided a list of those

22 properties that -- which is a compilation of data

23 obtained off the Property Appraiser's web site,

24 which gives the address of the lots that are

25 remaining and a -- and a value based on the tax

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1 rolls.

2 We know historically that the tax-assessed

3 value does not represent necessarily the market
4 value related to these properties. You -- as a
5 part, in most cases, it doesn't even get close.
6 You know, it's probably half, if that.

7 The -- the approximate value, based on tax
8 rolls only, is about \$2.6 million. We believe
9 that value, in -- in some cases, will -- that
10 will probably end up a lot closer to a number in
11 the \$5 million range, by the time all is said and
12 done. And that's -- that's my gut feeling here.

13 You have decisions to make. You have
14 some -- we have some properties -- and I'm sorry
15 I didn't spend the time doing this, but we have a
16 few properties that we have already been
17 approached to go ahead and purchase.

18 So, we -- you know, we have continually
19 accepted letters from -- from property owners in
20 there who have asked us to acquire their property
21 on some time line. So, we do have some of these
22 that have indicated a willingness to sell
23 immediately or in some point in the future when
24 the Authority had the funds.

25 We currently have no available grant.

1 There's no open grant with money in it that's

2 available to match by the Authority for
3 additional property. You have a grant that will
4 be coming, if it's not already on my desk, for
5 this August meeting, or you will consider a grant
6 for this next fiscal year that I believe the
7 total allows for 6- or -- or \$500,000 of total
8 property acquisition. So, it's \$250,000 of state
9 money, based on a 50/50 match.

10 We have programmed successfully with Florida
11 DOT over the next five years a total FDOT
12 participation at about two and a half million
13 dollars. So, you have roughly half the money
14 necessary with DOT to -- to over the next five
15 years, as programmed, to -- to finish the
16 acquisitions in Araquay Park and open the door
17 to -- to future development.

18 Now clearly, the master plan plays into this
19 a little bit in defining exactly what you want to
20 build, where, you know, what type of phasing you
21 might want to relative to development, and how
22 quickly you might want to react to certain
23 parcels within the -- within the plat. Those
24 things will get much better in focus over the
25 next couple of months as the master plan moves

1 forward.

2 There's been at least hint or innuendo, and
3 I know we've had a few conversations with
4 individuals on the board about, you know, how to
5 perhaps more aggressively approach wrapping up
6 Araquay Park, allowing us to begin aviation
7 development in an area as -- and get out of, as a
8 word, of the rental business, especially as it
9 applied to this neighborhood where, you know,
10 aviation purposes could be accomplished.

11 And -- and certainly we agree that would be
12 a wonderful idea. We -- we'd like to be out of
13 the property management side relative to rental
14 homes as much as anyone would. However, the
15 process or the progress of acquisition has just
16 taken its time over the years.

17 You have been acquiring property in Araquay
18 Park for upwards of 15 years. At least that's
19 what our records indicate. And this started
20 fairly -- fairly meagerly, and the Authority was
21 doing a -- what I would determine to be more of a
22 shotgun approach to acquisition all around the
23 airport, including properties across U.S. 1 and
24 properties in what is the industrial park
25 property, and even property along the north area

1 of the airport in the area of -- of Gun Club
2 Road.

3 One of the earlier things that -- that I was
4 able to get the Authority to agree to when I got
5 here, was to focus their attention in a couple of
6 key areas and get out of, just as someone
7 approached us, buying an individual lot here and
8 there, and -- and we focused on the industrial
9 park area, which is -- you now have approximately
10 75 or 80 percent of that industrial park property
11 along the north. You also have a similar number
12 on the Araquay Park subdivision.

13 And it's -- it's now kind of time to put the
14 process in overdrive, make decisions on the --
15 the relative speed that you want to acquire. As
16 I mentioned, you have five years -- about a
17 five-year window of programming with DOT.

18 Now, beyond that, that five-year funding
19 with DOT can be set up to where you get that
20 committed by DOT in advance. So, we could go out
21 now, as an example, and request what are called
22 prequalified joint participation agreements with
23 the state, which would allow us to keep
24 acquisitions qualified for participation by
25 Florida DOT when the money becomes available in

1 those out fiscal years. You don't get the money
2 earlier, but you are allowed to spend the money
3 in advance of the year the money becomes
4 available.

5 So, it's a way of kind of fast-tracking the
6 acquisition if you're willing to deal with the
7 cash-flow issues that allow you to buy the
8 property now and get your money back from DOT
9 over the course of the next four to five years.

10 So there's -- there's -- otherwise, you
11 can't expend money until the year you execute the
12 grant agreement without that other document in
13 place. So, you would wait five years because you
14 wouldn't be able to expend the money for -- until
15 each of those five years. We can do that, which
16 presents curious issues relative to how do you go
17 about that.

18 We are talking about a total of about \$5
19 million. Now, the Authority's share, obviously,
20 is approximately a half a million dollars
21 annually, which is approximately the amount that
22 we typically allocate to land acquisition
23 annually. So, it's not a number in itself
24 that's -- that's terribly out of budget for the
25 Authority.

1 Alternatives that are out there would
2 include making that the priority in your capital
3 improvement program and allocating nearly all of
4 say your ad valorem revenues and -- and any other
5 funds you can scrape up and using that money
6 solely for acquisition and go out there and knock
7 it out in the course of the next, say 12 months,
8 and be done with it.

9 Alternatives that are out there that perhaps
10 make more sense with today's economic conditions
11 would be to look at borrowing the entirety of the
12 \$5 million over -- and repayment in terms of the
13 loan over a 10-year period, with a loan structure
14 to allow those balloon payments as Florida DOT
15 makes those funds available over the five years.

16 There's nothing preventing the Authority to match
17 on a payment schedule that the whole thing would
18 be wrapped up in a five-year time line versus a
19 ten-year.

20 But in the event something happened on the
21 Florida DOT funding side, which there's
22 absolutely no way to predict, although it's never
23 happened that I'm aware of that they did not come
24 through with the money they promised on a -- on a

25 prequalified, the risk is still the -- the

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1 Authority's; that you'd have a payment structure
2 set up that could be -- without undue turmoil
3 within your internal budgets, be absorbed
4 annually and -- and paid back to the air- -- or
5 paid back to the loan -- lending institution.

6 That's something that could be explored. In
7 fact, we'll try to crush some numbers, if you
8 will, and get you an idea of what that kind of a
9 loan structure would -- would mean to you for
10 your meeting next Monday.

11 The topic of a loan or whether to borrow or
12 the like is a little outside of the scope of what
13 we advertised here. But I'm just trying to throw
14 alternatives out there, that if the Authority's
15 direction is to let's wrap up the acquisition,
16 let's get out of the home business, especially in
17 Araquay Park, let's get on with the business of
18 aviation in that neighborhood as it's been
19 identified in your previous master plan and will
20 likely be identified in your future master plan,
21 which is also the underlying problem for those of
22 you that have a hard time following the bouncing
23 ball here, but it's kind of the underlying

24 problem with why we don't have T-hangars,
25 additional T-hangars under development right now,

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1 why we don't have facility provisions for a --
2 for a second FBO or additional aviation amenities
3 and commercial businesses and the like, is
4 frankly, the Authority's property resources
5 are -- are quite limited now.

6 We've -- we've made some -- some great
7 investment decisions relative to other hangars
8 and the like throughout the airport. And the
9 fact is we're just kind of constrained with U.S.
10 1, the -- and the railroad on the -- on the west
11 side, the Intracoastal on the east.

12 You've got development on the north and
13 you've got development on the south. And -- and
14 the previous master plan's direction relative to
15 Araquay Park has been the direction that land
16 acquisition has been -- has been heading, for at
17 least the last seven and a half years or so.

18 We'll develop those numbers.

19 We did a preliminary inquiry with the
20 Authority's current banking -- I say customer;
21 we're their customer -- with Wachovia, who
22 handles all the Authority's checking and the

23 like, operational accounts. You know, you're
24 looking at a rate preliminarily in the high 3
25 percent. So, something less than 4 percent

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1 currently is what the money would cost you for a
2 10-year borrow right now with those kind of
3 numbers.

4 The number we got quoted was in the 3.8, but
5 that's not an official quote. It would have to
6 be sent out and literally quoted by various banks
7 as a part of a proposal. There are a few. So,
8 it's not something you just decide today to go
9 borrow. But we -- we can find through those
10 motions and find out what the real rates are.
11 And you're going to find they're similar, but
12 you'll -- you also have the ability to take the
13 best -- the best rate or none at all.

14 Looking at that, there's two lots, one home,
15 located -- it's hard to see, but it's Block I,
16 Lots 5 and 7. This is a secondary kind of
17 question or topic related to Araquay Park.

18 MR. GEORGE: Can you point it out up there,
19 somebody? Okay.

20 MR. WUELLNER: Yeah. Thank you.

21 MR. GEORGE: Okay.

22 MR. WUELLNER: These lots adjoin, literally
23 touch what will be the airport's maintenance
24 facility. That's why I have a zoning issue kind
25 of tacked to the end of this. It's all part of

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1 the same overlying issue.

2 Oh, one other thing. The other thing that
3 could be developed back in the neighborhood to
4 facilitate a more rapid development of T-hangars
5 would be pursuing another federal grant for apron
6 expansion. And that apron expansion, there's no
7 reason it can't be used for taxi lanes or as taxi
8 lanes to access future T-hangar development also.

9 So, there's -- there's a lot of little
10 pieces that we can -- I say "little." They'll
11 end up significant money, but can be put together
12 to make a much larger project of smaller grants
13 that benefit a lot of different -- a lot of
14 different sources on the airport.

15 Anyway, with the maintenance facility, these
16 lots adjoin. We're being required to go and ask
17 the County to rezone the three lots that the
18 airport maintenance facility, even though it's
19 currently on there, needs to be rezoned.

20 And, of course, the appropriate rezoning

21 classification now is the newly created airport
22 zoning district, which prior to this did not
23 exist, or prior to a couple of years ago, did not
24 exist. We were always a special exception to
25 Open Rural zoning, which created a laundry list

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1 of restrictions on the use of the property and --
2 and the use by tenants and subtenants, and
3 advertising it, and a myriad of other things that
4 were problematic.

5 By changing this to Airport, it becomes the
6 airport's master plan that drives the future land
7 use decisions as they relate to the airport.

8 This is a good thing.

9 You don't normally see this kind of
10 subrogation by the County or by any county or
11 city relative to kind of controlling your own
12 internal destiny as it relates close in to the
13 airport.

14 We were able to get that kind of language in
15 the County's zoning, and -- and they're happy to
16 have us kind of as a zoning partner, if you will,
17 to assure compatible land use for the airport
18 within the future layout of the airport district
19 or the airport overlay district, which is fairly

20 expansive as it sits now, and will get modified
21 with the completion of your new master plan. So,
22 it's not hard and fast. It changes as you go.
23 We need to change at least those three lots to
24 airport development district.
25 Now, there are two very different thought

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1 processes within the county government structure,
2 within zoning itself, as to how we -- or what we
3 can do. We have always had the option, since the
4 passing of the Land Development Regulation code
5 about three years ago, I think it was, we've
6 always had the option to go out there and request
7 of the County that they rezone everything the
8 airport owns to this newly created zoning
9 district, and in a sense, remove the restrictions
10 that are out there on many of these individual
11 parcel rezonings that were done years ago to
12 allow for the airport.

13 This puts the onus on the Airport Authority,
14 and probably our consultant most likely, in
15 developing and providing the factual and
16 technical support for that request with the
17 County. And you can imagine with the property
18 interest the Authority owns and all the

19 residential property and all the little pieces
20 that have been acquired over the years, it's a
21 fairly significant effort. And I -- I don't even
22 want to hazard a guess what it would cost to put
23 that information together to make that
24 application.

25 We were offered by the County, when those

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1 Land Development Regulations passed, to
2 participate in what they call administrative
3 rezoning, wherein the County, in large chunks
4 that equate to at least 10 percent of the land
5 mass of the county, can take a different tact in
6 rezoning the process.

7 They largely skip your request, and they do
8 it for you. But it requires 10 percent of the
9 land mass of the county for the County to be able
10 to do that. The County has dragged their feet
11 for the last two-plus years in getting that off
12 dead center and doing it.

13 They're telling me that they have us wrapped
14 in the first group of administrative rezonings
15 that are -- last schedule I heard from the
16 County -- or County development director's
17 office, was on an October or November time line,

18 would or could be accomplished as early as that.

19 They don't consider our request to rezone
20 the airport to an airport to be particularly
21 onerous or to create a particularly negative
22 situation in the public because we're simply
23 creating the appropriate district for the
24 airport. They don't expect that to be
25 problematic. However, some of the items that are

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1 with this massive rezoning are potentially of
2 that kind of caliber that are likely to be a
3 little bit more controversial.

4 So, the -- the odds or the risk relative to
5 that happening administratively, you know, get
6 worse. It doesn't mean it won't happen; it just
7 means there's -- it's not necessarily going to be
8 really a slam dunk and be done.

