

1 ST. AUGUSTINE - ST. JOHNS COUNTY AIRPORT AUTHORITY

2 Regular Meeting

3 held at 4796 U.S. 1 North

4 St. Augustine, Florida

5 on Monday, June 19, 2006

6 from 4:04 p.m. to 5:36 p.m.

7 * * * * *

8 BOARD MEMBERS PRESENT:

9 BOB COX, Chairman

WAYNE GEORGE, Secretary-Treasurer

10 RANDY BRUNSON

SUZANNE GREEN

11

12 BOARD MEMBERS ABSENT:

13

JOHN "JACK" GORMAN

14

15 ALSO PRESENT:

16

DOUG BURNETT, Esquire, Rogers, Bailey,
Jones & Gay, P.A., 170 Malaga Street, St. Augustine,
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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21

JANET M. BEASON, RPR, RMR, CRR

22 St. Augustine Court Reporters

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AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

2

1 INDEX

2 PAGE

3 2. PLEDGE OF ALLEGIANCE	3
4 3. APPROVAL OF MEETING MINUTES	3
5 4. ACCEPTANCE OF FINANCIAL REPORTS	3
6 5. APPROVAL OF MEETING AGENDA	3
7 6. REPORTS	4
8 7. MEMBER COMMITTEE REPORTS	
9 A. MPO	16
10 B. EDC	16
10 C. Intergovernmental	16
11 8. PROJECT UPDATES	16
12 9. ACTION ITEMS	

13	A. EDC & IDA - Public Industrial Park Study	21
	B. Lease Policy workshop - 2nd Meeting Date	35
14	C. Property & Liability Insurance Discussion	67
	D. Indemnification - ARFF Facility	44
15		
	10. HOUSEKEEPING ITEMS	77
16		
	11. PUBLIC COMMENT	82
17		
	12. AUTHORITY MEMBER REPORTS:	
18		
	A. Mr. Randy Brunson	86
19	B. Ms. Suzanne Green	88
	C. Mr. John Gorman	Absent
20	D. Mr. Wayne George, Secretary-Treasurer	87
	E. Mr. Bob Cox, Chairman	87
21		
	13. ADJOURNMENT	89
22		
23		
24		
25		

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

3

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

2 CHAIRMAN COX: Like to adjourn the open
3 and -- the regular meeting of the June 19th, 2006
4 Airport Authority meeting. And like to go ahead
5 and say the Pledge of Allegiance for all those

6 that joined us here at 4 o'clock.

7 (Pledge of Allegiance.)

8 3. - APPROVAL OF MEETING MINUTES

9 CHAIRMAN COX: Thank you very much. Move
10 forward into approval of the minutes of the last
11 meeting. Are there any objections, additions, or
12 changes to the minutes?

13 MR. BRUNSON: So moved.

14 CHAIRMAN COX: So moved? We will --

15 MR. GEORGE: No objection.

16 CHAIRMAN COX: Those minutes stand approved.

17 4. - APPROVAL OF FINANCIAL REPORT

18 CHAIRMAN COX: Financial report for May.

19 MR. GEORGE: Financial reports look good, so
20 I recommend we approve them.

21 MS. GREEN: No objections.

22 CHAIRMAN COX: No objections. The financial
23 report stands approved.

24 5. - MEETING AGENDA APPROVAL

25 CHAIRMAN COX: Meeting agenda approval.

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 Anybody have any additions or objections to the
2 agenda as it stands?

3 (No additions or objections.)

4 CHAIRMAN COX: We're going to have -- just as
5 an update, Mr. Bryant will be making a PowerPoint
6 presentation or just a presentation here during
7 the reports section, and then we have a couple of
8 presentations during the action items. So,
9 hearing no objections, the agenda is approved.

10 We'll move right into the reports section.

11 And let's see here. Where is my list of all the
12 people who report?

13 MR. WUELLNER: Commissioner Bryant's first.

14 MR. GEORGE: On the wall behind you.

15 CHAIRMAN COX: Okay. Mr. Bryant -- we've got
16 a list of like eight people. Mr. Bryant, sir.

17 6.A. - COUNTY COMMISSIONER

18 COMMISSIONER BRYANT: Okay. Good afternoon.
19 Jim Bryant, for the record. 686 16th Street,
20 St. Augustine Beach. I hope we can see that.

21 We got the County Transportation Planning
22 Department to try to highlight the new roads that
23 were -- are in the process now of being built.
24 And if you'll look at the northwest -- and, of
25 course, you can't see it, those red blocks.

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 MR. WUELLNER: There's a laser pointer if you
2 press the -- right on the bottom there. Just aim
3 it at it.

4 COMMISSIONER BRYANT: Right there?

5 MR. WUELLNER: There you go.

6 COMMISSIONER BRYANT: Yeah. These little
7 blocks there, I think there's 244, 2209, and 20 --
8 233. Sorry that's not showing up, those numbers
9 showing up. 244, 223, and 2209. And also the
10 Nocatee Boulevard from the Palm Coast bridge over
11 to U.S. 1, that's going to connect the -- to
12 realign 210 over to U.S. 1. And you might note
13 on -- all of this construction that's going on now

14 is a little over \$500 million from the private
15 sector. This is not county money. It's all from
16 the private sector.

17 Nocatee is, I think, contributing \$137
18 million for -- for Nocatee Boulevard over to
19 Racetrack Road and down here to U.S. 1 where
20 210 -- from U.S. 1 and 210 over to 95, Twin Creeks
21 is going to six-lane that section there. And
22 that's probably about two to three years out. And
23 I think their total contribution was something
24 like \$80 million, because they've got to go in and
25 help fix 210 and I-95, which should be right there

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 (indicating).
2 These roads right now are under construction
3 (indicating). RiverTown is starting here and
4 coming up -- I think this is 244 (indicating).
5 And Aberdeen and Durbin Crossing DRIs, I think
6 Aberdeen and Durbin are each side here. And these

7 are going to be I think four-lane here, and I
8 think across here is two lanes. But they've done
9 the mitigation and the permitting for a four-lane
10 road, so all you have to do is come back and
11 construct the final two lanes.

12 Now, this -- I think this 2209 (indicating),
13 which will eventually be our 9B coming down,
14 Aberdeen and -- and Durbin had to do the same
15 thing. They permitted and mitigated for four
16 lanes, but they're only going to build two lanes.

17 So, we just, I think the last week at our last
18 meeting, the County, we're going to go ahead and
19 do our part, which is construct the other two
20 lanes. So, you'll have four lanes there. And
21 then all of 2209 coming down this way is the
22 Silverleaf DRI, and that's probably out around 208
23 and -09 (indicating).

24 But the problem that we've had, and you guys
25 know the same problems we've had on all these

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 roads here, we have okayed them, I guess for about
2 three and four years now, as Nocatee four years,
3 and these guys about, almost three years, but the
4 Corps of Engineer are holding up the Corps
5 permits, and that's what's really throwing
6 everything behind.

7 And -- and the thing about all these new
8 roads, there'll be no new homes built until these
9 roads are completed and finished. So, what we're
10 trying to do is get plenty of capacity for the
11 north -- northern part of the county, especially
12 northwest, before any new roads are -- I mean,
13 excuse me, before any new homes are built. So,
14 there'll be years of capacity there.

15 And then by the time the -- those
16 developments are build out -- and they're going to
17 be anywhere from 12-, 15- to 20-year buildouts, so
18 you should have adequate capacity on all of these
19 northwest roads up here.

20 And, of course, Congressman Mica has gotten

21 us some, down here, 312 money, which DOT does not
22 have right-of-way along U.S. 1, beginning up here
23 at the city gates, to expand that to six lanes.

24 So, we've put money -- we advanced money to DOT to
25 get the PD&E started. And -- and Congressman Mica

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

8

1 got, I think, \$13.2 million.

2 But all total on all these roads is a little
3 over \$500 million from the private sector.
4 Congressman Mica got us like \$22 million. And the
5 County, we have bonded, I think about \$35 million.

6 So, hopefully in the near future, we're going to
7 have a lot of completed roadways.

8 In fact, these roadways in the northwest
9 there should be completed early next spring,
10 Nocatee probably latter part of next year. So,
11 they're moving right along. And hopefully this is
12 going to build a lot of capacity for us.

13 And if anybody has any questions -- I know

14 it's not a good picture to see, but I guess the
15 main point is it's over \$500 million of private
16 sector dollars and not taxpayers' dollars putting
17 these roads in.

18 CHAIRMAN COX: Any questions?

19 MR. WUELLNER: Yeah. I was going to say you
20 have a few other slides that may -- a couple of
21 blowups here. I'm not sure --

22 COMMISSIONER BRYANT: See if they'll blow up.
23 I'm not sure if they will or not. Yeah, there we
24 go. Okay. Yeah, there's -- there's 244 goes up
25 and around. And 223. And this would be the

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 220 -- 2209, the north/south corridor road.
2 If you guys remember, the reason -- how we
3 got into the -- I guess the mess, back in '98 of
4 having to do 2209 was, in order to try to get some
5 commercial development, the Belz Outlet Mall
6 wanted to come out there by 16 and 95, there was

7 no capacity on -- on I-95, and so the State got us
8 to agree to a variance to 9-J5 rule,
9 Administrative Code rule, and we had to somehow
10 fund this road here, and the private sector is
11 funding that road for us.

12 But then come along 2000, the Governor signed
13 the 2000 mobility act where they came in and
14 immediately six-laned 95 and created capacity
15 there, but they still required us to build this
16 road over here, 2209.

17 So, hopefully, that -- that -- Duval County
18 and the MPO will pitch in and try to get 9B from
19 9A down to here, because that's the only way we're
20 going to be able to move the traffic here up into
21 the -- the work areas in -- in Duval County.

22 And, of course, we've got some issues along
23 here at Racetrack Road. Don't know what's going
24 to happen with the Gate property here. I don't
25 know what they're going to do with Racetrack Road

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 just yet.

2 Of course, you've got the -- the rest area
3 here on I-95 (indicating) that's -- excuse me --
4 that's really blocking having any kind of
5 interchange on I-95. So, I don't know what
6 they're going to do there. But hopefully all of
7 these new roadways is going to create a lot of
8 capacity. We can, you know, move our folks around
9 in our county, especially the northern part of the
10 county.

11 MR. BRUNSON: Jim? Could you go back to the
12 larger slide and give your crystal ball of where
13 the new bridge is going on the south corridor?

14 COMMISSIONER BRYANT: Okay. DOT, in their
15 infinite wisdom, sometimes bows to public
16 pressure, and sometimes they don't. And once they
17 get going in a certain direction, it's hard to --
18 to turn that big boat.

19 But I believe the Clay County Commission --
20 well, not believe -- I know the Clay County
21 Commission joined us, and we said we want a

22 southern route near the Shands Bridge. I think it
23 will be up to them whether they choose to go north
24 or south of the Shands Bridge.

25 If you go south of the Shands Bridge, there's

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

11

1 a lot of conservation areas on -- on the Clay
2 County side. And -- and probably the most
3 feasible alignment, in my opinion, would be the
4 old Shands Bridge that went through Orangedale,
5 because once you cross there, then you have --
6 you're going to impact the -- those small
7 commercial establishments right there by the
8 river.

9 But once you get there, you -- you can skirt
10 around the Ringhaver property, which is already in
11 conservation. And then you'll have an east/west
12 road that will come over and join up with I-95,
13 and I think -- where's the Shands at? Is that
14 Shands there?