9 When we began the permitting effort for
10 the -- for the maintenance facility -- and I'm
11 sorry this is really long and drawn out, but I
12 don't know how to put it in focus for you
13 without. But when we began that process, the
14 County immediately flagged our maintenance
15 facility as having noncompatible land use zoning
16 underneath it.

17 Even though it's to be operated by the
18 Airport Authority as strictly airport support,
19 it's clearly airport related, they're viewing it
20 as an industrial warehouse project because of its
21 character, and as such, we need to rezone it into
22 the airport zoning classification.

23 Well, that presents a problem with the
24 adjoining residential home, in that we'll be
25 required to create a significant buffer between

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1 our maintenance facility and that existing. Even
2 though those two have always been similar use or
3 incompatible, or whatever you want to call it,
4 but they've always coexisted there. You will
5 likely also have to create a fence situation or a
6 fence of sufficient opacity to pass the -- the
7 County's requirements.

8 And our question is, we've got two -- two
9 philosophies within the County staff. One says
10 let's rezone as much of Araquay Park as we can
11 that we own and call that airport -- create that
12 airport district -- or that airport zoning,
13 because it's convenient and the onus is on us,
14 and it's just generally easier on lower-tier
15 County zoning employees.

16 The County zoning administrator, if you
17 will, or the -- the development services manager,
18 still wants us or would prefer us to remain in
19 the big group and allow administrative rezoning.

20 So, the question I've got for you is: Which
21 approach do you want us to pursue with the
22 County, realizing that the -- doing the three or
23 four or five parcels that -- that need to be done
24 to accomplish the maintenance facility and the --
25 and the parking lot are going to create buffers,

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1 or buffer requirements around at least those
2 parcels and fencing and some other things, which
3 will cost additional money to construct, knowing
4 that in a few months, perhaps you're going to
5 look at finishing land acquisition to make the
6 whole problem go away? Or, do you want to rezone
7 all we can? Or do you want to stop, in a sense,
8 kind of hold the maintenance project temporarily,
9 move through a series of land acquisitions that
10 in effect negate the little -- the problem that
11 goes with the rezoning? Or both? You know, I
12 mean, there -- there's combinations --

13 MR. GEORGE: Do we lose any funding, Ed?

14 MR. WUELLNER: No, I don't see where we lose

15 any funding, but you -- your risk here is that
16 your contractor for this project, who is already
17 at the point they're submitting permit plans --

18 MR. GEORGE: Okay.

19 MR. WUELLNER: -- when this came up, you
20 know, is -- you know, depending on the delay that
21 we can negotiate with them, you know, may or may
22 not cost some additional money because they've
23 got to hold this project for -- for however long
24 you determine to move through that.

25 MR. GORMAN: Do those three --

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1 CHAIRMAN GREEN: I need to open it to public
2 comment before --

3 MR. GORMAN: That's fine.

4 CHAIRMAN GREEN: So...

5 MR. GORMAN: Sorry.

6 CHAIRMAN GREEN: Sorry. Okay.

7 MR. WUELLNER: I mean, that -- that's what
8 I'm asking in a nutshell, is you need to be
9 thinking in terms of dealing with the budget,
10 what your approach is. Because if you want to
11 deal with debt service and things like that, I
12 need to make those accommodations in -- in the
13 budget, which need to be done relatively soon.

14 You're approximately a month away from adopting a
15 final budget at this point and accomplishing two
16 public hearings in that time line.

17 Your next best opportunity to have kind of
18 an open, frank, easy discussion about the budget
19 without the -- the headache of having to adopt
20 something is this August meeting, which is --

21 CHAIRMAN GREEN: Monday.

22 MR. WUELLNER: -- next week. And if you
23 need things accomplished or accommodated within
24 the budget, you know, I need a heads-up, and we
25 can get some of that ready and in place to have a

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1 meaningful discussion what the numbers look like
2 at this next meeting.

3 If that's not the direction you want to go,
4 you're not -- you don't want to consider
5 borrowing, you don't want to -- you just want to
6 let it take its five-year course, that's
7 perfectly fine. We've already made those
8 accomplishments in the budget. They're already
9 there.

10 We've got a land acquisition line there that
11 reflects exactly our 50 percent match to what's
12 available in DOT in the -- in the corresponding

13 fiscal year. But those -- those are places I
14 need input relative to Araquay Park, is on zoning
15 and on the general direction of land acquisition
16 and how quickly or how expansively or what you
17 intend to do there.

18 CHAIRMAN GREEN: Mr. Holiday, you had a
19 comment?

20 MR. HOLIDAY: Have you ever heard of KISS,
21 keep it simple, stupid?

22 And the first question I've got, and -- and
23 you've got to bring me up to speed here,
24 Mr. Wuellner. Is this the area you're planning
25 on putting the maintenance facility (indicating)?

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1 MR. WUELLNER: It's actually Lots 2, 4, 6
2 there.

3 MR. HOLIDAY: 2, 4 and 6. Okay.

4 MR. WUELLNER: It's where ours is now.

5 MR. HOLIDAY: It's just sort of -- this is
6 just -- dang. Here's the hangars we have now.
7 They're right here (indicating), aren't they?
8 From -- from Estrella over to this taxiway
9 (indicating), correct? It's about this wide
10 (indicating).

11 Now, let's just use a little imagination

12 here. You've got a little area about the same
13 right in here (indicating), where it looks to
14 me -- it's just -- you know, a young boy, that
15 there's an area right in here (indicating) where
16 you can put some more hangars.

17 Now, if you put a maintenance facility right
18 square in the middle of that, it just sort of
19 doesn't make a whole lot of sense, to make this a
20 half a million dollars you're talking about of
21 taxpayers' money. Isn't there some other place
22 you could put --

23 MR. WUELLNER: That's -- that's really not
24 an appropriate place for T-hangars, because --

25 MR. HOLIDAY: Oh, it isn't?

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1 MR. WUELLNER: -- because it cuts off access
2 to the balance of the property.

3 MR. HOLIDAY: No, not if you come over here
4 (indicating). You could bring everything over
5 here from there (indicating) and you could cut it
6 off here (indicating) and you put the T-hangars
7 in here (indicating).

8 MR. WUELLNER: Yeah, well, it's not that
9 simple.

10 MR. HOLIDAY: That's okay. It -- it just

11 seems to me that no matter what it is we do
12 around here, we try to make it just as hard as we
13 possibly can and just as complicated as we
14 possibly can and just get a lot of smoke and
15 whistles going here.

16 And, quite frankly, you've got something
17 over there that just drives me nuts. What is,
18 three years, across -- the hangars that you're
19 building now that you just bellied up and you're
20 in litigation about.

21 Somewhere along the line we don't need to
22 make things harder; we need to make things
23 simpler so that we can understand. I know you're
24 a bright guy and I'm not. And I just look at
25 this thing and I think, well, if you're going to

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1 put maintenance stuff right square in the middle
2 of that thing, it certainly is going to mess up
3 the rest of the whole damn thing. No problem.

4 CHAIRMAN GREEN: Is there any other further
5 public comment? Mr. Martinelli, I just want to
6 make sure we direct the public comment to the
7 issues that's been presented to the board, which
8 is not what we're going to do with this property.
9 I think right now is whether we're either going

10 to acquire it and at what time frame. So, I
11 think the master plan is going to be staged after
12 that.

13 MR. MARTINELLI: I will stay to the issue,
14 to what's been presented. And there's a lot to
15 be digested here that has been presented.

16 And one of the things, of course, is the
17 five-year acceleration and the funding of that.
18 And I just have a couple of questions. Are you
19 considering a bond issue or something to that
20 effect to fund this?

21 MR. WUELLNER: Tech -- technically, they're
22 bond issues, yes.

23 MR. MARTINELLI: Okay. And so -- and you're
24 talking about a bond issue with a balloon
25 possibility --

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1 MR. WUELLNER: No.

2 MR. MARTINELLI: -- or with --

3 MR. WUELLNER: Straight amortization at this
4 point.

5 MR. MARTINELLI: Straight amortization.
6 Would you -- would you have a call provision so
7 that in the event you got your money from DOT --

8 MR. WUELLNER: Yeah, absolutely.

9 MR. MARTINELLI: -- et cetera, you'd be able

10 to do that?

11 MR. WUELLNER: Yeah.

12 MR. MARTINELLI: Okay. Well, that makes

13 sense. That makes sense. The other thing that I

14 was just wondering about is where the maintenance

15 facility is now. Where is it?

16 MR. WUELLNER: It's where the -- you

17 probably recall where the block building and --

18 MR. MARTINELLI: Oh, yeah. Okay.

19 MR. WUELLNER: That's -- that's the site.

20 MR. MARTINELLI: So that's where it is.

21 MR. WUELLNER: Put it back where it was.

22 MR. MARTINELLI: Okay. And so, the timing

23 on that, is that critical?

24 MR. WUELLNER: In that it's already under

25 contract to -- to build --

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1 MR. MARTINELLI: Over -- over here.

2 MR. WUELLNER: -- at that site.

3 MR. MARTINELLI: Okay.

4 MR. WUELLNER: It's already been designed.

5 It's already -- it was literally in for building

6 permits when it created this zoning issue.

7 MR. MARTINELLI: Okay. Because I think one

8 of the pivotal issues is how critical is that
9 maintenance facility construction as it regards
10 to the airport maintenance and -- and other
11 maintenance requirements that you have. That was
12 just my questions.

13 CHAIRMAN GREEN: Thank you. Further public
14 comment?

15 (No further public comment.)

16 CHAIRMAN GREEN: We'll close public
17 discussion. Board discussion? Mr. Cox.

18 MR. COX: Ed, a couple of questions. The
19 property list that we have here to show it's got
20 the prices on it, are those --

21 MR. WUELLNER: Yes.

22 MR. COX: -- are those our appraisals or are
23 those the asking price for those?

24 MR. WUELLNER: The market value?

25 MR. COX: Market value?

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1 MR. WUELLNER: That's simply the market
2 value that's on the property appraiser's --

3 CHAIRMAN GREEN: Tax roll?

4 MR. WUELLNER: So, it's -- it's less than a
5 hundred percent.

6 MR. COX: Which is why you say it could go

7 up to \$5 million.

8 MR. WUELLNER: It's approximate.

9 MR. COX: Get back with my second question.

10 MR. WUELLNER: Yeah. Exactly.

11 MR. COX: Under the rezoning classification
12 for that area, for the maintenance facility, in
13 your opinion, what would be the quickest way -- I
14 mean, I understand we're talking the
15 administrative rezoning or request rezoning on
16 our own. What's the quickest and most
17 economic -- and I say "economic" timewise, not
18 necessarily money, but economically timewise,
19 what would be best for us?

20 MR. WUELLNER: Yeah. Timewise, the -- the
21 process is if you limited it to say that block or
22 a couple of blocks there, it would be easy enough
23 to put the information together internally and
24 get that to the County. And it's the same time
25 line to do a single lot as it is to do 20 lots or

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1 50 lots in and of itself.

2 Where it gets more cumbersome is trying to
3 do the entirety of the airport's property,
4 because there's a significant amount of research
5 in that what you have to present kind of

6 evidentiary to the County to prove, number one,
7 you own it and what the limits are so that they
8 can continue to -- to track what the proper or
9 current zoning is on that property moving
10 forward.

11 So, the onus is kind of on you to prove you
12 own it and what it's -- what it is. It's easy to
13 do it within a platted area, relatively speaking,
14 because they're described in as lot -- units,
15 lots, and blocks and the like, and it's a -- it's
16 a fairly simple deal where you list those things,
17 attach copies of the deeds to those individual
18 lots and blocks, and -- and that's evidence
19 enough for the County that -- for rezoning.

20 MR. COX: So, we could move forward rather
21 quickly with the -- for the purchase of that
22 particular property in that area and get that
23 rezoned fairly quickly? Not -- not just to get
24 the maintenance facility started --

25 MR. WUELLNER: Right.

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1 MR. COX: -- but to start moving forward on
2 all that section right there that would be
3 completely airport at that point, wouldn't it?

4 MR. WUELLNER: Right.

5 MR. COX: And what would -- what -- what

6 homes --

7 CHAIRMAN GREEN: It's 5 and 7.

8 MR. COX: What's the addresses on it?

9 MR. WUELLNER: It's three --

10 MR. GEORGE: That's Section I, \$71,000.

11 MR. COX: Is that just two?

12 MR. WUELLNER: That's actually -- you have

13 an appraisal. This is one of the -- the five

14 properties, of which you've resolved one, that --

15 that were -- were up for consideration by the

16 Authority two or three years ago, where we went

17 out at the behest of the Authority and

18 contracted -- in fact, the Rogers, Towers folks

19 were handling the proposed eminent domain

20 acquisition of those five properties or five --

21 five units there.

22 So, you had a very detailed appraisal done

23 on those two properties, because they were one of

24 those five. And I think our appraisal was about

25 \$135- -- \$130-, \$135,000, is what the fair market

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1 appraisal was of it for eminent domain.