15 See this little -- this road here
16 (indicating)? This is SilverLeaf proposal road,
17 and we've already got the right-of-way for that.
18 And that -- that road will continue on to here and
19 give us an interchange of 95 in this area here.
20 And then from here down to here (indicating),
21 it would make a good alignment, because the
22 right-of-way is there to be donated to DOT free of
23 charge. So -- because SilverLeaf controls all of
24 this right-of-way here (indicating). And -- and
25 this is, in our opinion, the most logical way to

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

12

1 get over to 95, is here (indicating).
2 CHAIRMAN COX: Any other questions?
3 COMMISSIONER BRYANT: And -- and I will just
4 remind you. Let me tell you, when -- when we --
5 you know, now we're seeing a lot of commercial
6 coming in into our area. And the first question
7 that big businesses ask is about air access, your

8 airport right here -- or our airport right here.

9 They want to be able to access our community at

10 this airport. They don't want to go to

11 Jacksonville and land, rent a car and come down.

12 They want to come right here to this airport.

13 And you're going to see a lot of activity in

14 the very near future of businesses wanting to

15 relocate here, and that's the first thing they

16 ask, is the air access.

17 CHAIRMAN COX: That's very good.

18 COMMISSIONER BRYANT: And that's -- you know,

19 we'll work with you guys and do what we can to

20 keep the airport accommodating these people, or if

21 it needs to be expanded, whatever. But we need it

22 for the commercial aspect of the county.

23 CHAIRMAN COX: Yes, sir. Thank you very

24 much. That was a very nice presentation.

25 MR. WUELLNER: Thanks.

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 CHAIRMAN COX: Moving on into agenda reports,

2 Mr. Slingluff?

3 6.B. - GALAXY AVIATION

4 MR. SLINGLUFF: Nothing new to report.

5 CHAIRMAN COX: Okay. Thank you. Mr. -- Mr.

6 Nehring?

7 6.C. - GRUMMAN ST. AUGUSTINE

8 MR. NEHRING: Nothing to report.

9 CHAIRMAN COX: Okay. Thanks very much.

10 Mr. Roderick?

11 6.D. - S.A.P.A.

12 MR. RODERICK: See, I -- I attended the air

13 show party put on by the Council on Aging Friday

14 for all of the volunteers. It was extremely well

15 done and brought closure to something that, if you

16 didn't -- to be candid, I had no idea how much was

17 done for the aged people in this county. They

18 wrote a check for \$40,000. And Kathy Brown, I

19 believe, said you just saved 40 people from going

20 into a home they didn't want to go to. They can

21 stay at home. So, that was very rewarding. It

22 was worth all of the sweat that some of us put

23 into it.

24 I want to thank the Airport Authority,

25 whoever made the decision to put taxi windsocks

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

14

1 around. That's an important safety feature. And

2 I haven't heard that brought up. But it certainly

3 is for the little planes. Michael, I don't know

4 about the big birds, but it makes a big difference

5 for us.

6 And I had very positive feedback from the

7 last meeting about your approval of the

8 supplemental agreement for the T-hangar

9 development. That shows everybody that you're

10 sincere for the little guy and you're leaning

11 forward. It was very well received at the

12 S.A.P.A. meeting. Thank you.

13 CHAIRMAN COX: Thank you very much, sir.

14 6.E. - F.A.C.T.

15 CHAIRMAN COX: Mr. Ottesen. Bjorn here? Not
16 here. Mr. Burnett?

17 6.F. - AIRPORT ATTORNEY

18 MR. BURNETT: Nothing to report other than
19 I've got an agenda item that we'll -- I'll speak
20 about, the one regarding the airport fire
21 services, or potential for those.

22 CHAIRMAN COX: Okay. Mr. Knight? Do you
23 have anything?

24 6.G. - ATCT

25 MR. WUELLNER: I don't see him, but he gave

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

15

1 us the, if you will, mystical chart.

2 CHAIRMAN COX: Can you read that for us,
3 please, Buzz?

4 MR. GEORGE: Yes. Through May, we are a
5 little bit above the 2008 forecast.

6 MR. WUELLNER: But below 2004 and '05, so --
7 it puts the totals up there in the table with

8 your -- kind of the table legend, for lack of

9 better terms --

10 CHAIRMAN COX: Okay.

11 MR. WUELLNER: -- for the month. And you can

12 see that about a thousand ops below 2003. And

13 significantly below that for '04 and '-5.

14 And I think generally, we're all kind of

15 still in the same boat relative to drop-in

16 training aircraft and just pleasure flying as a

17 whole due to fuel prices where they are.

18 CHAIRMAN COX: Very good.

19 MR. WUELLNER: But fuel sales numbers are

20 still strong for -- for both sides. So -- and it

21 is that time of year that --

22 CHAIRMAN COX: A lot of people moving

23 around --

24 MR. WUELLNER: -- overall ops dump off, too,

25 so...

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 CHAIRMAN COX: All right. That's the last
2 person for the reports. Let's move into member
3 committee reports, please. MPO?

4 7.A. - MPO

5 MR. BRUNSON: MPO, Mr. Bryant gave a very
6 good presentation for my MPO. And we didn't have
7 a regular agenda meeting last month, so there's
8 nothing new to report.

9 CHAIRMAN COX: Okay. Very good. EDC?

10 7.B. - EDC

11 MR. GEORGE: The only thing to report is
12 Bill Proctor is having a town hall meeting at the
13 public library on 6:30 on Wednesday if anybody
14 wants to go.

15 CHAIRMAN COX: Intergovernmental.

16 7.C. - INTERGOVERNMENTAL

17 MR. BRUNSON: I --

18 MR. GEORGE: That would be Mr. Gorman.

19 CHAIRMAN COX: Mr. Gorman is not here at
20 present. So -- he may be here in a little while.
21 We'll hold off until then for the
22 intergovernmental report. Project updates?

23 8. - PROJECT UPDATES

24 MR. WUELLNER: Project updates, I've got just
25 a handful of projects for you. South hangar apron

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

17

1 development; T-hangar development; hangars 8, 9,
2 and 10; marketing and public relations. And
3 airport leasing activities will round out the
4 project updates.

5 Apron development project, which is the first
6 one on the list, is taxiway -- also known as
7 Taxiway Foxtrot. And the apron bids have been
8 received. I think we reported that last month.

9 We're still for the most part in this holding
10 pattern waiting on FAA on the grant. So, as soon
11 as that materializes, it's ready to go to
12 construction. So, it -- it will -- it will turn
13 dirt just as fast as the money shows up.

14 We are aware of the FAA beginning to award
15 those third-quarter grants or fourth-quarter

16 grants. I would not be surprised if it -- if it
17 isn't very long at all now that -- that whatever
18 they've got planned will materialize. I'm sorry I
19 can't be more specific, but it's kind of the way
20 that works. If it's not a programmed project
21 where they've issued a tentative allocation
22 letter, it's anybody's guess as to how it will
23 fall together, or exactly when.

24 And next project is T-hangar project. You
25 authorized the engineering last month, and it is

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

18

1 underway. And we will shortly -- I believe our --
2 our tentative time frame, Andrew, is next month,
3 to bring back the basic schematic layout of that
4 area and have the discussion per your direction at
5 the -- at last meeting when you approved the item.
6 So, I expect to see that very shortly.

7 And a reminder that this project in terms of
8 construction is, you know, definitively tied to

9 the FAA project, the previous project. So,
10 hopefully we will not see any schedule slippages
11 because we're waiting on that -- that grant to
12 happen.

13 Right now, it's timed very well. I'm very
14 pleased with the progress. And I think it's going
15 to mesh very well. But FAA has the ability to
16 entirely mess up that schedule but...

17 Eastside development area, hangars 8, 9, and
18 10, I -- I am aware that we are basically at the
19 final permit. The only thing left to submit are
20 the reactions, as I understand it, or the final
21 shop drawings on the metal building. That is
22 underway at this point, and I think they're
23 expecting to submit that the end of this week.

24 I have aired -- the site work is underway.
25 Actually what they have done is the -- some

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 preliminary layout out there, and they're awaiting

2 FPL to relocate the transformer. So, as soon as
3 FPL accomplishes that, we'll be -- we'll be under
4 construction over there officially.

5 Just bring you up to date, we did meet with
6 MS 150 Bike Tour folks in the last couple of
7 weeks, and everything looks great. They're in the
8 process of doing their layout with some assistance
9 from us. They'll be submitting that to us
10 shortly. It is still scheduled for the 16th and
11 17th of September. If you're interested in more
12 details about participating in that event or how
13 you can get involved, we do have some brochures up
14 in the front office.

15 But suffice it to say, these folks come ready
16 to roll. They're -- I'm very, very impressed with
17 the organizational structure they bring to this
18 event. It's -- it's almost overwhelming.
19 Everything is -- they've got a group together
20 that's been doing it 20 years, and believe me,
21 they -- they understand what they've got to do and
22 how they've got to do it. So, I think this one

23 will be a lot of fun to be involved in. It's
24 going to showcase the airport without a whole lot
25 of involvement of the airport.

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

20

1 And if you'll notice on the brochures, if you
2 happen to pick one up, the Airport Authority's
3 logo is featured as one of the event's primary
4 sponsor, so --

5 CHAIRMAN COX: Great.

6 MR. WUELLNER: -- nice marketing.

7 Nothing really new to report on leasing
8 activities at this point. A lot of interest in
9 second FBO. We've had several meetings over the
10 last couple of months in that regard. So, as we
11 move through the decision-making progress --
12 process, as the FAA project comes on line and we
13 enter into discussions about what we're going to
14 do down in the south area, just suffice it to say
15 there's a fair amount of interest right now in --

16 in at least looking at that site for future FBO
17 development. Doesn't mean anything's going to
18 come out of it in the short term, but at least
19 we'll be in discussions about that with your
20 commercial operating standards, your lease policy
21 provisions, and, of course, grant projects.

22 CHAIRMAN COX: Very good.

23 MR. WUELLNER: And our EDC, IDA industrial
24 park study. I did want to mention the Master
25 Plan, because I know you're just about to bust at

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

21

1 the seams to ask me that.

2 MR. GEORGE: Sure was.

3 MR. WUELLNER: Everything has been finalized
4 and submitted to FAA. So, we're looking at less
5 than 10 days now. That's the last thing I heard
6 from them, so...

7 MR. GEORGE: Okay.

8 MR. WUELLNER: And we will all be glad to

9 pull that one off.

10 CHAIRMAN COX: All right. Moving forward
11 to -- did you have anything else? Okay.

12 MR. GEORGE: No, sir.

13 9.A. - EDC & IDA - PUBLIC INDUSTRIAL PARK STUDY

14 CHAIRMAN COX: Moving forward to action
15 items, the EDC and IDA. You want to introduce
16 this a little bit, Ed?

17 MR. WUELLNER: Sure. The Chamber of
18 Commerce, the Economic Development Council, which
19 is an arm of the Chamber, for lack of better
20 terms, has approached the Airport Authority about
21 being involved with a study that they're --
22 they're hoping to conduct using a -- a mesh, if
23 you will, of other governmental funds and some
24 private sector money to look at the potential of
25 industrial park sites within the county.