2 The counteroffer from them was, if my

3 memory's correct, \$175,000, which meant you

4 likely are going to negotiate something in and
5 around \$150,000, and would have been a voluntary
6 sale at that point, would not have gone to,
7 quote, unquote, eminent domain, although that was
8 hanging over their head, but would have bypassed
9 that process and would have wrapped up fairly
10 quickly, at which point the Authority decided not
11 to do eminent domain on any of the five
12 properties, walked away from it, which is frankly
13 why you don't have T-hangars in the neighborhood
14 today.

15 MR. COX: So, what -- what I'm moving
16 towards here is taking a step forward so that we
17 can start getting, at least in a small section or
18 a small step forward, to get that under our total
19 control so we can start moving forward both with
20 the maintenance facility and whatever else we
21 need to do in that section. We could, without
22 too much trouble then, with some negotiation, it
23 would be a voluntary sale on those two properties
24 or not?

25 MR. WUELLNER: I would hope so.

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1 MR. COX: Okay. So, we wouldn't have to go
2 to eminent domain, hopefully. And if we do, we

3 do. But my feeling is I'd like to see the
4 support of the board to move forward with the --
5 the purchase at least of those two so we could
6 rezone it, but do you think at that point it
7 would be fairly, not simple, but less tedious to
8 do?

9 MR. WUELLNER: Yeah, it would likely
10 generate fewer restrictions being appended to the
11 rezoning of the 2 -- Lots 2, 4, and 6 --

12 MR. COX: All right.

13 MR. WUELLNER: -- because its distance to
14 other properties is now 3 -- would be like
15 300-plus feet and the -- kind of the sphere of
16 influence of that rezoning becomes -- you know,
17 we own what's in the sphere of influence.

18 CHAIRMAN GREEN: Mr. McClure?

19 MR. WUELLNER: This is your expertise area.

20 MR. McCLURE: There's one thing I know
21 about. Let me go back and make sure that -- I
22 hope this is productive and I'm not just offering
23 it because I know it.

24 The airport zoning classification is one
25 which is exclusively limited to property that's

1 owned by the airport. And that's somewhat

2 unusual in zoning codes. And there's a reason
3 for that, and that is that when the Land
4 Development Code was adopted by the County in
5 1999, we had a great deal of participation in
6 that and the County was enormously cooperative
7 with us in its adoption, and basically, they said
8 you can do anything you want to in airport zoning
9 district.

10 And the limiting factor that we were able to
11 persuade the County about was that you were
12 elected members and if you're doing something
13 that the public thinks is egregious, you can be
14 replaced. And so there is public accountability.
15 It's not as though that -- that right to do
16 almost anything with your property is being
17 conferred on a private person with no
18 accountability.

19 So, the airport zoning allows everything
20 from industrial activities to residential
21 activities, to obviously airfield-related
22 activities. It's almost like you name it.
23 Because we were acquiring properties for a
24 variety of purposes.

25 Number one, for the five-year plan with

1 respect to potential additional airfield
2 activities; but also, number two, we were trying
3 to acquire properties which we deemed to be
4 incompatible with the airport activities, so that
5 we would own them and eliminate those
6 incompatible activities, even if they might not
7 in the future be a part of the airfield and --
8 and direct airfield-related activities, such as
9 the industrial park is a good example of that.
10 So, rezoning this property to airport zoning
11 classification is something that gives you a
12 great deal of flexibility.

13 And one thing that has happened more
14 recently that -- that I need to let everybody
15 know is that the County previously had
16 compatibility guidelines in the Comprehensive
17 Plan. And basically they had a tier of uses, and
18 if you were separated by more than two degrees or
19 three degrees of separation -- sounds like Kevin
20 Bacon -- you were required to provide a certain
21 amount of buffering or other amelioration or
22 mitigation for the incompatibility.

23 Technically -- the County has now eliminated
24 those hard and fast criteria. So, it is now up
25 to the Board of County Commissioners to decide,

1 when you present an activity, as to whether or
2 not it's incompatible or not.

3 The most recent example, for what this is
4 worth, is the Honda dealer on State Road 16
5 backed up to property that's residential behind
6 it, has -- it's been there for years. They
7 bought the property next door to expand the show
8 area, and they were told you can't do this
9 because it's incompatible. They waited until the
10 comp plan was amended and recently successfully
11 rezoned the property without having to provide
12 anything other than some fencing, and not the
13 degree of -- of mitigation that was previously
14 required.

15 I do think that it's possible to get this
16 zoning through the County, and that's always a
17 prediction only and not a guarantee, based upon
18 two things. Number one, the staff has taken the
19 position in connection with those three lots that
20 the maintenance facility is an industrial-type
21 facility. And I think that we need to explain to
22 the staff and then to the PZA and then to the
23 Board of County Commissioners that our
24 maintenance facility really is not that intense
25 an activity. We store materials there. We keep

1 our tools there. We park the truck there.

2 It is not as though we're doing aircraft
3 maintenance on the activity, doing painting
4 on-site, storing hazardous materials on-site, or
5 anything like that. So, number one, I think that
6 we can persuade them that it is not that
7 intensive of an activity.

8 Then number two, the presence of those
9 houses next door when the facility was already
10 there, we should be able to indicate they're not
11 incompatible because these people bought their
12 home at a time that the maintenance facility was
13 there. So, I do think that it is possible to get
14 the rezoning done for Lots 2, 4, and 6 under
15 changes which were only very recently adopted by
16 the County in the comp plan without having to
17 give up too much in the way of mitigation.

18 The other thing, though, that I do want to
19 reiterate on that -- that Ed commented is that we
20 were prepared to initiate condemnation
21 proceedings sometime ago. Neighbors -- and
22 there's no better way to put it than that; they
23 live near us here -- expressed objection to that.
24 Since then, I think at least one of those
25 objecting neighbors we actually have consensually

1 bought their property.

2 But the reason why we were looking at
3 condemnation is -- there's a reason why Disney
4 bought Disney World under assumed names, and that
5 is that if they know that somebody wants all the
6 property and you happen to be the last person who
7 owns the acre under the enchanted castle, then
8 you know that you're going to be able to get ten
9 times as much money for your site as it's
10 probably worth because the person has to have it
11 to incorporate -- or to utilize the -- the plan
12 of development.

13 Whether it's true or not, I don't know. But
14 you tend to find that the last parcels in the
15 purchase consensually of property and such as
16 this become the most expensive ones, and that
17 condemnation is something that you have to have
18 the authority to be able to express to these
19 people as an alternative or it becomes a matter
20 of, "I know you can't build the T-hangars unless
21 you buy my two lots, and here's what it takes to
22 build it."

23 So, at some point -- and today is probably
24 not the day -- but at some point, I do think it's

25 important for the board to reconsider its -- the

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1 policy that was expressed before if we don't want
2 you to proceed with adverse acquisitions that are
3 not consensual, because what does happen is that
4 it will add to the public cost of the acquisition
5 of the parcels that you see in yellow that you
6 may need to incorporate the next phase.

7 With respect to the administrative rezonings
8 that Mr. Wuellner is talking about -- I offer
9 this only anecdotally. The -- it took me a long
10 time to click on our new chairman's name, because
11 I kept thinking why was a planner -- I thought
12 she was a planner and not a -- a lawyer because
13 there is a planner named Susan Green who was
14 hired to be the County's consultant on doing
15 administrative rezonings.

16 The first area was to be what's called the
17 northeast sector, which is essentially the Vilano
18 Beach bridge, extended across 16 to state -- to
19 I-95, north to the county boundary, all of Ponte
20 Vedra, all of that, because the County recognizes
21 that many of the parcels in the county are zoned
22 in a manner which is inconsistent with the
23 Comprehensive Plan.

24 The consultants were engaged I think a year
25 and a half ago, and the first administrative

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1 rezoning has not yet occurred. Last we heard was
2 that they were going to start last October. To
3 my knowledge, they haven't started yet, and that
4 was after they were -- the RFP went out a year
5 before that.

6 So, my only offering of anecdotal experience
7 is that if you're going to wait for the County to
8 do the administrative rezonings, if they're
9 telling you October, they've got lots of other
10 fish to fry, and -- and it's not -- it's one of
11 those things that isn't pressing and so they tend
12 to do things that -- that are urgent.

13 The -- the downside of waiting for the
14 administrative rezonings is that they are going
15 to put them in one single batch, and there are
16 going to be a lot of people who thought they had
17 commercially zoned property, which they find is
18 no longer consistent with the Comprehensive Plan.
19 They are going to be down there screaming and
20 yelling. And so your -- you would be bundled, if
21 you will, with -- with what may be a very
22 contentious and lengthy process with the County.

23 CHAIRMAN GREEN: Are you saying that's a
24 time constraint against us, or is it all or
25 nothing, I'm going to --

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1 MR. McCLURE: Oh, no. No. They can do some
2 and not all. I don't think it affects the
3 ultimate outcome, but it's a matter of a time
4 constraint, Madam Chairman. The -- because the
5 airport zoning is consistent with the comp plan,
6 and -- and we have enjoyed an excellent
7 relationship with the County. And I don't think
8 that the outcome ultimately is in doubt.

9 CHAIRMAN GREEN: Just as discussion, I would
10 like to see, just for purposes of today, for next
11 Monday, some avenues as far as funding, meaning
12 loans, whatever, the -- the interest rates, the
13 way they are, just so we're fully informed if we
14 need to jump in and buy those two lots, or
15 acquire those two lots, so that we can get that
16 part of the zoning done. Whether it's on our own
17 or not, it's not inhibiting the County from doing
18 what they need to do when they can get around to
19 do it, but at least we'll own it at that time.

20 So, I would like to have that information
21 for the board so we can at least consider that.

22 MR. WUELLNER: For just those lots?

23 CHAIRMAN GREEN: No. I'm just saying if

24 we're -- we haven't made, obviously as a board,

25 what we're going to go in what direction. But I

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1 would like to see if there's 3.8 out there,

2 there's 4.2, what's available -- as an airport

3 authority, public authority, what's available to

4 us as far as funding. If we can get up to \$5

5 million, then at least tell us that. Mr. George?

6 MR. GEORGE: Do you want to go first?

7 CHAIRMAN GREEN: Oh, I'm sorry. Mr. Gorman?

8 MR. GORMAN: No, go ahead.

9 MR. GEORGE: Okay. I think that our back is

10 against the wall. Correct me if I'm wrong,

11 Mr. Wuellner, but we presently have locations to

12 build two hangars, and that's all we have on the

13 field, considering the -- the shade hangar and

14 everything that's there.

15 Those two hangars would be right here

16 (indicating), two lots. So, the decision that

17 was made three to five years ago of let's go to

18 the industrial park and everything, as it turns

19 out, is a little shortsighted. We have 105 on

20 the waiting list for T-hangars. That would

21 convert into \$200,000 a year?

22 MR. WUELLNER: Well, yeah, potentially. But
23 I would argue that it -- it probably wasn't
24 shortsighted when you -- when you consider that
25 that property will likely serve as the basis for

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1 the conservation area that will allow maximum
2 development of the property in Araquay Park. In
3 other words, you won't be --

4 MR. GEORGE: I don't follow.

5 MR. WUELLNER: You won't be --

6 MR. GEORGE: I don't follow.

7 MR. WUELLNER: You won't be -- when you --
8 when you encounter parcels within Araquay Park
9 that are problematic in terms of wetlands or the
10 percentage allowed to be developed because of
11 their locations next to the marsh front and the
12 like, that you -- you very likely will be able to
13 mitigate those impacts with the Water Management
14 District, using property in the industrial park.

15 MR. GEORGE: Okay.

16 MR. WUELLNER: Putting that under a
17 conservation --

18 MR. GEORGE: I gotcha.

19 CHAIRMAN GREEN: If we take some of those

20 wetlands, we're going to give it back somewhere.

21 MR. WUELLNER: Right.

22 CHAIRMAN GREEN: And that's --

23 MR. WUELLNER: It's actually served us very
24 well already.

25 MR. GEORGE: You've got to give something to

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1 get something.

2 MR. WUELLNER: Yes, sort of.

3 MR. GEORGE: Okay.

4 MR. WUELLNER: You give more than they do.

5 MR. GEORGE: Well, if -- if we look at the
6 growth potential of -- of the county, if you look
7 at what the -- the various economic development
8 councils are out there pushing, if you look at
9 what's happening at World Golf Village, the
10 industrial parks that are going in, corporations
11 that are coming in, you look at nine on our
12 waiting list for corporate hangars, I -- I think
13 that it behooves us to make a decision to make
14 this a thrust, you know, to go forward.

15 I like the idea of funding so that we can
16 get the ball rolling. I like a -- a multiple
17 approach at the same time, being federal funding
18 to get the apron, you know, brought around while

19 we're doing the land acquisition, while we're
20 doing the administrative rezoning, to get all of
21 that information pushed.