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 And Mr. Nick Sacia, with the Chamber, is in

2 attendance today and would like to make a brief
3 presentation to the Airport Authority with regard
4 to that item. And I'll let -- I'll let him
5 explain where we go from there. And if we need to
6 augment -- he -- he did meet, just so you
7 understand, he did meet with myself and the
8 chairman of the Airport Authority. I think it was
9 last week or --

10 CHAIRMAN COX: Yes, sir.

11 MR. WUELLNER: And briefed us on it and what
12 they were looking to do and the like. And we both
13 were in agreement that this is something that
14 y'all collectively need to understand and -- and
15 think through.

16 So, Nick, there's a mic up there, and I'll
17 bring your PowerPoint up here.

18 MR. SACIA: My name is Nick Sacia. I'm with
19 the St. Johns County Chamber EDC, and I'd like to
20 thank you for allowing me to make this
21 presentation to you today.

22 We know just last week we had the
23 presentation of the fiscal impact analysis study

24 presented. And we see the need to increase the
25 business activity for not only jobs, but the tax

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

23

1 base. And so continuing on that effort, we've
2 teamed up with the Industrial Development
3 Authority (sic), and we hope to team up with the
4 St. Johns Board of --

5 MR. WUELLNER: I think it's the center two.

6 MR. SACIA: -- County Commissioners. And we
7 will be making a presentation to them on July 11th
8 at 1:30 at their commission meeting. And we also
9 hope to -- oops.

10 MR. WUELLNER: The center one, grab that.

11 MR. SACIA: There we go. Hope to partner up
12 with the St. Johns-St. Augustine Airport
13 Authority, as well, on this study.

14 And what it is, as -- as was mentioned,
15 looking at the possibility of publicly -- either
16 publicly owned or private/public partnership to

17 increase the opportunity, not only for just
18 industrial land, but for business land in general,
19 including office.

20 And my goal today is to give a quick rundown
21 on why, what we hope to accomplish with the study,
22 and how we'll benefit the airport here in our
23 county. It's got a hair trigger.

24 MR. WUELLNER: Yes, it does.

25 MR. SACIA: And, of course, in attracting new

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

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1 businesses to an area, there are certain things
2 that are important right off the top to any
3 project. A survey done in 2004, 70 -- 76 percent
4 responded that availability of land was important.

5 Of course, I'm surprised that wasn't a
6 hundred percent, because without availability of a
7 place to put your project, it's just not going to
8 happen. And then the cost of land, the occupancy
9 of construction, construction cost was important,

10 and then highway accessibility.

11 Now I'm going backwards. Still going
12 backwards. There we go. And, of course, part of
13 the issue, if you don't have enough industrial
14 land, is small acreage. There would be a little
15 usage, of course. The shortage brings up a higher
16 price. The supply and demand issue takes place.

17 And then for your local businesses, it even
18 gives a -- a kind of a negative tone to them. As
19 they look to expand and don't have anywhere to
20 expand, it can really impact even the local
21 businesses here.

22 Now, publicly owned industrial parks in the
23 State of Florida is nothing new. About 65 to 75
24 percent of the counties have publicly owned
25 industrial parks, and a majority of those are in

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

25

1 conjunction with the local airport in that
2 community.

3 Now, our study objectives is to identify and
4 recommend the potential sites. We're looking at a
5 minimum of three sites. Of course, we want to
6 include the area surrounding the airport, and that
7 is controlled by the Airport Authority.

8 We -- going to look at, in addition to
9 acquisition and partnership strategies, how those
10 sites should be prepared and how they would be
11 managed and liquidated. Now, here at the airport
12 it's a little different if you already own the
13 land, and then it's a lease-type situation.

14 The -- here's the -- what we're looking at,
15 using these sites for not just industrial uses,
16 but warehouse distribution, office and flex
17 office, and research and professional services.

18 And what the study will do, will give us a
19 recommendation for the best use of the sites that
20 are studied.

21 Again, to conduct this study, the --
22 actually, the St. Johns County Chamber EDC will
23 kind of act as the master consultant, with help

24 from the Industrial Development Authority, St.

25 Johns County, and the outside -- and an outside

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

26

1 consultant, and hopefully along with the Airport

2 Authority here will be involved in that.

3 And we've also added that they should be --

4 have experience with the outside consultant with

5 airport master planning. So, that experience will

6 be there to cover anything that the EDC or the

7 local community doesn't have experience in.

8 Now, in accomplishing the objective, a couple

9 of things that are important to the airport sites,

10 of course is the competitive evaluation and how we

11 can compete with other areas as we compete for

12 these businesses. But finalize the site list to

13 make sure the site that is controlled by the

14 Airport Authority is in place to be studied, and

15 then analyze that site to see what the potential

16 is and taking in the constraints, the land use,

17 the transportation access, and other conditions
18 that would affect that site.

19 Of course, then that will include conceptual
20 development plans. So, it will help us to see
21 what possibility is there, as not only to the use,
22 but the layout, the infrastructure, what
23 improvement is needed, how much it will cost to
24 make it a viable competitive business area, and
25 then how that infrastructure will be funded,

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

27

1 either through grants through the government or
2 other opportunities that the State of Florida
3 offers, or here locally.

4 And then most -- probably most importantly,
5 the fiscal analysis to make sure that our return
6 on investment is valid, that we're not spending a
7 hundred dollars to make \$10 and so that it's a
8 benefit to the entire community.

9 Somehow I keep going backwards again. Sorry

10 about that. For the site consultant, which is
11 very important, an RFP, request for proposal, will
12 be created that outlines the goals and objectives
13 that all participating partners will put together
14 to make sure that we get done what we need done
15 and what we want done. It will be sent to
16 qualified consultants that the Industrial
17 Development Authority and the EDC have identified
18 and any other suggestions, as well as publicly
19 noticed. So, we get the best opportunity for the
20 best consultants.

21 And then the applications will be reviewed by
22 a committee made up of the partners and make a
23 recommendation for the hire of that consultant.

24 Then the -- what they will deliver is a final
25 report. They'll have text, public workshop

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 results, mapping, and -- and the other activities
2 that are within the scope of services and the

3 objectives. The -- the consultant qualifications
4 will have to meet the requirements of the study.

5 Now, the cost estimate is at \$100,000 to do
6 a -- really an in-depth study. That could be
7 adjusted, depending on the things we need to do,
8 but right now we're looking at a very in-depth
9 study, one that will help us to move forward, not
10 just something that they take out of other books
11 that we could get the information. But they
12 present us with an action plan that we can follow
13 through with several different options and not
14 limit it to just the -- kind of the cracker box
15 consultant response they might usually give.

16 So, when we look at paying for the study,
17 we're looking at dividing that equally between the
18 partners. The \$25,000 from the Industrial
19 Development Authority, we're going to request at
20 the July 11th meeting; \$25,000 from the Board of
21 County Commission. The EDC will participate up to
22 the amount of \$25,000. And then, of course, we're
23 requesting today \$25,000 from the Airport
24 Authority.

25 Now, as we look at this study and the

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

29

1 importance of it and we look at some of the growth
2 that's important to St. Johns County, we see the
3 land uses and the businesses that expand and bring
4 money into the local economy. And, of course, any
5 business that uses the airport is going to bring
6 that much more influence on an economic situation
7 to the economy.

8 And then even the forces that are driving the
9 economy are important to the airport and the
10 study. The job growth in Jacksonville is -- was
11 just brought out. People want to fly into this
12 area if they're going to put their businesses
13 close to the Jacksonville area and have access to
14 that large market, but do it from our community
15 where we reap the benefits.

16 And development and popularity of St. Johns
17 new communities with the residential encroachment,

18 we know that's a very popular item these days in
19 our area. And it's interesting because a lot of
20 people have asked, "Well, why does the public
21 sector need to get involved with owning business
22 sites? If it's such a great deal, why doesn't the
23 private sector get involved?"

24 And it's really because of that point right
25 there. Residential's in such high demand, it's a

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

30

1 lot easier for the developers, a lot less risky
2 for the developers to put their money in that.
3 I was talking to Flagler development about
4 the property just north here that they want to
5 make residential, and his words were to me -- and
6 we had a project interested in that area that
7 needed rail -- and he said, "If we had a project
8 that we knew was going in, we would be more than
9 happy to leave it industrial. But we know if we
10 make it residential, we can turn that property

11 right now and don't have to wait."

12 So, we're working on getting them a project

13 right now, so hopefully that will come through.

14 But that's -- that's why. The -- the private

15 sector is looking for that ROI immediately that's

16 available out there in the residential market

17 right now.

18 Now -- now when we do the study, of course

19 it's going to look at the preservation,

20 protection, and development of the workforce

21 opportunity sites, and assure that there's not

22 only a adequate supply today, but also in the

23 future, that we have a place for the -- all the

24 residents, new residents moving in to have a place

25 to work.

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 One of the problems is there's already a

2 shortage of that available development-ready land

3 to accommodate business growth. We continue to

4 grow residentially. And we just have to become
5 more aggressive in targeting that development to
6 offset the growth of the residential communities.

7 Now, why do we want to include the St. Johns
8 Airport Authority? Well, by adding the
9 infrastructure and the shovel-ready sites to be
10 able to lease to businesses that want to locate
11 near the airport or have a reason to be in this
12 area, it provides an additional income stream to
13 the Airport Authority, and that will accelerate
14 the time -- time frame for financial independence
15 from the tax rolls, which we know is a goal of
16 this Authority.

17 Also, the commercial development creates a
18 natural buffer from encroaching residential
19 development. A lot of businesses like to go near
20 the airport because they, too, fear that
21 encroachment from residential. So, if you create
22 that buffer, that layered effect, it's a benefit
23 to the growth and future of the airport.

24 And then the needed options when you present

25 to a future project that's looking for a place to

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

32

1 go, they don't only like one site. They like to
2 have a variety of sites. Kind of like why you
3 choose your favorite store, because they have more
4 options for you to choose from; the same way in
5 the business world.

6 So, if you have sites near the airport that,
7 even though they're leased, that's an option that
8 a lot of businesses like, they want to take
9 advantage of.

10 And, of course, the study will provide the
11 answers to those burning questions that we've all
12 had about how successful could business
13 development around the airport and the land that
14 it has been, and it can be done at a reduced cost,
15 doing this study together and jointly, rather than
16 doing it independently.

17 So, that's our presentation today. We hope

18 that everyone sees the importance of what we're
19 doing in preserving this future land, and really,
20 though, how it benefits the community and each one
21 of us in the different things that we're doing.

22 CHAIRMAN COX: Thank you for your
23 presentation. Why don't you stand by and see if
24 there's any questions from any board members.

25 MR. BRUNSON: One thing pops in my mind. Why

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

33

1 was the City of St. Augustine excluded from
2 participating in this?

3 MR. SACIA: Well, as far as I know, and being
4 new to the area, I'll have to admit, they just
5 don't have any available sites on that type of
6 scale. The sites we're looking at are the larger
7 sites. They call them megasites, usually 200
8 acres plus. Although those won't be excluded from
9 the study area if there's appropriate sites that
10 are smaller. But we are generally looking for the

11 future of the business development.

12 MR. BRUNSON: Yeah. But they would --

13 MR. SACIA: They -- they would still be

14 included in the land that we look at.

15 MR. BRUNSON: But they would be -- they would

16 benefit from this.

17 MR. SACIA: Yes.

18 CHAIRMAN COX: Mr. George?

19 MR. GEORGE: You said that your -- the study

20 would be looking at three sites.