22 I would like to suggest -- can I get up --
23 that we take a look at finishing the acquisition
24 in all of this property east of Casa Cola Way
25 (indicating). That comes up to 1.6 on our list

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1 here.

2 If you double that at two and a half to
3 three and you go out for \$5 million in funding,
4 you know, I think that that's a doable project
5 for all of us. And I think that the idea of --
6 that the board needs to give them a -- at least a
7 direction at this point that we are favoring
8 considering that that's the direction we need to
9 go and to come back with financing proposals to
10 get us there.

11 CHAIRMAN GREEN: Mr. Gorman, did you --

12 MR. GORMAN: Well, five years, ten years,
13 fifteen years, it's been a long time. Been a
14 long time in the house rental business. I like
15 the comment I heard before about the keep it
16 simple. I think keeping it simple and -- and I
17 like Mr. George's idea about just trying to

18 expedite trying to get the thrust going and
19 trying to -- trying to make this really work.
20 I really wouldn't like this board to leave
21 the rental house legacy to the next board, to the
22 next board, to the next board, because I don't
23 think that's a good idea. And I think that we'll
24 be on the right track. If it's going to take
25 borrowing -- I don't think borrowing the money --

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1 Mr. Wuellner, correct me if I'm wrong -- is going
2 to be an increase in the ad valorem taxes,
3 actually. It's not going to.

4 MR. WUELLNER: Not at all.

5 MR. GORMAN: It's actually going to in
6 almost instant repay, because you've got -- it's
7 rental, 105 people waiting.

8 MR. WUELLNER: And lose the ability to
9 generate additional revenue forward.

10 MR. GORMAN: Absolutely.

11 CHAIRMAN GREEN: Correct.

12 MR. GORMAN: So, I certainly think that
13 looking to expedite by borrowing and looking to
14 expedite by acquiring, again, without
15 Mr. McClure's, you know, piece under the magic
16 castle, we can't let that happen. Whatever it

17 takes to keep it simple and move ahead.

18 CHAIRMAN GREEN: Mr. Ciriello?

19 MR. CIRIELLO: Yeah. You know, Mr. Wuellner

20 stated that some 15 years ago or maybe more, the

21 Authority started buying property in Araquay

22 Park. And I don't think it's a Monday-morning

23 quarterback thought in my mind. I don't think it

24 should have ever happened.

25 But now that we've got so much of that

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1 property, to stop buying it doesn't make much

2 sense. What I would think to do is it would be

3 better to sell what we have and let it go and be

4 what it is instead of trying to make it airport.

5 But that heavy boundary, Ed, that you have

6 up there, is all of that eventually, all those

7 homes in those little squares eventually going to

8 be gone and belong to us?

9 MR. WUELLNER: Yeah, I believe so.

10 MR. CIRIELLO: Okay.

11 MR. WUELLNER: I believe that's the plat

12 line.

13 MR. CIRIELLO: All right. Now, the only

14 question -- or not a question --

15 MR. WUELLNER: It's not my map, so...

16 MR. CIRIELLO: -- curiosity I have, just for
17 the -- for the heck of it -- like I said,
18 Monday-morning quarterback -- and I don't like
19 this idea. But if you took each one of those
20 plots that are currently paying ad valorem tax to
21 the county, what would that total be? Because
22 once we acquire the property and tear the houses
23 done and put in hangars, we don't -- the county
24 is going to lose that ad valorem taxes.
25 So, let's say just off the -- for the sake

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1 of a figure, that it's \$100,000 ad valorem taxes,
2 is the total those people are paying to the
3 county right now. And we acquire all that and
4 tear it all down and make it nontaxable property,
5 the county's going to be short \$100,000 a year of
6 ad valorem taxes coming in.

7 Who do you think's going to make that up?
8 Not the airport. We are. You're going to make
9 money for the hangars and that --

10 MR. COX: It's more like 5 bucks.

11 MR. CIRIELLO: -- but the taxpayers, who own
12 homes, is going to make up that shortage of ad
13 valorem taxes because the county won't want to
14 lose that money. So, it's just a thought that

15 I -- I just don't like this idea. But it's

16 nothing I can do about it.

17 MR. WUELLNER: Based on the taxable value,

18 which is the number here, and applying the ad

19 valorem millage rate, the county's net loss is

20 \$23,000 in ad valorem. I mean, this is not --

21 this is a drop in the bucket.

22 MR. GEORGE: Joe was talking about also the

23 land we already own.

24 MR. CIRIELLO: You can't tell me all those

25 homes combined are only paying a lousy \$23,000 a

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1 year?

2 MR. WUELLNER: That's it.

3 MR. CIRIELLO: Gee whiz. I wouldn't think

4 that according to my tax bill. When you add

5 everything up --

6 MR. WUELLNER: That's actually probably

7 high, because most of those are homestead

8 exempted.

9 CHAIRMAN GREEN: Uh-huh.

10 MR. CIRIELLO: I think the County ought to

11 get in the airport business.

12 MR. GEORGE: Well, the -- the record from

13 the finance shows that we spent \$68,700 in

14 property taxes on the rental homes. So, I think
15 what Mr. Wuellner is saying is take the other
16 yellow ones that are there, and that would amount
17 to \$23-.

18 MR. CIRIELLO: Oh, wait a minute. You say
19 that the figures show that the Airport Authority
20 paid the county \$68,000 in taxes?

21 CHAIRMAN GREEN: Uh-huh.

22 MR. GEORGE: Yes.

23 MR. CIRIELLO: Well, that's what I asked.

24 What does all of those homes --

25 MR. GEORGE: Well, he thought you meant just

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1 the ones we haven't purchased.

2 MR. CIRIELLO: No, no, no. I'm saying
3 everything. If you're saying we paid the county
4 \$68,000 in ad valorem taxes to what we owe, and
5 what they're going to lose from the yellow is
6 another \$23-, you add \$68- and \$23- --

7 MR. GEORGE: Ninety-one point three.

8 MR. CIRIELLO: All right. That's what I'm
9 saying. That \$91,000 the county is going to be
10 losing eventually, not overnight, but eventually,
11 the rest of us taxpayers are going to have to
12 make up, because I don't think that County

13 Commissioner back there is going to say I'm not
14 going to put up with \$91,000 a year. He's going
15 to want to find a way to get it back so he can
16 spend it.

17 CHAIRMAN GREEN: I don't know. I think you
18 might be glad if we get off our millage rate and
19 start generating some income from T-hangars.

20 MR. GORMAN: You have a hundred and five
21 people on the waiting list, Joe, so you've got --
22 as soon as you get --

23 MR. CIRIELLO: Oh, all 105 people won't take
24 a hangar when they're asked.

25 MR. GORMAN: I -- I absolutely cannot

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1 believe you can't rent every hangar you can
2 build.

3 CHAIRMAN GREEN: Well, I think that for --

4 MR. CIRIELLO: I didn't say that.

5 CHAIRMAN GREEN: -- purposes of what Staff
6 needs, we should entertain a motion for the
7 direction that Staff needs to get us what we need
8 for next Monday.

9 MR. WUELLNER: Yeah. From what I'm hearing,
10 we'll -- we'll come up with the alternatives, or
11 some alternatives anyway, to explore for next

12 Monday.

13 The secondary question: How much of it, if
14 any, do you want us to pursue in the rezoning
15 currently? Pick it up at Casa Cola and go east
16 that we own? Obviously, we can't rezone stuff we
17 don't own.

18 MR. GORMAN: The question is, which is the
19 most doable?

20 MR. WUELLNER: They're all equally --

21 MR. GORMAN: And in the time line.

22 MR. WUELLNER: There's no basis to deny.

23 MR. GORMAN: Which is the least
24 time-consumptive?

25 MR. WUELLNER: It's exactly the same

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1 process. So, it's -- you know, whether we do 2
2 lots or 25 lots, it's the same process.

3 MR. COX: Based on what Mr. McClure said,
4 I'm -- I'm not wanting to pursue the
5 administrative rezoning deal.

6 MR. WUELLNER: Well, we can let that happen
7 for the bigger parcels --

8 CHAIRMAN GREEN: That can still go.

9 MR. WUELLNER: -- that are out there.

10 CHAIRMAN GREEN: Right. That can still go

11 on.

12 MR. WUELLNER: Not waste time identifying

13 open property we own --

14 MR. COX: Right.

15 MR. WUELLNER: -- in various spots.

16 MR. COX: Right.

17 MR. WUELLNER: And the balance of

18 residential lots. We could easily --

19 MR. GEORGE: I think -- yeah, you go for the

20 whole property.

21 MR. WUELLNER: You come up with these lots

22 based on lot, block, and be done with it.

23 MR. GEORGE: From Casa Cola, you know, east.

24 MR. WUELLNER: Is that -- that what I'm

25 hearing, Casa Cola east, that we own? Just north

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1 of -- yeah, all of -- I mean, the entirety of the

2 neighborhood.

3 MR. GEORGE: Yeah.

4 MR. WUELLNER: Including Indian Bend,

5 Araquay, and Estrella. I just want to make --

6 CHAIRMAN GREEN: I think from what

7 Mr. McClure is telling us, the way the County has

8 structured that airport zoning and what's

9 happening with maybe not some incompatibilities,

10 take advantage of it now before they change their
11 mind and start getting a little stickier for
12 getting some of these zonings done.

13 MR. WUELLNER: Then it's simply a matter of
14 going back and including the other parcels as you
15 acquire them.

16 CHAIRMAN GREEN: Right.

17 MR. WUELLNER: Which leaves one question:
18 What are we doing, or are we doing anything
19 relative to parcels 5 and 7 there?

20 MR. COX: Which ones are those?

21 MR. WUELLNER: 5 and 7 --

22 MR. GEORGE: That's the one next to the
23 maintenance facility.

24 CHAIRMAN GREEN: The maintenance --

25 MR. WUELLNER: The two that actually abut.

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1 MR. CIRIELLO: Have you had any discussion
2 with the people who own those?

3 MR. WUELLNER: Not since two years ago.

4 CHAIRMAN GREEN: And I think that was one of
5 my questions. Yes, definitely pursue --

6 MR. WUELLNER: We can certainly see if
7 there's a way to negotiate a --

8 CHAIRMAN GREEN: Right. Definitely pursue

9 that.

10 MR. WUELLNER: -- quick purchase and be done
11 with it.

12 CHAIRMAN GREEN: And that's why I wanted to
13 know how much funding was available to us if
14 we --

15 MR. WUELLNER: Well, you will have at,
16 again, this coming Monday's meeting, a grant that
17 we can -- you know, we can execute and have 50/50
18 funding for that, plus some other stuff whenever
19 you identify it. But you -- you know, it won't
20 be technically usable till October.

21 CHAIRMAN GREEN: That's where my loan
22 question came in, because I think if the interest
23 rates are there, we need to -- if we can jump on
24 it, do it, pay it back in October and November
25 when the grant comes in.

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1 MR. WUELLNER: Well, you wouldn't have to
2 borrow it. It's not -- it's not that expensive a
3 purchase that you would need to even consider
4 borrowing.

5 MR. CIRIELLO: What feeling did you get two
6 years ago for those people, that -- that they
7 definitely was against selling it or they're

8 thinking about it or --

9 MR. WUELLNER: They just wanted -- like
10 everyone else that was involved in that,
11 discovered gold and oil and things like that
12 under their property at the time of appraisal.
13 It's just -- you know, it's classic
14 governmental -- you want something they've got
15 and they don't have to sell right this second.
16 So...

17 MR. COX: Why -- how about aggressively
18 pursue it, start negotiations tomorrow or start
19 reaching out tomorrow, find out what it is
20 they're looking for, so by next Monday we come in
21 here and just -- just specifically for those two
22 so we can move forward with the maintenance -- at
23 the very least, very quickly move forward in the
24 maintenance facility and then explore as soon as
25 we can the rest of the area.

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1 MR. GEORGE: I also, at the Monday meeting,
2 I'd like for you to bring your charts you have,
3 the pictures in your office, about the two
4 options of potential expansion into this area so
5 that you can show the Pilots Association how the
6 maintenance hangar was considered against those,

7 and because of the way the apron comes, the
8 maintenance facility would not have to be torn
9 down; it would not be anything in the way. That
10 just fills them in on it.

11 CHAIRMAN GREEN: Okay. Do you have our
12 direction then? I need to give our court
13 reporter about five minutes' break. So, it is
14 approximately three minutes after 6:00, according
15 to our clock. So, in five minutes, we'll
16 reconvene.

17 (Whereupon, a recess was had.)

18 CHAIRMAN GREEN: Just as a matter of time
19 essence, I was informed that our board meeting
20 Monday is not necessarily very long. In fact,
21 the agenda is somewhat -- because we've put so
22 much on today, that if the board wanted to, as a
23 whole, to take one of these last four remaining
24 or two of these last four remaining items and
25 move them to Monday, that's an option, or we can

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1 stay and --

2 MR. COX: So moved.

3 CHAIRMAN GREEN: -- get them out. But
4 that's what I was told, that we're short on
5 Monday, or at least the agenda is short.

6 MR. WUELLNER: Shorter.

7 CHAIRMAN GREEN: Shorter. Well, maybe --

8 MR. COX: Could we take the last two and
9 move them to Monday, because there shouldn't be
10 too much discussion on -- I mean, a
11 discussionary --

12 CHAIRMAN GREEN: The only issue that was
13 brought to my attention is on the avigation
14 easements, we just wanted to make sure that
15 Mr. Maguire was going to be around for next
16 Monday meeting. Will you be here?

17 COMMISSIONER MAGUIRE: Yes, I'm putting it
18 down right now for 4 o'clock, so I'll be here.

19 CHAIRMAN GREEN: No, it's 3:30 for you. No,
20 I'm just kidding.

21 MR. WUELLNER: Two o'clock.

22 COMMISSIONER MAGUIRE: Call me and let me
23 know.

24 MR. GEORGE: Why don't we postpone the
25 leasing policy? We don't need to talk about

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1 that.

2 MR. COX: So, what ones are we going to
3 pass?

4 CHAIRMAN GREEN: There's just a suggestion,

5 just the last two, just because they're there.

6 MR. COX: Buzz.

7 CHAIRMAN GREEN: But there was concern that

8 Mr. Maguire would be there for the next meeting

9 if we moved that, and he said he would be. So,

10 that's not an issue.

11 MR. GORMAN: Right. That's no problem.

12 CHAIRMAN GREEN: Is that all right? Just

13 for the essence of time, Mr. Wuellner?

14 MR. WUELLNER: Which ones?

15 CHAIRMAN GREEN: Just the last two, just

16 because they're the last two.

17 MR. WUELLNER: Okay.

18 CHAIRMAN GREEN: Okay. So, we'll take the

19 advertising -- G -- H and I, and put them on for

20 Monday.

21 MR. COX: We could move number 11 up to in

22 front of E here?

23 CHAIRMAN GREEN: Well, let's try and do our

24 leasing and marketing. I think -- and I may be

25 wrong, but I thought leasing might have been

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1 incorporated into a long discussion before. So,

2 let's go to the next agenda item of leasing

3 policy. I'm not sure if we belabored that ad

4 nauseam or --

5 MR. WUELLNER: Leasing? No. This is

6 entirely -- this is everything but hangars. I

7 knew you'd be thrilled.

8 CHAIRMAN GREEN: Oh, commercial --

9 MR. WUELLNER: Yeah. This is everything but

10 hangars -- or T-hangars.

11 CHAIRMAN GREEN: T-hangars.

12 7.E. - LEASING POLICY

13 MR. WUELLNER: This -- you have a

14 stand-alone policy currently for T-hangars, box

15 hangars, and the -- currently for the southside

16 corporate hangars, if you want to call them that,

17 the 50 x 60s in H and I row, and stand-alone.

18 This is a -- an effort to help us all get on the

19 same page relative to other leasing activities on

20 the airport.

21 The Authority, as you probably are aware of,

22 had a leasing policy that was in place that again

23 covered everything but the T-hangars, or

24 generally the T-hangars, with a significantly

25 different format for the policy.

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1 What we tried to do is, based on the

2 discussions we were having, in particular

3 surrounding Embry-Riddle where there were
4 significant sections of what was being discussed
5 that were not in -- dealt with at all in policy,
6 so was forcing the board here to kind of create
7 policy on the fly without -- and now that the
8 pressure of Embry-Riddle is off, to now think of
9 those items that were problematic in the leases
10 as they were being brought to you, and try and
11 get that direction to Staff so that those
12 problems are avoided and taken care of in Staff's
13 negotiation with future tenants before they get
14 to you, so that you have a much more grounded
15 view of what's -- you know, what we're doing when
16 we bring you a lease. And hopefully we won't be
17 bringing you leases that don't comply with your
18 policy. We shouldn't be doing that from a staff
19 side. So, it should simplify moving leases
20 forward to the Authority from its adoption
21 forward.

22 I do have to tell you that I had a couple of
23 helpful suggestions made by -- by Authority
24 members of additional information they'd like to
25 see in the policy. One is a provision here --

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1 and I'll pass these both out. But one of the

2 questions that came up was, number one, what did
3 the corporate hangar list look like; i.e., how
4 many people are on there or what -- you know,
5 what were the specific requests and types of
6 hangars to date? You've got two different sheets
7 here.

8 MR. COX: Okay.

9 MR. WUELLNER: And the last is, well, what
10 do we own? Because that was another piece of the
11 puzzle that -- that perhaps wasn't real -- real
12 clear is, well, what buildings does the Authority
13 own and how were they constructed? And by that,
14 I mean, was it built as a commercial facility or
15 was it built as a corporate hangar? And those
16 might have very different construction codes
17 attached to them and -- and very different -- I
18 wouldn't use the word "zoning," because the
19 zoning itself is -- is fairly straightforward.

20 But when you present that building plan to
21 the County, how was it presented to the County?
22 As storage of an aircraft or as a maintenance
23 facility, for example? Those would generate very
24 different requirements in the design of the
25 building and its ultimate approval by the County.

1 So, we tried to give you both. One's in the
2 form of an appendix that would fall in as the
3 last pages of what you've gotten today, and would
4 just serve to list the facilities as we know it
5 today that the Airport Authority owns.

6 It does not include the FBO. We did not try
7 to quantify the square footages and the like that
8 went with the FBO facility. But all of the other
9 stand-alone buildings, hangars, whatever you'd
10 like to call them, are -- are listed there to
11 give you an idea of what their approximate size
12 is and -- and hopefully some idea of what its use
13 is or current use was. Gives you an idea who's
14 currently in there. We tried to provide an
15 identifier of some sorts so that we can all be
16 singing about the same piece of property when we
17 get there.

18 The -- for the most part, the beginning, the
19 introduction, and kind of discussion of the
20 policy, we did get some helpful comments about
21 trying to clarify that this policy deals with
22 everything but T-hangars at this point.

23 Now, we would have no objection from -- from
24 Staff side; if it was your desire, we could
25 certainly roll the T-hangars into it. But since

1 it's currently not in here, it was felt that some
2 sort of exclusionary sentence or two that
3 basically says that T-hangars are not included in
4 this policy discussion is -- is probably
5 appropriate and that there's their own
6 stand-alone policy.

7 Most of the items contained in your policy
8 are the work of previous Authority policies, as
9 well as the Authority and Staff's best attempts
10 at complying with both state and federal
11 guidelines as it related to the property. Some
12 of those restrictions in summary come from your
13 grants. Some of them came with the deed to the
14 property.

15 And there are very specific approvals and
16 requirements that came with both of those
17 entities as -- and that relate to the airport and
18 our leasing activities. And we've attempted
19 to -- to mold those in here so that when you --
20 when you approve a policy, it by itself is
21 consistent or generally is consistent then with
22 the federal or state policies surrounding those
23 same activities. So, you shouldn't, by virtue of
24 using your own policy, get yourself in trouble
25 with the federal government or -- or the state as

1 a result.

2 We tried to give you a -- we did find a few
3 typos and spacing things as we -- as we got
4 through it a little bit later. There are a few
5 additional definitions we thought we'd add in
6 section 2. One of them was what -- defining
7 exactly what a T-hangar was for purposes of being
8 able to exclude it from the discussion of the
9 policy. And we'll -- we'll come up with some
10 language there.

11 We know we've got a typo on fair market
12 renatl (phonetic) value. We know we wanted to
13 add a definition for commercial, you know, what a
14 commercial entity was and what a corporate entity
15 was, because it relates back to our corporate
16 entity, not commercial, for both of those, kind
17 of relate back to then the table as to how the
18 building might have been constructed differently.
19 And there are some significant construction
20 differences. And you need to be aware of those
21 when you consider who goes where on the airport.

22 Policy then goes on to talk about
23 nondiscrimination of leasing activities. Fairly
24 straightforward. Gives you a sample of -- of the
25 leasing clauses required by FAA in our -- to be

1 included in our lease documents. And you'll find
2 this or very similar language in our lease -- all
3 our commercial leases. And it relates to how we
4 treat corporate and -- and commercial tenants on
5 the airport in -- in applying our leasing policy.

6 The -- probably the most significant change
7 is a section that's at section 4, entitled
8 "Application and Waiting List." And this would
9 beef up our efforts in -- for among the
10 short-term future here, we finally have more
11 tenants than we have -- or more inquiries than we
12 have space or ability to respond, especially in
13 corporate and commercial.

14 And you know -- you're well aware of the
15 surplus list or more demand than we have
16 facilities for -- for T-hangars, but it's not --
17 it's the same now on corporate. Although I don't
18 have 105 names, when you start looking dollar for
19 dollar, the -- the development costs of
20 commercial and T-hangar have very similar price
21 tags. So, it's -- it's important that we keep
22 that process equitable and fair to all parties
23 involved, too, plus provide us with some guidance
24 on how to approach it.

25 We provided you with a list. One of those

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1 attachments we just -- or items we just gave you
2 is a list of the waiting list. Now, that's a
3 combination of two -- kind of two lists, although
4 one was not committed to paper. The first list
5 was the original list that started, had its
6 genesis in the construction of hangars I -- H and
7 I. There were two units, one in each of those
8 buildings, that were not a part of the
9 development of space for Top Gun and Prestige
10 Refinishing.

11 A policy was developed in '96 to allow for
12 that rental and what requirements we were going
13 to place on it. And they were identified, based
14 on the construction methodology, as
15 commercial-type hangars in that you could conduct
16 business there and -- and be compliant with
17 county codes in how the building was developed.

18 Some of those spaces had some office with
19 them; some of -- most of them did not. But they
20 were in the area of 50 -- 50 x 60, 50 x 65,
21 and -- and significant hangar space.

22 We developed a list for it. The first three
23 or four names on that list were people, when you

24 see identified in there about 3500 square foot,
25 that's where those names came from. They -- they

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1 represent the oldest list I have, but they were
2 people that were expressly interested in those
3 units versus the Authority going out and building
4 them 3500 square foot somewhere. So, that --
5 that's how those got started.

6 Then you notice some of them are inquiries
7 relative to FBOs or something that have
8 significant issues on where it might be developed
9 because of it may not be the building, but it may
10 be how much property and apron go with something,
11 and it just makes it improbable or just not a
12 good candidate, say, for eastside corporate area
13 because of the physical limitations of eastside
14 corporate. So, they have not been met.

15 So, we largely -- the way this is proposed
16 here, we would largely kind of attempt to match
17 what's available to the first name on the list
18 that it -- that the profile matches. Would give
19 us some guidance on getting the information at
20 the onset, such as how much square footage, what
21 do you intend to use it for, so that we can
22 continue to keep elements, development elements,

23 if you will, on the airport, compatible with each
24 other and other elements on the airport and other
25 users of the airport.

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1 So, we're going to try to quantify that
2 information much better when we first contact or
3 made contact. I can tell you that we have not
4 had to solicit anybody on the commercial list,
5 much like T-hangars. They -- they literally show
6 up, call, whatever, and -- and sub -- you know,
7 submit something to us that makes a request of
8 us.

9 We go through here and divide -- or make the
10 statement here, if there's some additional
11 consideration -- as we were proposing, if there
12 was additional consideration for commercial
13 ventures on the airport or noncorporate. We view
14 corporate much like we would T-hangars, at least
15 my thoughts on it. You guys are obviously free
16 to change my thinking.

17 But we -- we looked at those as strictly
18 storage uses of property versus someone coming
19 onto the property and earning a living using the
20 property and facilities of the airport. And as a
21 result, there's -- there's two different levels

22 of expectation on both parties for what's --
23 what's going to happen on the airport.
24 A guy just storing his Lear jet or his
25 Cessna 172 is not a significant financial impact

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1 on the airport, other than fuel sales. But
2 somebody that opens up an avionics shop or a
3 maintenance shop, there's an entirely different
4 level of commitment to the facility and
5 expectation from both parties.
6 So, we were trying to distinguish in the
7 waiting list -- and also more importantly,
8 perhaps, is -- is a revenue picture back to the
9 Airport Authority would tend to be much more
10 significant in its structure to the -- to the
11 Airport Authority by being a cor -- a
12 commercial-type operation versus a corporate,
13 where you only have space you're leasing, not use
14 of the property in a sense.

15 So, we were trying to prioritize those. So,
16 for instance, if a -- if a hangar became
17 available, and we'll just say generically a
18 10,000-square-foot hangar became available that
19 was built to commercial standards and became
20 available, we would attempt to identify a

21 commercial tenant for that space versus the first
22 guy on the corporate list who needed 10,000
23 square foot, because the type of building
24 construction was much more costly to make
25 commercial than it would be to make corporate.

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1 So, as a result, we would prioritize that.
2 Plus, it has a much better return to the airport,
3 financially. So, we were looking at it as, well,
4 that -- that makes much more sense to -- to give
5 that same 10,000 square foot to a commercial
6 business than it would to a guy simply storing
7 his corporate aircraft there.