21 MR. SACIA: At a minimum.

22 MR. GEORGE: Okay. So, the three sites, one

23 would be the airport, and then two would -- the

24 other two would be somewhere else --

25 MR. SACIA: To be identified.

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 MR. GEORGE: -- to be identified at another

2 point.

3 MR. SACIA: Right.

4 MR. GEORGE: You also mentioned that there

5 were county-owned --

6 MR. SACIA: Well --

7 MR. GEORGE: -- industrial parks in other

8 counties.

9 MR. SACIA: Oh, yeah.

10 MR. GEORGE: Is that what the intent is here

11 for the County, through the Board of County

12 Commissioners, to actually purchase the land from

13 the Airport Authority in the event that that's

14 where they decide to go? I mean, we invested

15 money in it.

16 MR. SACIA: Right. No. That wouldn't be the

17 intent. As a matter of fact, the -- the intent of

18 the study is to even identify how that land is to

19 be owned. It does not necessarily mean that the

20 County will own it or the Industrial Development

21 Authority will own it. Maybe there'll be a

22 partnership.

23 In this case, since the Airport Authority

24 already owns the land, we're already three steps

25 ahead of any other site in the county, so which

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

35

1 makes it almost the -- on the priority list, moves
2 it up to the top of the list, because you don't
3 have to negotiate with landowners and different
4 other obstacles that are in place. So no, it's to
5 benefit the Airport Authority and the land that
6 they presently own.

7 MR. GEORGE: Okay.

8 CHAIRMAN COX: Anything? I'd like to open up
9 to any questions from the public concerning the
10 issue.

11 (No public questions.)

12 CHAIRMAN COX: All right, sir. Thank you
13 very much. Appreciate it.

14 9.B. - Lease Policy Workshop - Set 2nd Meeting Date

15 CHAIRMAN COX: The next agenda item, Ed, is
16 the lease policy workshop. We need to set our
17 second meeting date.

18 MR. WUELLNER: Yes. These are the suggested

19 dates. Of course, you're free to select these or
20 any others you choose. This would be the lease
21 policy and will also be the second meeting related
22 to the commercial operating standards. And your
23 choices are August 7th or 14th or 21st. They're
24 all Mondays.

25 Your regular Authority meeting would be, if

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

36

1 unchanged, the 21st of August. And if you select
2 that date, our recommendation would be to do it
3 before the Airport Authority meeting.
4 Approximately a two-hour block; wouldn't
5 necessarily take that.

6 MR. GEORGE: I make we do it at the August
7 21st meeting.

8 MS. GREEN: Second.

9 MR. BRUNSON: I -- I'd rather do it one day.

10 CHAIRMAN COX: The 21st.

11 MR. WUELLNER: The 21st?

12 CHAIRMAN COX: Yeah.

13 MR. WUELLNER: Okay. Everybody's all right

14 with that?

15 CHAIRMAN COX: Yes, sir.

16 MS. GREEN: Yes.

17 MR. WUELLNER: All righty. Okay.

18 CHAIRMAN COX: Ed, I need to -- my apologies,

19 but I think we need to back up just a minute. I

20 think the gentleman that was just making the

21 presentation, they -- they were -- they were

22 looking for some input from us as to --

23 MS. GREEN: Funds.

24 CHAIRMAN COX: -- some funds that they were

25 looking for, and I think they wanted to possibly

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 take that forward to the meeting with the County

2 Commission later on. I -- I don't know. Do

3 y'all --

4 MR. WUELLNER: Well --

5 CHAIRMAN COX: Go ahead.

6 MR. WUELLNER: I -- I think -- I think you're
7 right. I think they're -- they're looking for
8 some input. I think they -- one of the things
9 they probably need to try and get on the table is
10 a schedule for doing this study. You know, is
11 that -- is that something that there, you know, is
12 a next year budget consideration for -- for this
13 board, or is it something they are looking to do
14 sooner than an October time line? In which case,
15 you know, we'd need -- we'd need to make
16 provisions if you elected to be involved.

17 The only point I'd really like to make about
18 the study, is I think, you know, this is -- you
19 know, we've -- we've been tempted a number of
20 times over the last ten years, you know, "we"
21 meaning the Authority, in the discussions of
22 developing the Master Plan and just in general,
23 what we would do or what we should be doing with
24 property owned by the Airport Authority that's
25 arguably industrial development property or a kind

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 of property that could be -- could be placed into
2 that kind of use.

3 And I would -- you know, if it's something
4 that the Airport Authority has -- you know,
5 continues to identify as industrial development
6 kind of property, you know, if the Airport
7 Authority were to pursue something like this on
8 their own, you know, you're looking at a
9 stand-alone study that could easily approach the
10 same number that -- that the -- they're looking to
11 do jointly.

12 And by that, I mean, the -- the hundred
13 thousand dollar number would not be a terribly
14 out-there number to do the type of study they're
15 looking for. The -- the advantage here is that
16 they'll -- they're including sites that aren't
17 necessarily owned by the Airport Authority, but
18 are likely candidates throughout the county.

19 And what they're trying to do is create
20 something that's, you know, comprehensive in
21 nature, takes advantage of the same data that
22 would be developed for multiple sites, and -- and
23 provide some plan that the economic development
24 agencies in the county can -- can largely follow
25 when recruiting and marketing St. Johns County to

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

39

1 the -- to the business community, industrial parks
2 and office and -- and those types of use.

3 But what's important to distinguish here is
4 that they're not looking to try and attract
5 additional commercial business in the -- in the
6 sense that we're, you know, trying to identify a
7 new site for a mall or an industrial park or
8 something -- or, excuse me, not industrial park,
9 but a -- which we are looking for -- things like
10 additional restaurant sites or strip malls or
11 things like that. That is not what this site is

12 looking at -- this study is. It's looking for
13 more traditional professional office park and --
14 industrial and even heavier industrial park sites
15 that typically are highly compatible with the
16 airport development.

17 And it's -- you know, I think there's a
18 strong case to be made for our participation, not
19 only because we're -- we're doing something
20 jointly with other governmental agencies in the
21 county, but I think as a -- as a stand-alone
22 project, it becomes less fundable by the Airport
23 Authority because we're not a true industrial
24 development -- excuse me, a true economic
25 development agency that anything we did

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

40

1 independently would really need to have an
2 aviation focus on it.
3 And -- and this allows that analysis to be
4 accomplished and broaden the scope of the

5 industrial park and keep it within the context of
6 what the Airport Authority does that is within
7 their charter.

8 CHAIRMAN COX: And just -- and I wanted to
9 pass along, because I was very impressed with --
10 when we met with the folks last week. But in
11 watching the presentation, it just struck me that
12 it dovetails in with some of Mr. Bryant's comments
13 concerning the queries they get about the
14 developments at Nocatee and stuff and -- and the
15 comments about the businesses wanting to move in,
16 and -- and the first part of the discussion comes
17 up they want to be around the airport. And it
18 seems to me like the industrial park, or an
19 industrial park, close by somewhere would fit
20 right into that. I'm looking for some input here.
21 Does anybody --

22 MS. GREEN: Well, we've discussed this
23 earlier --

24 CHAIRMAN COX: Right.

25 MS. GREEN: -- on the board since I'm the

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 oldest one on here, long before you guys.

2 MR. WUELLNER: In tenure, anyway.

3 MR. GEORGE: You mean you have the longest

4 longevity.

5 MS. GREEN: Most senior.

6 CHAIRMAN COX: Most senior member. Go ahead,

7 Ms. Green.

8 MS. GREEN: I tried. The gentleman, Mark --

9 prior board member, prior --

10 MR. WUELLNER: Marsh? Mark Marsh?

11 MS. GREEN: Quite involved in this. And we

12 do have property kind of earmarked over there

13 that -- that's definitely available.

14 CHAIRMAN COX: That's what they were looking

15 at, that -- that area.

16 MS. GREEN: Yeah. It's definitely on the

17 west side of U.S. 1. So, it's not a new thought

18 process at all.

19 CHAIRMAN COX: No. I -- I guess I'd be

20 looking for input as to whether we want to, you
21 know, take \$25,000 and chip into the fund there
22 and become a full partner in this program. Sir?

23 MR. BRUNSON: The only thing I'd like to say
24 is that I certainly would support this. But this
25 is -- this is an item that I knew a little bit

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

42

1 about. It -- we have had the presentation. And I
2 would like to have time to analyze things.

3 And -- and when we talk about funding and the
4 equal share with the County and \$25,000, I don't
5 know. I might want to think about -- be open
6 minded, but think about negotiations that are --
7 like we did with the MPO and -- and look at that.

8 But I certainly would support this, and I think
9 it's a viable thing.

10 CHAIRMAN COX: Mr. George? Any comment?

11 MR. GEORGE: Well, I -- I like Mr. Brunson's
12 comments earlier about, you know, if you've got to

13 look at who is going to benefit from an industrial
14 park, and all of those players, then I think that
15 all of those players should make some contribution
16 to this -- to this development, you know, program.

17 Now, maybe they're not at the same level as ours.

18 Maybe they're only \$5,000 or \$2,000. But I think
19 that, you know, that needs to be broadened out.

20 The second thing, I notice that the EDC was
21 making a \$25,000 contribution, which was in-kind,
22 which I assume, Nick, that would be your time and
23 material and stuff like that.

24 MR. SACIA: Correct.

25 MR. GEORGE: I don't know where the EDC gets

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 its funding from, but I'd like to see the EDC come
2 up with some hard cash that's put into this
3 particular program.

4 CHAIRMAN COX: So, there's the -- there's the
5 input from the Airport Authority. All right? I

6 say we can table this and discuss it when we get
7 some more information or you guys have a chance to
8 look at the input of the -- was this just copies
9 of your --

10 MR. WUELLNER: Yeah.

11 MS. GREEN: His presentation.

12 CHAIRMAN COX: -- presentation?

13 MR. WUELLNER: Yeah.

14 MS. GREEN: Yeah, I agree. I think I'd want
15 to see a little more of how it affects our
16 budget --

17 CHAIRMAN COX: Right.

18 MS. GREEN: -- and what else we can stretch
19 out, like we did with the MPO.

20 CHAIRMAN COX: Well, I went backwards in the
21 agenda items, so I'll open it back up again.
22 Any -- any discussion from the public side at this
23 point on that? Sir?

24 MR. SLINGLUFF: I think fundamentally the --
25 the concept is very sound. And I think we need to

1 look at the -- the utilization of that land there.

2 I'd be interested to see how the County Commission

3 looks at it, whether they buy into it, and then I

4 think the Airport Authority should review their

5 thoughts on it again.

6 CHAIRMAN COX: Very well taken. Thank you

7 very much. Any further comment?

8 (No further comments.)

9 CHAIRMAN COX: Okay. August 21st, then, is

10 going to be our meeting for the lease policy

11 workshop.

12 9.D. - INDEMNIFICATION - ARFF FACILITY

13 CHAIRMAN COX: Next agenda item is the ARFF

14 facility development.

15 MR. WUELLNER: Yeah. Doug and myself and --

16 and Bryan have been working closely with Grumman

17 over the last -- and I know we've been reporting

18 back to you quite a bit, but we have been working

19 quite a bit with Grumman as to how to develop and

20 operate an airport rescue and firefighting station
21 on the airport.

22 The Airport Authority was successful some
23 years ago in -- in obtaining some grant funds from
24 Florida DOT to participate at a 50 percent level
25 on both the acquisition of a vehicle and a

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

45

1 station, in development of a station. The issue
2 that's been on the table for quite a while is how
3 best to operate it, what mechanism works best for
4 the airport.