8 Now, there are plenty of spaces on the
9 airport that are built to strictly corporate that
10 would require an investment of the tenant or the
11 Authority to make it corporate -- or commercial
12 in nature. It would require perhaps sprinkler
13 systems, additional code things that the County
14 would require in terms of building code, to make
15 it tenable as corporate use.

16 Probably parking. Probably bathrooms
17 internal the facility. Being a public building
18 at that point or open to the public, you know,
19 how the bath was -- I mean, some of those things

20 run into significant money, and we -- we avoid
21 those costs when we build the hangar as a
22 corporate hangar, but it also limits the future
23 use of that hangar without additional investment
24 in the property.

25 So, we would likely take a corporate hangar

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1 that came available, that same 10,000 square
2 foot, and we would -- we would bounce it off of
3 you as to whether you intended to make the
4 investment to convert that from a corporate to a
5 commercial hangar for corporate tenant -- or
6 commercial tenant A.

7 If the decision was we're not going to make
8 that investment, and the tenant has the -- or the
9 potential tenant has decided they're not going to
10 make that investment, then clearly, I've got a
11 corporate hangar to lease, not a commercial
12 hangar, in which case I go to the first guy on
13 the list looking for corporate space, and he gets
14 the 10,000 -- 10,000 square foot, or he -- he
15 attempts to qualify for that space.

16 It's not trying to be onerous to corporate
17 potential people on the list. It's trying to
18 make the best use of our assets and the best

19 revenue potential for the same assets. If we --
20 if it costs us 25 percent more to build a
21 commercial building, it only makes sense to try
22 and put commercial operators in there that return
23 that additional investment back to the Authority,
24 plus some, hopefully.

25 MR. GEORGE: What if a corporate guy is

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1 willing to pay the rent that's identical to the
2 commercial? Then you're making --

3 MR. WUELLNER: Well, since most of our
4 corp -- commercial uses have or would likely have
5 some sort of percentage of gross and the like in
6 its rental structure, I don't see where you're
7 going to find corporate uses that -- that jump
8 the line there, because there's no basis for that
9 additional percentage, whatever that -- that
10 turns out to be later.

11 CHAIRMAN GREEN: Do we need to open this to
12 public discussion? No, I just wanted to make
13 sure.

14 MR. WUELLNER: Well, I think at some point
15 you're going to have to. Whether you -- I'm not
16 necessarily looking for you -- just so we're
17 clear on the process, I'm not trying to -- to

18 railroad a policy down your throat today.
19 What I am trying to do is walk you through
20 what I've done. And it will go much quicker here
21 in a couple of pages, because it becomes very
22 redundant in its structure. But I'm trying to
23 get you a feel for how I've put it together, and
24 then where you think we need to change
25 directions, let's get that input and get a policy

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1 back to you that meets what your intent is and --
2 and something that can be managed from -- from an
3 administrative side. And -- and we can move
4 forward, everybody knowing what each other's
5 expectations are.

6 I think we're fairly clear on how the
7 waiting list goes. Obviously we've got a
8 requirement on all our leases or all our
9 properties to be in compliance with the airport
10 master plan. Now, you have the ability to modify
11 the master plan or the airport layout plan
12 drawings as appropriate to accommodate a building
13 that you didn't foresee that was going to be out
14 there in your master plan. That's -- that's very
15 typical. There's nothing unusual about this kind
16 of request. It's just you need to think about it

17 does take some time.
18 If we're not showing an area as, for
19 instance, commercial aviation in nature, and you
20 want to -- you know, you want to put a commercial
21 business there as it's approved on your airport
22 layout plan, you probably need to go back and
23 review with that with FAA and get their sign-off
24 that that's a good use or an acceptable use of
25 the property.

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1 They don't really have a denial ability, but
2 they're very helpful in make -- helping you avoid
3 pitfalls of really bad on-airport land use
4 decisions, and will -- will help you find ways to
5 solve your problem without messing the whole
6 thing up.

7 Then we talk about aviation leases. And
8 there are two -- two core types. One's
9 nonaviation -- or excuse me, aviation leases,
10 broadly divided into noncommercial and
11 commercial-type leases.

12 Noncommercial leases would be corporate-type
13 leases and, you know, for argument sake would
14 include like T-hangars, if you were to include
15 those in the policy. But the idea -- the idea

16 here is your -- your revenue potential is
17 strictly the facility itself. You're not out
18 there looking for privilege fees or other types
19 of fee structures. It's simply in the facility.
20 There -- we divide it then down into whether
21 it's land. They're only here leasing land for
22 noncommercial aviation ventures, such as they
23 want to build their own T-hangar or own corporate
24 hangar or whatever. But they're -- they're just
25 leasing property. And we go through how we value

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1 the property, which is going to be by appraisal
2 or market comparisons, either one, as a
3 percentage of -- percentage, and give some target
4 percentages that that property ought to return to
5 the Authority based on the appraisal. Those are
6 typical of what's found at other airports and
7 typical what's found in the marketplace, we
8 think.

9 You have the ability -- you'll notice
10 between commercial -- or between aviation and
11 nonaviation uses, that nonaviation -- nonaviation
12 uses, typically, we'd have higher demands on the
13 revenue -- the potential rent for those
14 facilities because we're not in -- that's out of

15 our core function, and while a piece of property
16 may lend itself to the 7-Eleven at the corner,
17 that's -- that's certainly out of character for
18 what the airport would do, and if they were to go
19 buy or rent that property in the marketplace,
20 would generate a higher percentage. So, we -- we
21 take care of aviation customers at airports
22 and -- and have a rental structure that's based
23 on that.

24 When we -- when we branch out and deal with
25 nonaviation tenants, we tend to get whatever the

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1 market bears in the community for those types of
2 uses. But you're comparing airports to airports
3 on aviation and commercial to commercial within
4 your own community on other types of property.

5 The next subcategory is buildings. That's
6 existing buildings. I'm sorry. The next
7 category is actually build-to-suit type things,
8 new construction. So, if it's something, i.e.,
9 we find -- we end up with a grant for a corporate
10 hangar, as an example, and we've identified the
11 next guy in line wanting 10,000 square foot, we
12 agree to build it, this is how we -- we structure
13 the rental on that and -- and move forward.

14 The next section is an existing building,
15 that 10,000-square-foot hangar becomes available;
16 a tenant left. Now, how do we go about valuing
17 that -- that leasehold and rerenting it? That
18 process is described here also.

19 If there -- on an existing building -- this
20 is where we -- we really got kind of squirrely
21 when we were dealing with Embry-Riddle. This
22 would kind of fall into this category, sort of.
23 Is that you would -- you were forced with
24 decisions relative to remodeling the facility,
25 which is something that is built into the cost in

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1 determining a new facility. It's very
2 straightforward. You know what it's going to
3 cost when you bid it and go to build it. And
4 that's the final delivered price, if you will,
5 to -- to the tenant and the basis for your
6 rental.

7 But when it's an existing building and it
8 needs modification, how do we come to a value?
9 This is -- this is toward the end of this. And
10 I'm going to tell you where it is. It's on page
11 17, is the first time you see this. And the
12 language gets repeated where it's applicable

13 later on.

14 The Authority would have like a three-fold
15 process here. One, we'd approach the Authority,
16 describe what the improvements are needed, and
17 give you some ballpark of what that might cost,
18 and ask, is it something you're willing to even
19 make an investment in as a leasehold, an
20 additional improvement on the property.

21 In the event it is, then we're going to look
22 at those build-outs as being subject to
23 additional rent. Now, that's -- that's above and
24 beyond what the rent of that building would be,
25 as though it were amortized over 20 years at a 7

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1 percent annualized return.

2 We're going to build that right into the
3 rental rate so that you're going to get your
4 money back for an -- an agreed improvement.
5 You're going to have to agree up front to the
6 improvement. You're also going to require that
7 that tenant make a minimum investment in that
8 same infrastructure of at least 10 percent.

9 Now, that can be in real money, ponying into
10 that construction contract, or it could be in
11 additional leasehold improvements made as a part

12 of that package. You could -- you could set it
13 up either way with the tenant. But either way,
14 they're going to put some money into the project.
15 It's not just going to be the Authority modifying
16 the building, which was a significant discussion
17 item when we started talking about Embry-Riddle.
18 It's because we were all talking about modifying
19 the buildings, not the base buildings. The base
20 buildings, I think everybody had little issue
21 with in terms of how we valued. It was how do we
22 value the improvements. This gives a basis for
23 doing that.

24 Commercial aviation leases are subject to --
25 these are the only two changes. The rest of the

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1 structure follows that same format we just did
2 for -- for aviation noncommercial. It's the same
3 general methodology.

4 But when you get to the commercial side of
5 aviation leases, we have some other requirements
6 that the federal government places on us. One is
7 a public use and benefit determination, which is
8 our requirement to assure that businesses on the
9 airport, those who are in business -- not those
10 who rent space, but those who are in business,

11 provide those services to the public in a fair
12 and -- and equitable manner. And that obligation
13 transfers from the Authority's requirements under
14 the federal grants and -- to the tenant. And
15 it's done vis-a-vis the lease. And you have a
16 requirement to pass that on to commercial leases.
17 And you're telling them how you're going to do
18 that.

19 And also, protection of approaches, that
20 they have no exclusive rights relative to their
21 business. So, if they're banner towers, as an
22 example, you can't exclude all other banner
23 towers because you have one, or other commercial.
24 It could be an FBO, for example. You can't
25 exclude a second FBO just because he's a second

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1 FBO and you only want one. You don't have that
2 ability within your -- your abilities to do that.

3 The other is -- deals with privilege fees.
4 Privilege fees are as they sound; you're going to
5 generate revenue solely based on your presence on
6 the airport, not -- not because you store your
7 airplane here, but because you're generating
8 business that's based at the airport and requires
9 the airport.

10 And it's -- you folks will assign a
11 percentage. Usually it's something like
12 percentage of gross or, you know, with exclusion
13 of taxes or something like that, some methodology
14 that's easily determined vis-a-vis financial
15 statements provided by the tenant on a periodic
16 basis. May be monthly. May be quarterly. May
17 be annually, depending on the scope of the
18 operation, whatever's appropriate. You're going
19 to assign a percentage of that, and that's in
20 addition to rent.

21 The other is, well, what we -- we just
22 generically call other fee assessment. And that
23 would be things like where you have tenancy in
24 common with some other business and you -- the
25 Authority essentially is paying the electric

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1 bill, and you're divvying up that electric bill
2 based on use or occupancy of square footage or
3 something like that, and you're transmitting that
4 back to the tenant as additional rent or as an
5 additional fee. It's -- it's an offset of some
6 existing or actual cost the Authority's
7 incurring.

8 Might be common area maintenance in an

9 industrial park, where you're mowing the
10 right-of-ways and -- and doing the main entrance
11 work and -- and preserving the mailbox structure
12 out there and -- and light -- streetlighting and
13 things like that.

14 You might have a fee on an annual basis that
15 reimburses that from each of the tenants so that
16 it's a net -- it's not a net loss or a net cost
17 to the Airport Authority. It's designed to
18 cover -- defray the cost of something that's --
19 that's associated with the specific leasehold.

20 The other thing under commercial aviation
21 leases is you have a policy, which is called
22 minimum operating standards, and you're -- you're
23 encouraged, if not required, by the FAA to adopt
24 minimum operating standards which help you
25 determine what the standards are for businesses

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1 operating on the airport, aviation businesses.

2 And it attempts to tell them everything from
3 the onset as to what your expectations are and
4 what their minimum lease requirements are going
5 to be, such as how big the building is; how many
6 employees they're going to have. Because they're
7 going to be open to the public, are they going

8 to -- are you requiring them to be open seven
9 days a week, five days a week? What hours
10 they're required to be operational. Again, how
11 many employees, how much insurance.

12 If they're a flight school, do they have to
13 have a minimum number of aircraft available? If
14 they're renting aircraft, do they have to have a
15 minimum number of aircraft? How are those
16 insured? All of those kinds of things get rolled
17 into kind of a business-by-business type -- and
18 we're talking about types, not names of business,
19 but types -- and you just -- you determine those
20 requirements.

21 In effect, you, the Authority, about seven
22 or eight years ago, went through that exercise.
23 It's probably time to start looking at that
24 moving forward, but you have some standard -- you
25 have minimum operating standards in place. And

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1 you're -- you're simply saying that commercial
2 aviation leases need to comply with whatever's
3 the applicable minimum operating standard for
4 their business, whatever that is.

5 Another example would be like uniformed
6 employees on an FBO ramp. You want to be able to

7 identify quickly who works there and who doesn't.

8 Marked vehicles on the airport, if they have
9 access to the airport operations area, you want
10 to know that this vehicle is marked with the
11 FBO's name or whatever so that you can easily
12 identify who that vehicle belongs to and you
13 don't end up with security issues or alleged
14 security issues by tenant.

15 Then you go back through the thing again on
16 picking up with land, new buildings and existing
17 buildings. And then you go to nonaviation uses
18 of properties, i.e., like commercial or
19 industrial park properties, or you might argue
20 that the restaurant or something like that is a
21 nonaviation use specifically. It may support an
22 aviation function, but in itself is not. So, you
23 have a policy that would deal with those. And it
24 follows the exact same format of land, existing
25 building -- or, excuse me, new building

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1 construction and new -- existing building.

2 And where applicable as a commercial use,
3 you can have a nonaviation use that's not
4 commercial. You can still have, as an example,
5 kind of, is how you would have a rental -- rental

6 home, and you might have a shed or something out
7 there that you rent. It's not really being used
8 commercially and the guy's generating revenue off
9 of it, but it is -- it is nonaviation in its
10 character.

11 So, you have the same setup, again, land,
12 existing facility, and -- and a new-construction
13 facility. And where applicable, you've got the
14 additional build-out issues that are thrown out
15 there for you and follows that same -- same
16 format all the way through it.

17 And we deal with a couple of special
18 situations. As we get back, I think it's the
19 section -- section 8, which begins -- get the
20 number here -- all right. We did insert, just
21 one more here, section 7.36, which is page 46.

22 We have a section dealing with rental homes,
23 which spells out how we determine the valuation
24 of the rental homes and how we go about doing it.
25 Hopefully some day we won't be in the rental-home

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1 business so we can just ignore that provision.
2 But in advance of that, it seemed prudent to
3 finally put something in writing as to how we do
4 rental homes.

5 Two pages later, on page 48, we start with
6 administrative requirements, wherein we ascribe
7 to a potential commercial tenant, in particular,
8 what you need to tell us about your business in
9 order for us to even consider leasing property
10 that's owned by the Authority; i.e., we want to
11 have some idea what your business is all about,
12 your ability to conduct that business.

13 If you're startup, we want to know what your
14 business plan is. We want to make sure you have
15 some idea or some reasonable chance of success in
16 partnering with the Authority's property on the
17 airport, in offering those services to the
18 public. So, we -- we spell out what those
19 requirements are under that section.

20 We developed a little checklist that gives
21 some de -- you know, gives something we can hand
22 to a potential tenant and say, you know, attempt
23 to address these with us in writing and spell out
24 the details of your business. And our preferred
25 method is a business plan, which kind of lets --

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1 you know, forces that, especially upstart
2 businesses, to look beyond the next six months
3 and see what they're planning to do with their

4 business and how they're planning to get there.

5 Agenda items, it spells out how -- how and
6 when we bring agenda items to you relative to
7 these policies, or at least the other sections of
8 the policy. Basically, it's telling you that
9 we're not going to bring you anything that
10 doesn't comply with the policy.

11 So, you know, until we can successfully
12 negotiate something that's compliant, you're
13 probably not going to see it. In rare cases, if
14 we think it's something important and the policy
15 has -- the structural issues of the policy, we
16 might bring something like that forward. But all
17 in all, it's -- it's designed to make approving
18 leases of all types a relatively pain-free
19 endeavor for the Authority. We should be excited
20 to have new tenants, because we know they comply
21 with the airport lease policy.

22 Recordkeeping ascribes some responsibilities
23 to this office as to how we do that, and
24 organization of those files and that data
25 internally. Allows us to -- to manage that a

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1 little bit better. Deals briefly with lease
2 doc -- modifications.

3 Occasionally you've got something where
4 you -- it's an assignment of the lease or consent
5 to mortgage or other thing that might be in a
6 long-term lease agreement, and provides who has
7 to approve and -- and what form that structure
8 would be, what structure that form would be. And
9 where those are appropriate, we'll include those
10 as appendixes at the back or exhibits at the
11 back, which show what the standard form consent
12 to mortgage would be, or consent of assignment,
13 or whatever's appropriate, as well as the sample
14 lease documents are in the back, too.

15 So, we're going to start with those base
16 agreements as we negotiate a lease. So, the only
17 thing that should change is the rent, the square
18 footage, and any specific operating parameters
19 that need to be inserted to the lease that came
20 out of the minimum operating standards, as an
21 example. Or, they voluntarily agreed to do.

22 It tells us how we go about facilitating
23 appraisals, where they're required. And the
24 balance of the policy refers to this section.
25 So, we know we're going to use MAI appraisers.

1 We know they're going to be using MAI techniques

2 in valuation. We know that the appraisers
3 need -- appraisals need to be less than three
4 years old in terms of their data.

5 It spells that stuff out so that we've got
6 the best possible information to make a rental
7 value decision, moving it forward to the
8 Authority in approval, and also give them current
9 information and not pulling surprises at the time
10 of bringing the lease to the Authority. We'll
11 know it's a relatively current number that we're
12 all dealing with.

13 Deals with surveys in the case where we're
14 leasing bulk property out someplace where there's
15 not a plat or something that easily identifies
16 what property that -- that a survey is required,
17 and spells out for the lease what -- what's being
18 leased.

19 In the case of in-kind services, we do have
20 at least one -- one lease on the property that I
21 would call in-kind services, and that's a lease
22 of a hangar facility to another governmental
23 entity, wherein they're providing some additional
24 security services to the airport in offset of
25 some portion of rent. And it spells out how

1 that's done and how we value that portion of
2 service that's in kind. We know what the rent
3 should be. Now, how much is the service worth,
4 so that's how much we can offset the rent. So,
5 it's easily followed through for purposes of
6 validating with FAA, should they ever audit our
7 leasing operation.

8 Also, it deals with how we do rental -- you
9 know, requirement of how we structure the leases
10 for rental adjustments during their lease. Fair
11 market value appraisals, value of the property,
12 CPI adjustments, whatever's appropriate, tells us
13 how to do that.

14 And should you-all, on specific development
15 areas, like eastside corporate might have
16 architectural requirements you might develop or
17 something that says, you know, that all the
18 buildings have to be of this height or have this
19 kind of door or landscaped this way or have
20 specific signage requirements or things of that
21 nature, gives you the latitude in here to develop
22 those by area, if it -- you deem it appropriate,
23 and then provides for that enforcement inclusion
24 in the lease documents.

25 Other than that, it's just the appendixes,

1 which is that minimum operating standards, those
2 example leases and the like. And you have a new
3 one that I just kind of handed out here that
4 would eventually get incorporated into it.

5 As I said, I'm not -- it's a lot to digest.

6 It was a lot to read. A lot of it's really
7 redundant. A lot of it's really dry. But
8 it's -- it provides the technical guidance at
9 some point back to Staff to make sure that, you
10 know, again, the leasing policy is -- is fair to
11 both the proposed tenants, as well as meaningful,
12 in that what you're getting is compliant with --
13 with some direction we've gotten from this board.

14 CHAIRMAN GREEN: Okay. I need to open this
15 to public comment. Briefly, does -- any public
16 comment? Yes, Mr. Martinelli?

17 MR. MARTINELLI: First of all, I want to
18 say, Ed, tremendous job. Secondly, I'd like to
19 get a copy of it so that I could read it and
20 understand it. Try to understand it, anyway.
21 And then make some comments on it.

22 And thirdly, just listening to it and
23 listening to Ed's explanation of it, I think the
24 one concern that I would have if I were in your
25 shoes is, where are the checkpoints? Where

1 should a prospective lessee or Ed or Staff come
2 back to you and say, "We've come this far; what
3 do we do next?" or, "Do I have this latitude?"
4 (Whereupon, Mr. Ciriello leaves the room.)

5 MR. MARTINELLI: It seems to me that that
6 kind of thing needs to be built in here. You
7 mentioned it a little bit, Ed, at the beginning.
8 I don't know whether it's covered in more detail
9 here, but it would seem to me that before Ed
10 in -- in his honest pursuit of policy with a
11 prospective lessee or lessor -- I'm sorry,
12 lessee, doesn't go beyond the point where the
13 Airport Authority gets embarrassed.

14 (Whereupon, Mr. Ciriello enters the room.)

15 MR. MARTINELLI: So, it would seem to me
16 that that kind of thing needs to be highlighted.
17 Maybe a separate schedule, when you come to this
18 point, you come to -- back to us.

19 And -- and finally, any investment made by
20 the Airport Authority or made by anyone always
21 must take into consideration alternative uses of
22 that money. And I was down at Flagler airport a
23 few days ago, talking to the airport manager down
24 there, asked him what their plan was -- and by
25 the way, he told me that Embry-Riddle had come

1 there, was coming there with their flights,
2 really clogged up their pattern for quite a
3 while. And his last count was that I think they
4 spent like \$45 on fuel there. So, they were
5 using the facility, using the airspace, and not
6 really compensating the airport at all for that.

7 But then his thought was, well, we don't
8 have any money. We -- we really don't have
9 matching funds. And I guess Bryan probably, if
10 he's here, yeah, can probably maybe add some
11 light to this. But his -- his present feeling
12 was they really didn't have any money to do any
13 matching funds. And so, anytime anyone wanted to
14 come on the airport -- and by the way, their
15 acreage at the airport is vastly greater than
16 the -- than the 300-odd acres that we have here.

17 But -- but their -- his feeling was that
18 anytime anybody wanted to come and lease the land
19 for 10 cents a foot or some ridiculously low
20 figure, make a substantial investment, and at the
21 end of a lease period of 15 or 20 years, that it
22 would then revert back to Flagler County Airport,
23 would be a good deal, because that return on
24 investment, you really can't -- you can't match,

25 simply because you don't have any money to do

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1 anything else with.

2 So, those are just some thoughts, but I'm --

3 I -- will this be at the next meeting also?

4 MR. WUELLNER: I'm sure.

5 MR. MARTINELLI: Can we -- can we make some

6 comments at the next meeting? Okay. Thank you.

7 CHAIRMAN GREEN: Any further public comment?

8 (No further public comment.)

9 CHAIRMAN GREEN: Close public comment.

10 Mr. Cox?

11 MR. COX: I just -- this is a tremendous

12 amount of information to digest, and I -- I want

13 to compliment Ed on -- this is just outstanding

14 work.

15 But before we get into this, I mean, I'd

16 like to see us not even approach getting into

17 this this evening. I really -- I mean, it's

18 just -- there's so much to go through and we've

19 got -- and I've got some suggestions I wrote

20 down.

21 But I'd like to have at least till next week

22 to go over this and make some really finite --

23 just read it more in depth and look at it, even

24 though I did before. But after Ed has gone
25 through it again, it's -- it's helped define it a

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1 little more for me. So, I'd like to see this --
2 I'd like to see us not enter into any discussion
3 in depth on this this evening to make any -- to
4 reach any conclusion, and look at it again next
5 week.

6 CHAIRMAN GREEN: I don't think you're asking
7 for any motion or anything. You just want our
8 input and direction, which kind of goes with what
9 you're saying.

10 MR. WUELLNER: There's no, you know, urgency
11 to adopt it even next week. But, you know, I
12 want you -- it's important that we have adequate
13 direction and that you've had adequate input into
14 it. So --

15 CHAIRMAN GREEN: Mr. Gorman?

16 MR. WUELLNER: -- if that takes another
17 month or two, it takes another month or two.

18 MR. GORMAN: I'd like to see historically
19 what kind of problems that Mr. Wuellner has run
20 up against in -- in the past considering policies
21 and so that, you know, in using those examples,
22 then we can enter into a discussion to forego

23 that kind of thing in the future. Simple as
24 that, some history; in other words, this
25 happened, that happened, this happened. This

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1 is --

2 MR. WUELLNER: Okay.

3 MR. GORMAN: Something of that. That -- and
4 then along with Mr. Cox's suggestion that it's
5 just too much to do now. Maybe with -- armed
6 with that, then we can --

7 MR. WUELLNER: Okay.

8 MR. GORMAN: -- have a little more in-depth
9 discussion next session.

10 CHAIRMAN GREEN: Okay. And I guess the
11 consensus is if we can't -- if you can't get that
12 to us Monday, at least the September meeting,
13 just so we could narrow down areas, problem areas
14 in the past. It's a good idea.

15 Okay. Well then, we will hold that. And
16 our next item is the marketing and public
17 relations. And I think that was yours?

18 7.F. - MARKETING AND PUBLIC RELATIONS

19 MR. GORMAN: I did add that. I'll be real
20 brief. And part of it's an acidic comment and
21 part of it's very positive.

22 I'd -- I'd like to avoid the paint facility
23 and the top floor of the terminal situations in
24 the future. In other words, we have an unleased
25 second floor of the terminal, and we have the

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1 paint facility, which just of course was a bad
2 idea, but again, it was a good idea at the time.

3 And so, through the marketing, through
4 actually rather than -- building to suit rather
5 than actually build it and they'll -- and it will
6 come, I mean, that's going to sum it up.

7 And -- and very quickly, I'd just like to
8 see a lot of that. But I'd like to see a lot of
9 that -- well, let's use one of these little silly
10 buzz words. "Proactively," like let's -- let's
11 reach out and try to find people that we might
12 want here. For instance, let's say Northrop
13 Grumman; I'm just in love with that tenant. Why?
14 Because they employ 1100 people.