5 The Airport pursued that matter with the
6 County, not once, but I believe three times now,
7 one time being basically rejected outright to
8 having the County had made the decision to invest
9 in station 12 down here by the County government
10 complex.

11 Later years, after I got here, the Airport
12 Authority reapproached them -- and this goes back

13 probably five- to seven-year time frame, at a
14 joint meeting with the -- with the Airport
15 Authority and the County Commission, held here.

16 The topic was again broached and discussed, and
17 there was some interest, but largely, the Board of
18 County Commissioners declined to get involved in
19 it.

20 A few years later, the -- the topic came back
21 up, this time with grant money in hand from the
22 Airport Authority, and the County was interested.
23 The Airport Authority delayed implementation of it
24 while those discussions rolled on with -- with the
25 County, and the Airport Authority made provisions

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

46

1 within its budget to accommodate the grant.
2 The overall concept was that the Airport
3 Authority would participate in the acquisition of
4 the vehicle and would largely fund the facility
5 at -- using the grant funds and Authority money,

6 with the understanding that the County at that
7 time would operate the facility on our behalf.

8 So, basically, the operating cost side of the
9 equation, the provision of firefighters and those
10 kind of things would rest with the County.

11 As things happen, the County reassessed that,
12 has decided not to participate at this point at
13 any level, although they do have a mutual aid
14 obligation and the normal response obligation to
15 the airport, because we are within the county
16 jurisdiction. However, specialized response, such
17 as ARFF, is something they're right now shying
18 away from.

19 Grumman had indicated during this period that
20 they were interested in perhaps being involved in
21 that, as they have to maintain a level of airport
22 rescue and firefighting to satisfy their contracts
23 with the Navy, primarily. And those parallel to a
24 large degree what the civilian requirements are
25 for commercial airports, but not identical, but

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 they're very similar. Easily morphed, if you
2 will, between the two entities.

3 Grumman studied the issue. We've been back
4 and forth for the last six months fairly
5 frequently with Grumman's legal folks and our
6 legal folks, trying to figure out where the
7 pitfalls are, how everybody gets comfortable with
8 putting such a deal together, because it is
9 obviously a direct partnership with the private
10 sector in this case.

11 And there are issues that come up in those
12 kind of discussions. And the primary one at this
13 point is the -- how Grumman, in its operation of
14 such a facility, becomes indemnified. How does
15 that -- how does that happen?

16 Doug has spent a lot of time with their
17 attorney and I'm sure is prepared to speak
18 directly about what their concerns are and how --
19 how that comes together.

20 Suffice it to say we had discussions with

21 our -- once we found out what the issue was --
22 broached the topic with our insurance carrier
23 through our -- through our local agent, and found
24 out basically that neither Grumman nor us at this
25 point would be covered by existing insurance

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

48

1 policies related to that activity. So, currently,
2 it's not an issue because no one's doing it,
3 but -- but none of them would be insured by us for
4 that activity, should we choose to go forward with
5 it.

6 Now, with that being said, it's -- it's our
7 understanding that perhaps a stand-alone product,
8 insurance product, is available to provide that
9 first level of defense, so to speak, on any
10 liability that would be out there.

11 Of course, the Airport Authority, as an
12 operating entity, would enjoy some aspects of --
13 of sovereign immunity in its operation, but it

14 would become something wholly operated by the
15 Airport Authority, which I'm not sure in a big
16 picture makes any financial sense unless we
17 identify revenue sources that -- that play against
18 that, in other words, basically sell that service
19 or offer that service or fee that service to
20 tenants on the airport, which becomes a
21 substantial operating nut that's got to be -- be
22 cracked with a -- and -- and frankly, it's going
23 to come down to primary tenants on the airport.
24 Of course, the largest individual user would be
25 Grumman in this case because of their immediate

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

49

1 need to do that.
2 Keep in mind the airport does not currently
3 have an obligation under most circumstances to
4 provide any type of firefighting capability or
5 rescue capability. However, it's a condition of
6 our Part 139 certificate that we deal with how we

7 provide it when it is required. And in our case,
8 it's -- the only condition that exists when we're
9 required to have it is when we allow primarily
10 Part 121 operators or air carrier-type aircraft
11 and operators to access the airport in our
12 community.

13 For instance, when the University of
14 Georgia/Florida game comes in, and Delta Airlines
15 flies in and -- and drops off the team, that's --
16 a requirement under our certificate is that we
17 have that firefighting and rescue capability
18 on-site and available during those aircraft
19 operations when it's here on the property.

20 MR. BRUNSON: Do we -- do we do that?

21 MR. WUELLNER: And we do. We have done it a
22 couple of ways over the -- over the time they've
23 been operating here. One is we, by arrangement
24 with the County, they have come in. Now, they
25 have since told us they will not do that for us

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 anymore. So, they're -- they're really not going
2 to be available as early as October to solve this
3 problem.

4 Now, Grumman is the other entity that has the
5 ability to do that and has done that standby ARFF
6 for us in the past at no charge, just as a
7 courtesy for us. But as those operations and --
8 and as we predict will become more frequent over
9 the years and will stretch hours beyond when
10 Grumman normally operates, those -- those are
11 going to involve costs.

12 Now, what those are, I don't know. But a way
13 to deal with that is by -- by creating that
14 relationship now when it's fairly easy to do,
15 fairly simple in its design. But we've got to get
16 past this indemnification issue and how -- how to
17 structure something that protects the Airport
18 Authority, as well as Grumman, at least to some
19 identified financial level.

20 The Airport Authority has -- as I said

21 earlier, has less risk I believe in the big
22 picture if we're operating it. But if we contract
23 for that service, I think we potentially open the
24 door again for it.

25 So, I'm sure Doug's ready to fill in any of

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

51

1 the holes or where I've got it a little twisted.
2 And -- and Ralph Klein's here, too, with Herbie
3 Wiles, who is our local agent that represents
4 nearly all of our insurance that the Airport
5 Authority has in place with the exception of
6 workers' comp and some health care. But
7 generally, all of our property and liability
8 insurance is placed through them. So, these guys
9 could expound upon any of the details needed.
10 With that --

11 MR. BURNETT: Two -- two things: To -- to
12 separate the liability issue out, I guess taking
13 the first one is, if you operated an airport fire

14 facility here, you're -- you're going to be liable
15 for the acts, potentially liable for the acts that
16 your fire personnel happen to, you know, cause
17 personal or property damage. So, from that
18 standpoint, if you were to operate it yourself,
19 you -- you would potentially have liability
20 issues.

21 So, the thing that Grumman is looking at us
22 saying is you're going to supply us with the
23 facility -- and I don't want to put words in their
24 mouth. But as I understand it, you're going to
25 supply us with the facility and the equipment. We

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

52

1 need you to indemnify us at least as it relates to
2 making any of our operations that don't relate to
3 Grumman conduct.

4 You know, if Grumman's fighting one of its
5 own fires or giving support for its Navy -- Naval
6 missions or those sorts of things, then it would

7 be liable for its own acts. But anything related
8 to emergency calls on the airport or other
9 airport-related functions, they would like to be
10 indemnified for.

11 The second part, though, and this is, I guess
12 sort of getting down to minutia, but one thing
13 that's interesting is if a private entity operates
14 fire service, the individual fireman, the person
15 driving the truck, the person fighting the fire,
16 can be personally liable, that individual, as well
17 as the company they're working for.

18 When it's an airport entity, they really
19 can't, because you have sovereign immunity to
20 protect the individual. And there's a whole line
21 of cases out there that talk about courts are not
22 going to second-guess.

23 And -- and specifically related to firemen,
24 they're not going to second-guess the fireman's
25 decision to kick the front door down and go fight

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 the fire, and that happened to cause more damage
2 to the house because they kicked the door down
3 instead of going around back and fighting it from
4 the back. Courts aren't going to second-guess how
5 folks fight fires.

6 So, from a -- from a sovereign immunity
7 standpoint, the individuals are going to be
8 protected if you structure this in a way that will
9 provide -- even though the employees may be a
10 Grumman employee, you can structure it in a way
11 that will provide the individual your sovereign
12 immunity protection.

13 If you're going to go ahead and indemnify
14 Grumman -- and this is really a business decision,
15 but if you're going to indemnify Grumman, you
16 might as well set it up this way so that the
17 individuals are protected by your sovereign
18 immunity. And essentially what that means is, is
19 that the policies and procedures that their fire
20 personnel use when they're responding to
21 non-Grumman fires would be policies and procedures

22 that you adopt and promulgate. And contractually
23 Grumman's -- Grumman would have to agree. And I
24 think they would, given -- given this -- just the
25 practicality of it.

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

54

1 But those policies and procedures would come
2 from you to say how they operate on -- and, of
3 course, those policies and procedures would be
4 standard policies and procedures that fire
5 personnel use nationwide. But if they're adopted
6 by you and directed to them and given to them as
7 directives, their personnel can fall under your
8 sovereign immunity.

9 Still is going to wind up -- it's not going
10 to cause, change -- make any change related to the
11 fact that the Airport Authority would be liable
12 and you would still need additional coverage on
13 your insurance, but it does help that individual
14 fire person from their liability.

15 I -- I think that's really it. It's a
16 business decision for you, if you want to
17 undertake it. Obviously there's risk. Again, the
18 risk mostly relates to damage to persons or
19 property, but for the most part, the way and the
20 methods firefighters employ to fight fires, all of
21 the peripheral things, if they decide they need to
22 go down and cut -- cut down a swath of trees to
23 stop the fire from expanding, there's not going to
24 be liability there.

25 If they run somebody over with a fire truck,

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

55

1 there could be liability there, and then that's
2 what you need to insure against, is those types of
3 occurrences.

4 MR. WUELLNER: I was going to say -- turn
5 this thing off. What I was going to say is you --
6 you've kind of got the issue on the table. The
7 other thing is, what, as a -- as a product out

8 there from an insurance standpoint is there that,

9 you know, creates that buffer, if you will,

10 against the risk?

11 And I was going to ask if -- you know, if you

12 would indulge Ralph relative to -- you know, he's

13 only had this task a very short time, so we're not

14 standing here with a quote today, I don't think.

15 But I think he's probably had a chance to ask a

16 few questions and get -- get a feel for what's out

17 there on a product.

18 What we do know -- and -- and you all will

19 have to correct me here, too, is that our existing

20 policy framework does not cover that activity.

21 So, it is something that would -- would be an

22 additional policy or -- and/or it could be wrapped

23 into the -- the resolicitation we do annually for

24 our general liability. It could be included in

25 that scope and wrapped into a bigger policy as we

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 move forward.

2 I don't see that in any case there's any
3 liability until well into next fiscal year or even
4 later where you have a time to react in quoting
5 and getting that -- getting that information. But
6 it -- you've got to know whether you want to go
7 there.

8 CHAIRMAN COX: I like the idea. I just --

9 I'm curious about a couple of things. Is it --
10 is -- is the direction you're heading with
11 Grumman, in our partnership with -- a partnership
12 with Grumman, that we would contract them for
13 certain times and pay them for certain periods of
14 time or --

15 MR. WUELLNER: Well, only in the effect it
16 probably creates some sort of a contractual
17 relationship to -- to cover those aircraft ops.

18 As -- again, as the airport develops, it may be
19 that, you know, they're -- they're available 24/7
20 at some point in the future. That's not out of
21 the box.

22 CHAIRMAN COX: That's fine. I just wanted
23 to -- to see where we're going. Yes, sir.

24 MR. BURNETT: Yeah, if I could, Mr. Cox, to
25 add to that, I think what you have now is this --

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

57

1 this indemnification issue really is a deal
2 breaker. And so if -- if --

3 CHAIRMAN COX: Sure, it would be.

4 MR. BURNETT: If the Authority isn't prepared
5 to indemnify Grumman, what we understand is
6 they're -- they're not willing to do the air
7 services -- I mean, the fire services.

8 And so, I guess from that standpoint, once we
9 get past this issue, if -- if the answer is, yes,
10 the Authority's willing to indemnify Grumman for
11 these fire services, then we'll be bringing back
12 to you a contract after we've negotiated --

13 CHAIRMAN COX: I wanted to --

14 MR. BURNETT: -- to resolve those issues.

15 CHAIRMAN COX: I wanted to see if that's the
16 direction we're heading. To me, the -- the
17 indemnification's a foregone conclusion. I mean,
18 we have to. Yes, ma'am.

19 MS. GREEN: Yeah, I agree with you. I think
20 we need to seek that out. I mean, if the
21 indemnification costs \$40 million, then --
22 whatever, but if it's something in the budget we
23 can work with, I don't think indemnification
24 should be an issue or a stumbling block. I think
25 we need to look at it.

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

58

1 MR. GEORGE: Can we pass this \$40 million on

2 to Mr. Slingluff?

3 MR. WUELLNER: I think directly. I think --

4 I think there's a little-known clause in his lease

5 that he's unaware of, that directly, it just --

6 that bill shows up there.

7 MR. SLINGLUFF: No problem.

8 MR. WUELLNER: Yes, we're kidding.

9 MR. GEORGE: Then let's go for it.

10 CHAIRMAN COX: Your -- your fuel just went up
11 \$8 a gallon.

12 Yes, sir.

13 MR. BRUNSON: Mr. Burnett, did you -- did I
14 hear you say that -- that if we had an independent
15 firefighting company, that we just let them do
16 this independently, that we couldn't do that
17 because of the sovereign immunity?

18 MR. BURNETT: No. What I'm saying is, is
19 if -- if Grumman were to operate this fire --
20 this -- these fire services contractually with the
21 airport, or operate them on their own, the actual
22 person fighting the fire would not have the
23 benefit of sovereign immunity.

24 MR. BRUNSON: Okay.

25 MR. BURNETT: If it's structured

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 contractually between the airport and Grumman so
2 that the policies and procedures that the fire
3 personnel use in fighting the fires, if those
4 policies and procedures are adopted by the
5 Authority and -- and given as directives to those
6 personnel, then the individual people who are
7 fighting the fire will be protected by your
8 sovereign immunity.

9 MR. GEORGE: Like you can get that with an
10 outside service. You hire an outside service to
11 perform to our operating procedures.

12 MR. BURNETT: Sure. Exactly.

13 MR. GEORGE: Then the outside service people
14 would be covered.

15 MR. BURNETT: Yes. As long as -- exactly.

16 MR. GEORGE: Okay.

17 MR. WUELLNER: The issue -- yeah, I was going
18 to say, the issue, as I -- the issue, as I
19 understand it, is the control of the work. You've
20 got to establish what your contractor does.

21 Whether it's Grumman or some other private entity,
22 the Airport Authority has to exert a substantial

23 amount, if not complete control, over what they do
24 and how they do it in order to kind of create the
25 chain of -- of keeping it under sovereign

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

60

1 immunity.

2 MR. GEORGE: I just got the impression it was
3 an either/or.

4 MR. WUELLNER: Well, you insure it.

5 MR. GEORGE: You've got Grumman, they fall
6 under it; you get an outside service, they don't
7 fall under it, and it didn't sound that way to me.

8 MR. WUELLNER: Well, you can insure it. I
9 mean, if that company's in the firefighting
10 business, odds are they've established some sort
11 of insurance mechanism where they're protected to
12 a level, and that may not be an issue.

13 There are very few of those private venture
14 fire firms for good reason.

15 CHAIRMAN COX: I want to make just a bit of a

16 point here, because it's -- it's important to
17 separate two types of firefighting. And
18 firefighting a house and firefighting an aircraft
19 fire are two totally different things. And if we
20 go in the direction of trying to hire an outside
21 source, if you will, to do this -- we've got --
22 we've got aircraft professional firefighters on
23 the field already who are probably experts at
24 their job. It just requires a tremendous amount
25 of extra training to go the extra yard.

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

61

1 And I'm sure, Ed, you'll -- you can back me
2 up on this. The firefighting on a 757 or 73- or
3 whatever, with a 120 or -30 or -80 people in it,
4 it's just way different than a house, so...

5 MR. WUELLNER: Way different.

6 MR. BRUNSON: We can't go back to the
7 volunteer fire department?

8 CHAIRMAN COX: I guess you could, but then

9 your insurance rates will really going up. No,

10 it's just --

11 MR. WUELLNER: Not only that, you lose your

12 operating certificate --

13 MR. GEORGE: We can get the airport --

14 MR. WUELLNER: -- so you don't even have to

15 worry about having an airplane.

16 MR. GEORGE: -- Pilots Association.

17 CHAIRMAN COX: The Pilots Association?

18 MR. GEORGE: We've got the Pilots

19 Association. They know about it.

20 MR. RODERICK: We have a solution. Northrop

21 Grumman.

22 CHAIRMAN COX: But, I mean, it's like we have

23 a tremendous opportunity here with the folks that

24 are on the field already, if we want to take

25 advantage of that. I -- I -- that would be my

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

2 MR. WUELLNER: I think from a liability
3 standpoint, the -- the absolute best position was
4 the County doing it, because they have the exact
5 same scenario we do, and they're already
6 professionally paid firefighters that are
7 governmental, inherently governmental in this
8 case, and it would be a very easy thing to do.
9 But with the County not willing to look at that at
10 this point again, and --

11 MR. BRUNSON: Who's -- who's -- who's the
12 main -- main person objecting to this? Bobby Hall
13 or --

14 MR. WUELLNER: Whoever the --
15 MR. GEORGE: Jim Bryant?
16 MR. WUELLNER: We were -- we thought we were
17 virtually done with it with the County. And they
18 asked Grumman to come over and asked the Airport
19 Authority to come over, and they -- I mean, we
20 were at the point of having discussed openly the
21 plans for a station, you know, what it would look
22 like, where it would be on the airport, its

23 character, all those things. And we were
24 basically summoned over to the County and -- and
25 told they were no longer interested, tough noogies

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

63

1 (phonetic), bye, see you later, good luck with
2 this, and by the way, we won't be able to do that
3 for you even on an on-call basis and --

4 CHAIRMAN COX: Well --

5 MR. WUELLNER: And as I said, it's changed.
6 Basically the leadership's changed within the fire
7 department or emergency management, or whatever
8 the technical term is, over there. We've seen
9 their approach to this waffle from complete
10 agreement and we want to be on board and
11 everything's cool, to, you've got to be kidding
12 us; we've got way more than we can deal with now.

13 CHAIRMAN COX: Well --

14 MR. WUELLNER: We're back in that pendulum
15 swing again.

16 CHAIRMAN COX: Let's -- let's try to move
17 forward on the -- you know, for whatever we get
18 out of it with the Grumman situation so we can go
19 with that. Is there any further discussion from
20 the Authority on it?

21 MS. GREEN: No, I just think we need to look
22 at the indemnification provision and -- and let
23 Ralph get us some more information as he has more
24 time.

25 MR. WUELLNER: I'm not sure what he has even

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

64

1 today. So, if you give it two seconds here...
2 MR. KLEIN: What I can tell you is, the
3 current liability policy, you're really looking at
4 it from -- from one issue there. Those -- the
5 policies, the way that they're designed, they will
6 never provide indemnification to an outside
7 source. So, you really are looking at a
8 stand-alone policy for the firefighting facility.

9 And in that situation, you can -- you can
10 write a policy in the name of the Airport
11 Authority and Grumman, and then you don't even
12 have to worry about indemnification, because
13 they're already a named insured on the policy.

14 MS. GREEN: But can they be included as a
15 sovereign entity under that? I think that's our
16 question.

17 MR. KLEIN: Well, the firefighters, if you --
18 if you still structure the agreement the way
19 Mr. Burnett was talking, the firefighters will
20 still be under the sovereign immunity.

21 MR. BURNETT: Yeah. That's just a -- it's
22 just a nuance in order to protect the individual.

23 CHAIRMAN COX: The individual. Sure.

24 MR. BURNETT: Yeah. I mean, the reality is,
25 is whether you had that there or not, a lawsuit

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 that involves some act that happened is going

2 to -- would name the individual and name Grumman,
3 because Grumman's the deep pocket. But they're
4 still going to name the individual most often.

5 The only thing that the sovereign immunity
6 twist does is it gives you a better chance for
7 that individual to have not been named in the
8 first place or to have the lawsuit dismissed
9 against the individual if their act obviously was
10 within the course and scope of their employment,
11 which is what you typically have with firemen.
12 Firemen would not be named in a lawsuit
13 individually, typically. It would be the -- the
14 government entity that they are employed by.

15 CHAIRMAN COX: Well, it gives us a better
16 chance to have the individual firefighter get on
17 the truck to go fight the fire, just basically.

18 MR. BRUNSON: We just need a quote.

19 CHAIRMAN COX: Well, and I think that's
20 something -- that's what we're, you know, looking
21 into right now.

22 MR. WUELLNER: Yeah. Again, there's no -- no
23 short-term need to -- to bind a policy --

24 CHAIRMAN COX: Yeah.

25 MR. WUELLNER: -- because it -- it doesn't

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

66

1 exist yet.

2 MS. GREEN: Right.

3 MR. WUELLNER: But it -- but it's going to

4 soon.

5 MS. GREEN: But for budgetary purposes we

6 just need to know.

7 CHAIRMAN COX: Right. This gives good

8 insight on it. Thank you very much. Appreciate

9 it.

10 I'll open this up to public comment on the

11 agenda item. Any public comment?

12 (No public comment.)

13 CHAIRMAN COX: Okay. Very good. Let's move

14 forward on --

15 MR. WUELLNER: So, you'd like us to just

16 indicate to Grumman that -- that we're open to the

17 idea of --

18 CHAIRMAN COX: Absolutely.

19 MR. WUELLNER: -- indemnification --

20 CHAIRMAN COX: I think everybody's in support
21 of that.

22 MR. WUELLNER: -- so that we can move the
23 discussions of the -- of agreements forward? Is
24 that --

25 CHAIRMAN COX: Yes, sir.

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

67

1 MS. GREEN: Uh-huh.

2 MR. WUELLNER: All right.

3 9.C. - PROPERTY & LIABILITY INSURANCE DISCUSSION

4 CHAIRMAN COX: Property and liability
5 insurance alternative?

6 MR. WUELLNER: Well, yes. Again, I have
7 Ralph here to be -- to begin the discussion
8 related to property and liability insurance
9 alternatives that -- that are -- Mr. Gorman has

10 kind of been champion with the Authority, and
11 which he's not here today, but I don't -- I don't
12 think that needs to necessarily preclude the
13 discussion.

14 The -- the interest has been in particular in
15 the area of property insurance, and with all the
16 hurricanes and other things that have happened,
17 property insurance for virtually everyone has
18 skyrocketed, for lack of better terms.