15 Well, are there any other aerospace firms
16 that might mate up well with Northrop Grumman?
17 Is there some way we can reach them and say, you
18 need to be at this airport, and this is why?
19 That's the kind of marketing thing. And that
20 would go along with the public relations of it.

21 But that would be in a -- on a corporate public
22 relations basis.

23 This second floor of this terminal, I mean,
24 we really need to get this thing leased. Myself,
25 I'd like to see a little -- just an idea, just

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1 thrown up in the air, I'd like to see a diversity
2 there. I'd like to advertise for public -- for
3 aviation-related offices, because I think the
4 diversity may attract other business.

5 Again, the best use of it. I mean, do you
6 want to just -- we don't want to rent all of that
7 space out cheap. Is there a better way to reach
8 out to companies that say, "Listen, we're in this
9 really wonderful little town and we've got this
10 aerospace industry here now; wouldn't you like to
11 have a satellite office here?" and try to get as
12 many firms possibly in that area, using some
13 direct marketing, directly marketing, directly
14 letter-writing, doing a little of that to see
15 what kind of -- what we could generate.

16 The commercial entity, this discussion here
17 is really timely with the commercial versus the
18 corporate hangars, because small business breeds
19 jobs, and jobs breed, you know, happy, healthy,

20 wealthy, aviation environment. So, can we
21 attract commercial entities here? And, you know,
22 we -- they don't know if we have a commercial
23 ability to build commercial, or can we reach out
24 to people like that? In other words, the
25 avionics business, things like that.

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1 I'd just like to see what kind of real
2 marketing we could do. Rather than trying to
3 build something and seeing if people would come,
4 just reaching out and seeing what -- what they'd
5 like. We don't -- we're going to run out of
6 space shortly, but there are certainly avenues I
7 think to pursue.

8 CHAIRMAN GREEN: Ed, in our master plan, I
9 mean, do we have a little line item or something
10 for marketing ideas as well?

11 MR. WUELLNER: I don't recall a specific
12 item.

13 CHAIRMAN GREEN: Okay. I was just wondering
14 if that's incorporated in there.

15 MR. WUELLNER: It's certainly looked at from
16 a land-use perspective.

17 CHAIRMAN GREEN: Okay.

18 MR. COX: You want to do public?

19 MR. WUELLNER: Which could tie back into the
20 marketing end of it.

21 CHAIRMAN GREEN: Is there any public
22 comment?

23 MR. GEORGE: Come on, Vic.

24 MR. MARTINELLI: I'm going to get a
25 reputation if I'm not careful.

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1 CHAIRMAN GREEN: Okay. Board comment?

2 MR. COX: Maybe we can kill two birds with
3 one stone here. I think you'll like this. We
4 could -- after some ideas I -- I heard earlier
5 today, see, we could get a billboard right out
6 on -- on the highway right here and advertise
7 that we have a nice big airport so that all our
8 neighbors moving in will also know that there's
9 an airport here, and also advertise for with
10 marketing the airport.

11 MR. GORMAN: Well, that's not -- I mean,
12 you've got all of this space on the second floor.
13 I'm not sure a lot of people know that's even for
14 lease. Would have to be aviation-related, true.
15 But still, there you go.

16 MR. COX: It's just an idea.

17 MR. GORMAN: It's not the worst idea I've

18 heard.

19 MR. GEORGE: Have we ever taken an office
20 space and gotten McGuinness or somebody like
21 that, listed with them?

22 MR. WUELLNER: We've not -- we still don't
23 know when we can have it.

24 MR. GEORGE: We're not getting into that,
25 Ed. We're not going to get into that tonight.

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1 MR. WUELLNER: I mean, I've said it for a
2 year and a half. The reason it's not leased is I
3 just have one more pissed-off person that didn't
4 have their space yet. I mean, it just didn't
5 make any sense yet to put somebody in there and
6 have them mad, too. It will here shortly.

7 MR. GEORGE: If the world were run on
8 everything that's already happened, we'd never
9 get anything done. There's got to be some
10 preplanning there.

11 MR. WUELLNER: The space is there. It's
12 ready to be built. As soon as I get the space --

13 MR. GEORGE: Why don't you go ahead and
14 advertise it and have them call Mr. Gorman if
15 they have any complaints. I'm sorry.

16 MR. WUELLNER: That's -- that's just passing

17 the buck. That doesn't solve anything.

18 MR. GORMAN: Well, what would you suggest?

19 You're always the good fixer-upper, Wayne? What

20 would you suggest to lease it real quickly?

21 MR. COX: You're in building.

22 MR. GORMAN: Seriously.

23 MR. GEORGE: I would write a letter to

24 Gor -- to Grumman, and I would ask Grumman -- to

25 Gorman, yeah. I'd write a letter to Grumman and

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1 ask them if there was any of their suppliers that

2 it would be advantageous for them to be --

3 MR. GORMAN: There you go.

4 MR. GEORGE: -- located in a closer area.

5 MR. GORMAN: That's a good idea.

6 MR. GEORGE: And ask them to please let us

7 know so that we can send them some promotional

8 literature that we already have published that's

9 sitting on the shelf.

10 MR. WUELLNER: Okay.

11 MR. GORMAN: And other aerospace suppliers?

12 CHAIRMAN GREEN: Anything further? Mr.

13 Ciriello?

14 MR. CIRIELLO: Hmm?

15 CHAIRMAN GREEN: Okay. No other comment

16 from the board, then we have Authority member
17 comments. Mr. Ciriello?

18 8.B. - MR. JOSEPH CIRIELLO

19 MR. CIRIELLO: Yeah. Ed, on next week's
20 meeting, do you have any kind of a budget
21 proposal or anything to bring?

22 MR. WUELLNER: I expected to review the
23 capital budget with y'all.

24 MR. CIRIELLO: Well, the reason I ask,
25 because I didn't get to ask last week or last

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1 month or whenever when I tried to get the
2 rollback rate initiated, as I recall, the
3 previous two years, when we discussed the budget,
4 I requested that you bring back to the board a
5 revised budget showing what it would look like at
6 the rollback rate versus the budget you
7 presented, and that wasn't giving you any
8 direction to that.

9 And that's why I'm asking this question,
10 because if we don't have a rollback rate budget
11 in front of us to see what's going to be
12 different than the budget you gave us, for me to
13 sit here and try to convince some of these people
14 to go to that rollback rate's going to be hard to

15 do.

16 MR. WUELLNER: Okay.

17 MR. CIRIELLO: But, I -- you know, I've
18 already made my -- my statements that if we don't
19 go with the rollback rate, I'm not going to be
20 happy with anything.

21 But I can see from what I've heard tonight,
22 some of the statements made about the future and
23 spending and everything, and I can almost
24 guarantee you that I'm going to hear, "Hey, we
25 need that extra \$300,000," rather than go to the

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1 rollback rate, because we're going to be spending
2 money. And I'll say to you, if you want to get
3 this airport off the tax rolls, quit spending
4 money and find ways of doing things efficiently
5 without the extras.

6 So, I -- I'm asking, can you give us a
7 revised rollback rate budget so we can compare
8 the two? Can I ask you to do that, or do I have
9 to ask the board for approval to let you do that,
10 or what?

11 MR. WUELLNER: I'm assuming that you're
12 doing that, you're trying to -- that you would be
13 trying to take that out of capital?

14 MR. CIRIELLO: Well, I don't know what
15 you're going to --

16 MR. WUELLNER: I mean, I'm assuming that,
17 generally, the operating budget is relatively
18 what it is. But -- but to get the rollback rate,
19 you've got to get \$300,000 of Authority money out
20 of the capital program, or similar such, to get
21 the rollback rate in, which I -- I'm trying to
22 clarify. Do you want me to try and make --

23 MR. CIRIELLO: Well, I don't know how you'll
24 juggle the figures, but the last two years, you
25 did that. I mean, you presented us with a

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1 budget, and I wanted to go to the rollback rate,
2 so you reworked the budget. And I don't know
3 what specifically you took out to get to it.

4 If we stay at the same rate as last year,
5 which -- and some people will say is not a tax
6 increase -- we will get \$300,000 more than last
7 year in ad valorem taxes. If we go to the
8 rollback rate, we're still going to get \$111,000
9 more than last year. So, it isn't like we're
10 going to end up exactly the same or less. We can
11 go a hair lower than a rollback rate and match
12 last year's.

13 MR. WUELLNER: Well, if I could -- can
14 explain. In the previous two years, we did that
15 because we were phasing in a reserve fund that
16 had never existed on the Authority --

17 MR. CIRIELLO: Yes.

18 MR. WUELLNER: -- and we simply phased that
19 in one year slower by taking the rollback. We
20 didn't make adjustments to the capital
21 development plan; we simply made the amount of --
22 of reserve less in those previous two years to
23 make it equal.

24 Now you've got a full reserve and now we're
25 looking at -- to fund, keep the full reserve and

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1 to fund capital, you've now got to find a place
2 to cut that \$300,000 out, which could still come
3 out of reserves and just take a lesser reserve
4 number, which I don't -- I'm not really --

5 MR. CIRIELLO: Really, you only have to cut
6 \$200,000, because at the rollback rate, we're
7 going to make a hundred thousand more than last
8 year.

9 MR. WUELLNER: Whether it's \$2- or \$3-, it's
10 got to come from someplace.

11 MR. GORMAN: You have to admire what he's

12 doing, though.

13 MR. CIRIELLO: Oh, I totally appreciate it.

14 MR. GORMAN: He's trying to incrementally

15 get off the ad valorem. I mean, that -- I do

16 admire that. I mean --

17 CHAIRMAN GREEN: I think the direction -- I

18 mean, this is for just comments, not bringing up

19 the budget rollback rate again. But whatever

20 fixed operating we have to fix, whatever you can

21 cut back to fit in --

22 MR. WUELLNER: If my memory's --

23 CHAIRMAN GREEN: -- to the rollback rate.

24 MR. WUELLNER: Yeah. If my memory's

25 correct, the budget we presented took the

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1 rollback rate.

2 CHAIRMAN GREEN: I don't believe so.

3 MR. CIRIELLO: No, it showed what the

4 rollback rate would -- would bring in, but it

5 wasn't the rollback rate budget.

6 MR. WUELLNER: Okay.

7 MR. CIRIELLO: If we accept the budget as

8 is, you presented --

9 MR. WUELLNER: Okay.

10 MR. CIRIELLO: -- it would be at the same ad

11 valorem tax as last year. And I want to see a
12 comparison --

13 MR. WUELLNER: You want --

14 MR. CIRIELLO: -- of what you -- you know,
15 how to get there.

16 MR. WUELLNER: Well, largely, you -- I mean,
17 we can do that. But until you have the input in
18 the capital budget, which is Monday, next Monday,
19 that's -- that's where you make the decision
20 largely what you're going to do.

21 You know, what I'm saying is I could make a
22 stab at it and cut a capital project or two back
23 or do whatever to get the number, but that may
24 not be what you've collectively decided you want
25 to do in the capital program for next year.

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1 Until you decide that next week, I don't have --
2 I don't have a budget anyway.

3 MR. CIRIELLO: Okay. Okay.

4 CHAIRMAN GREEN: Mr. George?

5 8.C. - MR. WAYNE GEORGE

6 MR. GEORGE: It would be nice if these
7 options for the finishing of the acquisition in
8 Araquay could also be laid out, you know, along
9 with the budget as far as how that -- that

10 capital money could be spent in those -- you

11 know, those areas.

12 MR. WUELLNER: Okay.

13 CHAIRMAN GREEN: Mr. Cox, any comment?

14 8.D. - MR. BOB COX

15 MR. COX: (Shakes head.)

16 CHAIRMAN GREEN: Okay. Any last short

17 public comment?

18 9. - PUBLIC COMMENT

19 MR. MARTINELLI: Just one quick question, if

20 I may. You talked about changing the lease. Is

21 there any time frame on that as to when we can

22 expect a revised lease?

23 MR. WUELLNER: Probably next week --

24 MR. COX: He said next week.

25 MR. WUELLNER: -- because we need to have it

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1 wrapped up by early -- first of September.

2 CHAIRMAN GREEN: I think all the leases have

3 an expiration or a renewal period.

4 MR. MARTINELLI: Okay.

5 10. - NEXT REGULAR BOARD MEETING

6 CHAIRMAN GREEN: All right. Our next

7 regular board meeting -- regular board meeting,

8 not special, would be Monday at 4 o'clock.

9 Meeting's adjourned. Thank you for all your

10 patience.

11 (Whereupon, the special meeting concluded.)

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1 REPORTER'S CERTIFICATE

2

3 STATE OF FLORIDA)

4 COUNTY OF ST. JOHNS)

5

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

7 was authorized to and did stenographically report the

8 foregoing proceedings and that the transcript is a true
9 record of my stenographic notes.

10

11 Dated this 3rd day of September, 2003.

12

13

JANET M. BEASON, RPR-CP, RMR, CRR
Notary Public - State of Florida
My Commission No.: DD102224
Expires: April 30, 2006

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