19 I don't believe we have issues, at least
20 short term, with the liability side of the
21 equation. And, you know, that's a -- in the
22 scheme of things, a fairly inexpensive component
23 of what we insure today. When you factor that or
24 multiply that by your protection under sovereign
25 immunity, in many cases you're pretty strongly

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 protected in most circumstances.
2 Now, the issue of property insurance, you

3 know, we -- we -- we currently -- and I'll ask
4 Rob -- Robert -- Ralph to present -- I've asked
5 him to look at -- he and I met, along with
6 Ralph -- am determined to make this difficult.

7 Ralph and Doug Wiles, we have -- we have met,
8 and I have kind of tasked them with trying to
9 identify some alternatives that could be placed on
10 the table for discussion by the Authority over the
11 next couple of months as we approach policy
12 renewal for -- for our assets on the airport.

13 Now, of course, many of those assets are
14 occupied by others, other than the Airport
15 Authority, through lease agreements. However,
16 they remain public assets, and -- and at least my
17 opinion, probably needs to be afforded or continue
18 to be afforded some level of protection in our
19 property insurance.

20 Question on the table really to develop over
21 the next couple of months is: To what level? Do
22 we keep with what we've got? You know, we've been
23 very, I don't want to use the term "unhappy," but

24 the reaction of what's gone on with the insurance
25 market means that we can expect to pay more and

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

69

1 continue to pay more and more and more to -- to
2 protect the property assets of the Airport
3 Authority to some level.

4 I think Ralph's in a position certainly to
5 explain what we have, how we insure today, what
6 those risks are for catastrophic loss, and also
7 perhaps what other vehicles are in place that --
8 that we can look at and make informed decisions as
9 to whether we perhaps change the ratio of what's
10 insured to what the Authority assumes a risk for,
11 and also related to specific catastrophic events
12 such as hurricanes and wind damage and things of
13 that nature which are most likely components to
14 property damage, at least in Florida.

15 So, with that, Ralph, you might be -- why
16 don't you come up and just have a seat. I don't

17 know if you want to spread some papers out.

18 MR. KLEIN: Oh, that's fine. I'm fine. Good

19 afternoon again. Currently, we have -- and I'll

20 just speak in round numbers. We have roughly \$20

21 million of property insured on the premises.

22 We -- and the way the policies are -- we

23 actually have two policies. There's a primary

24 policy, which covers the first two and a half

25 million dollars of property, and that has a

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

70

1 three-tier, what I call a three-tier deductible.

2 The first deductible is a general deductible for

3 fire damage of that sort. That's \$10,000.

4 The second deductible is \$50,000, and that

5 covers wind and hail. The third deductible is a

6 five percent deductible, and that is for name --

7 named storms. So, you've got a million dollar

8 deductible in the case of a hurricane. That

9 primary policy for two and a half million dollars

10 costs you roughly \$150,000.

11 The second policy is an excess policy, and

12 that covers the remaining 18 some-odd million

13 dollars. That policy costs \$94,000. So, you can

14 see -- and the way that -- the way that insurance

15 is -- is built anyway, most of the loss is going

16 to come in the early dollars.

17 What we have been looking at -- and your

18 renewal is up the end of September, which I'm sure

19 you all know. What we have been discussing with

20 the companies that we work with is how can we do

21 something to reduce the cost of the policies in

22 order to make -- you know, to keep things a little

23 bit in line with -- with what they are today and

24 how they have been in the past.

25 As you all know, and as Ed alluded to,

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 property insurance is becoming very difficult.

2 I'm sure some of the people in the room have

3 received nonrenewals from your homeowner's
4 insurance carriers. There are -- most companies
5 are not willing to look at \$20 million worth of
6 property within a small area that is a mile from
7 the ocean. It's -- it's just a very difficult
8 thing to do, and there are only a handful of
9 carriers out there that are -- that are willing to
10 do that now.

11 What we have been discussing with our
12 carriers at this point is possibly -- is looking
13 at -- what they have said to me is the -- the
14 primary thing that we can do to -- to alleviate
15 the cost is probably look at changing wind
16 deductibles, either increasing that to a 10
17 percent deductible, in which case if you do
18 something like that, you may even want to --
19 there's a possibility of eliminating the primary
20 policy entirely. And you're -- in a sense, you're
21 self-insuring for the first two and a half million
22 dollars of -- of property.

23 On top of that, they really -- I mean, when
24 we originally started, we had talked about just a

25 couple of different things, but in my last

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

72

1 discussion with them, they said companies are not
2 willing to do that right now with the way the
3 market is.

4 So, those are really the alternatives.

5 And -- and when we come back in August, September,
6 we're going to bring as many possibilities as we
7 can to the table for your review. But that's --
8 that's where we sit today.

9 CHAIRMAN COX: Any questions from the board?

10 MS. GREEN: I think we definitely need to
11 look at that \$150,000 a year we pay for our \$2
12 million first policy --

13 MR. GEORGE: Absolutely. Ed, has -- has any
14 of the other airport facilities in the State of
15 Florida gone to any kind of self-insurance on
16 liability?

17 MR. WUELLNER: A lot of -- a lot of the

18 airports -- you know, you're -- you're one of the
19 few airports that operates entirely autonomously
20 from other governmental entities. And many of the
21 other airports, if not most of the other airports,
22 are a part of the county's or city's overall
23 property insurance risk. So, it becomes a much
24 smaller component of a big fish.

25 In our case, what we own is what we have to

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

73

1 insure, versus the airport's property being a part
2 of what an overall city or county might own and
3 becomes a fairly small player in it.

4 So, directly, it's problematic, because we
5 don't own -- we're not big enough to be
6 self-insured -- at least that's in my opinion,
7 based on what I've learned. You just simply lack
8 the wherewithal to create enough of a reserve, and
9 that would be substantial, to literally
10 self-insure. So, you've got to really watch it.

11 But there may be a way to create a much
12 better front-end component in this. I think
13 that's where the most hope sits from a financial
14 standpoint.

15 MR. GEORGE: I think the term
16 "self-insurance" typically conjures up an image
17 of, we're going to take on the responsibility of
18 insuring everything.

19 What if we tripled our deductibles,
20 quadrupled our deductibles? We've got an exposure
21 out there, but we also should be getting a
22 significant reduction, you know, in the premium,
23 you know, to cover everything after that.

24 MR. WUELLNER: Well, I think --

25 MR. GEORGE: I guess that's some of the

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 things that you're looking at.

2 MS. GREEN: That's what he's looking at.

3 Yeah.

4 MR. WUELLNER: And I think that's exactly
5 what he -- what he's trying to say, is that the
6 front end is the expensive part. When you just
7 look at the premium, you're getting -- you know,
8 10 percent of the coverage costs you twice as much
9 as the balance.

10 MR. GEORGE: Yeah.

11 MR. WUELLNER: And if you can -- if we can
12 chip away at what we're willing to absorb on the
13 front end of that, then -- then very likely we
14 could make substantial inroads in reducing the
15 rest of it.

16 CHAIRMAN COX: Very good.

17 MR. GEORGE: Be creative.

18 MR. KLEIN: Yes, sir.

19 CHAIRMAN COX: Any further comments from the
20 board?

21 MS. GREEN: No.

22 CHAIRMAN COX: Any public comments on this
23 agenda item? Yes, sir.

24 MR. WUELLNER: It's not going to get better.

25 CHAIRMAN COX: Mr. Slingluff?

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

75

1 MR. SLINGLUFF: Ralph, is this just wind
2 coverage or wind and -- and water?

3 MR. KLEIN: No, there's no flood coverage at
4 all.

5 MR. SLINGLUFF: No flood coverage.

6 MR. KLEIN: Yeah, it's just wind.

7 MR. SLINGLUFF: The -- the airport in -- in
8 Boca last year sustained, without airplanes, \$12
9 million worth of damage. That's where one
10 building goes, they all go.

11 CHAIRMAN COX: The rest follow.

12 MR. GEORGE: But --

13 CHAIRMAN COX: Go ahead.

14 MR. GEORGE: -- in our case, we don't insure
15 the contents of the buildings that you're leasing
16 from us. So, while I hate to see the \$12 million
17 of airplanes damaged, that's not on my insurance

18 policy.

19 MR. SLINGLUFF: No, no, no. This was just
20 buildings.

21 CHAIRMAN COX: Just -- without the airplanes.

22 MR. SLINGLUFF: No airplanes.

23 MR. GEORGE: Okay.

24 MR. WUELLNER: You know, that's another thing
25 we probably need to spend even more time over the

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

76

1 next couple of months with our -- with our agent,

2 is reassessing the valuations on -- on these

3 buildings themselves, or the asset, you know.

4 It -- it -- on the surface, it looks like \$20

5 million. When you look at what we've -- what

6 we've got and what it would really take to -- to

7 get it back -- back whole would be substantial.

8 MR. BRUNSON: Based on the rising cost of

9 construction --

10 MR. GEORGE: Yeah, exactly.

11 MR. BRUNSON: -- we really do need to look at

12 it.

13 MR. GEORGE: Look at the projects we're doing

14 now.

15 MR. WUELLNER: I mean, you've also got to

16 look at, too, that you -- you know, there are --

17 from our perspective, because we're a governmental

18 entity, you -- you also are, you know, in the --

19 in the hunt for other dollars to help make you

20 whole, you know, and to -- to think you've got to

21 do that entirely within the Airport Authority

22 confines is -- is probably, you know, being

23 extremely pessimistic.

24 You know, the reality is you're going to have

25 agencies such as FEMA, FAA, State of Florida,

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 and -- and other players that will be involved in,

2 you know, that kind of a catastrophic disaster in

3 making the airport back whole. You certainly have

4 an insurance component, but it -- it will not be
5 the only piece of a puzzle, nor would the
6 Authority's reserves be the only piece of a
7 puzzle. So, a lot of things come into play.
8 Major disasters, anyway.

9 CHAIRMAN COX: Very good. Let's move on to
10 housekeeping items.

11 10. - HOUSEKEEPING ITEMS

12 MR. WUELLNER: We wanted to talk to you just
13 very briefly about the method of delivery for
14 Airport Authority meeting minutes, in particular.

15 We did a little experiment with you this
16 month; in addition to providing you a printed
17 copy, we also put out as an e-mail a copy of the
18 PDF -- or a PDF file of your minutes and gave it
19 to you that way. It doesn't require you to print
20 it unless you really want to, but it gives you an
21 opportunity to review that.

22 You would get it several days before you
23 would normally get, because we could actually send
24 that out as soon as we get them, which in many
25 cases is several weeks before your next meeting.

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 But we hold them until we have the agenda package
2 together.

3 Primary benefit to us in doing it wholly
4 electronically, unless you request an individual
5 copy, is the savings of expense of the mailing.
6 If you'll notice, that's almost always the lion's
7 share of -- of information that comes in the -- in
8 the packet in terms of quantity of paper.

9 We also would have that ability, if you -- if
10 you wouldn't mind accepting it that way, we can
11 get the financial information to you either as a
12 PDF or as a scan document, and you can review it
13 that way, too.

14 We -- we can also provide some copies at the
15 meeting. It's not really the expensive copying as
16 much as it is getting it to you. So, if you're
17 open to that, we'll send it to you -- we'd like to
18 send it to you electronically, those two documents

19 in particular.

20 And then, as -- you know, we'll have some
21 copies available, hard copies at the meeting, so
22 if you want to, you know, take a copy home or --
23 or just have something to refer to at the
24 meetings, that's -- that's fine, too. We could
25 also put it on a disk and send it to you. So,

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

79

1 there are other ways to do it, but the mailing
2 side of it would be certainly cheaper.

3 CHAIRMAN COX: Personally, as -- I mean, this
4 is my personal opinion on it. The electronic way
5 for delivery, either -- I don't care whether it's
6 CD or whether you send it by e-mail; it worked
7 out. I mean, the e-mail one worked out good. But
8 I'd still like to have the paper copy in front of
9 me at the meeting.

10 MR. WUELLNER: That's fine.

11 CHAIRMAN COX: That's my personal opinion on

12 it.

13 MR. GEORGE: I have -- I think sending it to
14 us electronically is a cost saver --

15 CHAIRMAN COX: Yeah.

16 MR. GEORGE: -- and I can support it.

17 MR. WUELLNER: If you'll just let us know
18 which -- you know, if -- if there's somebody that
19 just doesn't want to get it that way, that's fine,
20 too. We can send it to you and you can choose to
21 get it in the mail, also.

22 MS. GREEN: I think just as long as it's in
23 enough time. We do it with depos and stuff all
24 the time. But I don't -- I mean, you're flying
25 and I'm in court a lot. As long as it's not the

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 day or two before, because I'm not always at a
2 computer.

3 MR. WUELLNER: Yeah. The only one that tends
4 to cut the time pretty close is the financial, I

5 mean, just because of where the -- you know, when
6 we have early -- when the third Monday hits early
7 in the month, around the 15th or the 16th, it's --
8 it's many times difficult to get the financial
9 statements in our hands in time to make a real
10 good mailing out of it. When it falls late in the
11 month, you know, it certainly isn't a problem to
12 get it out there.

13 All right. We'll -- we'll try to do it
14 electronically. We'll have some copies here. If
15 you know you want a copy to take home, like
16 you've --

17 CHAIRMAN COX: Not necessarily need to take
18 it home. I'm -- I actually wasn't just talking
19 about the minutes. I was talking about the --

20 MS. GREEN: Agenda.

21 CHAIRMAN COX: -- agendas and everything
22 else.

23 MR. WUELLNER: Okay. We're not going to
24 change that right now. But if I'm able to, in the
25 future, we'll send you -- we can send you a PDF.

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 I think everybody can probably take PDFs easier
2 than -- than worrying about current versions of
3 other software.

4 CHAIRMAN COX: Right.

5 MR. WUELLNER: We can even wrap the agenda,
6 you know, the PowerPoint that we use during the
7 meetings that we provide, we can even send that to
8 you electronically, also. And, you know, it may
9 have last-minute changes in it when we get to the
10 meetings, those kind of things. But it may save
11 some mailing. If there's things, you know, you
12 absolutely need to see, have a hard copy of it,
13 we'll get it to you. But I think it -- and we'll
14 still mail some things.

15 MR. GEORGE: Well, if you send it to us
16 electronically --

17 MS. GREEN: We can print it.

18 MR. GEORGE: -- we have a printer.

19 MS. GREEN: Right.

20 MR. GEORGE: We can get a hard copy that way.

21 MR. WUELLNER: Our intent is not to, you

22 know, dump individually the Airport Authority

23 members the -- the responsibility to print it, but

24 you'll at least have the option, and if you do

25 want a print copy, we'll hand it to you at the

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

82

1 meeting, so...

2 MR. GEORGE: We weren't going to put an

3 expense account in for the printed paper, Ed.

4 MR. WUELLNER: But -- but you can. You need

5 to understand that, too.

6 MR. GEORGE: Right.

7 CHAIRMAN COX: I think it makes it easy for

8 anybody to look at it either on the road or at

9 home. And if they -- if they find something that

10 they object to in the minutes, then they can call

11 Cindy or yourself and say, "I'd really like to

12 have a copy of that," then we can have it here for
13 them at the next meeting. So, if there was any
14 objections raised to those minutes, or approval,
15 et cetera, then we can discuss it at that point.

16 Any -- any further discussion on housekeeping
17 items?

18 MR. BRUNSON: I have no problem with
19 electronically.

20 CHAIRMAN COX: All right. We're going to
21 move on to general public comments. Any?

22 Mr. Ciriello? Yes, sir.

23 11. - PUBLIC COMMENT

24 MR. CIRIELLO: Joe Ciriello, 5318 Shore
25 Drive. I don't know if it's my imagination or

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 not, but it seems when I drive by the airport
2 anymore, I'm seeing more and more jet planes
3 parked on the ramp over there at Galaxy.
4 I made some comments to Mr. Wuellner a while

5 back about the Authority building its own motel.

6 I was thinking this area right over here, but this

7 guy out here kind of squashed that. But Ed tells

8 me that on this other side of the airport, we have

9 some property that one could be put on.

10 And I said, well, we could either have the

11 Airport Authority do it on its own and then, you

12 know, hire some people to manage it and run it,

13 but -- and -- or maybe send some letters to motel

14 chains and see if they'd be interested in building

15 a motel unit on our land and lease it to get some

16 income.

17 I don't know what the statistics are, but I

18 imagine in a year's time, there are enough pilots

19 who fly in here, professional pilots, who have to

20 stay overnight. And they have to be run down the

21 road and maybe look for a place to stay. But if

22 they got used to the idea of coming in here,

23 knowing we have our own motel, they can just jump

24 off the airplane, and right here at the motel,

25 they'd feel good about it.

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 Galaxy has all of these little golf carts
2 that they could, you know, just a few feet,
3 transport these guys. So, I thought it would be a
4 good idea.

5 Plus, if I'm not mistaken, when Daytona has
6 bike races, car races, there's an overflow that
7 some people come up here to St. Augustine for
8 motels. So, rather than just depending on pilots
9 only using the motel, you've got that.

10 Then like Mr. Ed mentioned earlier, the
11 Gators and Georgia, I think that some of the
12 people come down here and use motels. And there
13 are other -- well, and the golfing, the World Golf
14 Village and up in Ponte Vedra.

15 So, I think that if we had our own motel or
16 got somebody to build one and we made some money
17 off of it, that -- and then, too, some of the
18 people said that they think that the use of the
19 airport is going to increase in the future, that

20 would be a way to make a few extra dollars for the
21 airport.

22 And I would like you guys to think about it
23 and kick it around. I mean, I've already talked
24 to Ed -- in fact, I think if I'm not mistaken,
25 when we was doing the Master Plan, I -- I think I

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

85

1 did barely mention I'd like to see something like
2 that put in, but it wasn't. So, it's just an idea
3 I thought maybe you guys could kick around.

4 CHAIRMAN COX: It's well taken, sir. Thank
5 you very much.

6 Any other general public comments?
7 Mr. Bryant?

8 COMMISSIONER BRYANT: Jim Bryant, for the
9 record. I was just telling Mr. Slingluff, I don't
10 know if you guys are aware of it, but the TPC next
11 year is going to two and a half times the size of
12 the event.

13 MS. GREEN: Right.

14 COMMISSIONER BRYANT: So, it's going to more
15 than double. So, you're going to probably have
16 more jet traffic coming in.

17 MR. WUELLNER: And it's moving to May.

18 COMMISSIONER BRYANT: And that's one reason
19 they moved it to May. And now -- right now, we're
20 trying to secure them adequate parking to
21 accommodate that -- that growth. And it will be
22 next year, so y'all can be await -- expecting it.

23 CHAIRMAN COX: Thank you very much. Public
24 comments?

25 (No further public comments.)

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 CHAIRMAN COX: Move on to Authority members'
2 comments. Mr. Brunson?

3 12.A. - MR. RANDY BRUNSON

4 MR. BRUNSON: Also, Joe -- I think that's a
5 good idea, Joe. Riding around the airport, I

6 noticed something today, and I'd like for our
7 director to congratulate Staff on the landscaping,
8 the crape myrtles and the different trees and the
9 grass. And the airport is absolutely beautiful.
10 The parking lots are clean. There's plenty of
11 parking. I don't know how the restaurant's doing.
12 I'd like to know.

13 But I see some real good improvements. I
14 would say that I really appreciate the attitude of
15 the board members, of our continuing efforts to be
16 independent. And -- but some good things are
17 happening.

18 Again, Ed, thank you for meeting with the MS
19 150 people. First-class people. They're even
20 bringing in the people that park for the Alltel
21 Stadium that will be parking the cars here.

22 And so, we -- we've -- we've got some good
23 things going on here, especially Commissioner
24 Bryant coming and sharing what's going on with the
25 road systems and supporting us. And now if he

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 could get the fire department geared up to get
2 back in line, we would appreciate it.

3 Nick, thank you for your presentation. I
4 think that this is excellent. And we've all had
5 presentations of the Enterprise system and
6 different things, and I think this is something we
7 will try to do.

8 And if you listen to Dr. Fishkind's report to
9 the County Commissioners, this falls right in with
10 what we need to do, in that his figure was that 80
11 percent of the ad valorem taxes are collected by
12 the residential end, and that's way out of kilter,
13 that we need more commercial and industrial
14 properties paying the taxes. So, that's my
15 comments.

16 CHAIRMAN COX: Thank you very much, sir.
17 Mr. Gorman is not present. Mr. George?
18 12.D. - MR. WAYNE GEORGE
19 MR. GEORGE: No comments.

20 12.E. - MR. BOB COX

21 CHAIRMAN COX: All right. I want to thank

22 Mr. Bryant for your presentation. It was very

23 good, very in-depth and informative. Say again?

24 MR. GEORGE: Mrs. Green didn't --

25 CHAIRMAN COX: She doesn't count.

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

88

1 MS. GREEN: I told -- I told him to save mine

2 till last.

3 CHAIRMAN COX: Put a check mark by your name,

4 because you were next in line, and I just went

5 right over it. And let me --

6 MS. GREEN: Go ahead.

7 CHAIRMAN COX: -- real quickly.

8 MS. GREEN: Yeah.

9 CHAIRMAN COX: And -- and EDC, thank you for

10 your presentation. Really appreciate you coming

11 out and -- and giving us that information.

12 Ms. Green. Thank you.

13 12.B. - MS. SUZANNE GREEN

14 MS. GREEN: I really had no comment, other

15 than I'd like to recognize, like I did last time,

16 I had new faces in the public, and we have a

17 friend of mine that's here, too. It's nice to

18 have you here. Nice to have new faces that might

19 be interested in the board and what we're doing.

20 So, it's our public marketing out there.

21 CHAIRMAN COX: Thank you very much. Okay.

22 That's it. Meeting adjourned.

23 MR. GEORGE: Executive director's performance

24 review?

25 MS. GREEN: It was on there. Did you have

AIRPORT AUTHORITY REGULAR MEETING - JUNE 19, 2006

1 all your paperwork?

2 MR. GEORGE: It's under your comments.

3 MR. BRUNSON: It's adjourned. I'm leaving.

4 CHAIRMAN COX: It's adjourned.

5 (Whereupon, the meeting adjourned at 5:36 p.m.)

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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

7 that I was authorized to and did stenographically

8 report the foregoing proceedings and that the

9 transcript is a true record of my stenographic

10 notes.

11

12 Dated this 28th day of June, 2006.

13

14

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

15 Notary Public - State of Florida

16 My Commission No.: DD531390

16 Expires: April 30, 2010

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