

1 ST. AUGUSTINE - ST. JOHNS COUNTY AIRPORT AUTHORITY

2 Special Meeting

3 held at 4796 U.S. 1 North

4 St. Augustine, Florida

5 on Monday, July 1, 2003

6 from 4:00 p.m. to 6:10 p.m.

7 \* \* \* \* \*

8 BOARD MEMBERS PRESENT:

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

12 \* \* \* \* \*

13 ALSO PRESENT:

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

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

17 \* \* \* \* \*

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20 St. Augustine Court Reporters  
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 21 St. Augustine, FL 32084  
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## 1 PROCEEDINGS

2 CHAIRMAN GREEN: We'll call the special  
3 meeting of the St. Augustine Airport Authority to  
4 order. Stand and pledge the flag, please.

5 (Pledge of Allegiance.)

## 6 3. APPROVAL OF MEETING AGENDA

7 CHAIRMAN GREEN: We have a meeting agenda  
8 with several items on it, and it's one I think we  
9 had scheduled before but we ran out of time. Are  
10 there any additions or changes to the meeting  
11 agenda?

12 MR. WUELLNER: Not technically. We just --  
13 we provided the information relative to the FAC  
14 conference in early August and some background  
15 information, and encourage anybody that would  
16 like to attend to let us know.

17 CHAIRMAN GREEN: Okay. All right. Then  
18 with that memorandum added, do I have motion for  
19 approval of the agenda?

20 MR. GEORGE: I make a motion we approve the  
21 agenda as it stands.

22 CHAIRMAN GREEN: Is there a second?

23 MR. COX: Second it.

24 CHAIRMAN GREEN: Any further discussion?

25 (No further discussion.)

4

1 CHAIRMAN GREEN: All in favor of approval of

2 the agenda, vote -- all in favor?

3 MR. CIRIELLO: Aye.

4 CHAIRMAN GREEN: Aye.

5 MR. GEORGE: Aye.

6 MR. COX: Aye.

7 MR. GORMAN: Aye.

8 CHAIRMAN GREEN: All opposed?

9 (No opposition.)

10 CHAIRMAN GREEN: The approval of the agenda

11 is carried.

12 4.A. - EMBRY-RIDDLE LEASE DISCUSSION

13 CHAIRMAN GREEN: Mr. Wuellner, we have an

14 action item I think next on the calendar for you.

15 MR. WUELLNER: Yes, ma'am. The actual only

16 action item we have today is the consideration of

17 the Embry -- Embry-Riddle lease with the Airport

18 Authority.

19 At the last meeting, as you're all aware, we

20 were basically charged with going back and

21 reworking the terms of that agreement, or

22 attempting to do that, and -- and of course

23 bringing that back to the Airport Authority for  
24 additional consideration, if they -- if we felt  
25 like we had improved the circumstances. We have

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1 done that.

2 I know that -- and just kind of declaring  
3 I've met with each -- each of you independently,  
4 just to go over the details of it so that you  
5 were generally familiar with it, but I'll attempt  
6 to go over that so that the public has the  
7 benefit of the -- of the same information.

8 Basically, the lease agreement, one of the  
9 considerations or -- or I -- problems that was --  
10 was discovered is that the lease originally was a  
11 seven-year lease agreement as proposed with a  
12 seven-year option. It has been revised now, and  
13 they have agreed to a term now of fourteen years  
14 instead of seven.

15 On moving along to base rent, the rent, we  
16 went in and adjusted the square-footage rate for  
17 the building that would be improved as a part of  
18 the capital investment that the Authority would  
19 make from \$4.50 a square foot to \$6 a square  
20 foot. That resulted in a new total annual rent  
21 payment of -- initial rental payment of

22 \$112,078.50 a year as the -- as a first-year  
23 rate. Then that would adjust from that point  
24 forward at an annual CPI adjustment at whatever  
25 that is, of course, having no real way to predict

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1 that.

2 The -- the other is the provision for the  
3 tenant to buy fuel exclusively from the airport,  
4 Airport Authority, through self-fueling, is still  
5 in there. We did clean up language relative to  
6 the treatment of ad valorem and sales tax.

7 The proposed tenant is declaring that they  
8 are exempt from sales tax and may be exempt from  
9 ad valorem tax, and to the extent that they are  
10 exempt, that we -- we'd certainly honor that, but  
11 in the event they're found at any time not to be  
12 any longer exempt by virtue of legislature, then  
13 that would be a pass-through in the lease, so  
14 that would not be another cost the Authority  
15 would have to absorb.

16 The special operating parameters that were  
17 in there last time remain in there. They are --  
18 they are untouched. Basically limiting -- it's  
19 two touch-and-go aircraft at any -- or simulated  
20 instrument condition training within our class B

21     airspace at any one time. And, of course, that's  
22     always subject to air traffic control limits, as  
23     they see fit. So, the -- specific conditions in  
24     any one day may limit them even further than  
25     that.

7

1         The lease does contain an option to renew  
2     for an additional 84 months, which is another  
3     seven years, provided they provide notice to the  
4     Airport Authority within a specified time.

5         The original lease had that they could  
6     sublet or assign the lease, essentially at will.  
7     That provision's been modified to, they  
8     require -- will be required that they gain the  
9     concurrence of the Airport Authority before  
10    they're allowed to assign or sublet that  
11    facility.

12        Going back to what would be -- I handed out  
13    all my annotated copy, but it's section 20.  
14    That's a section that was significantly modified.  
15    And I -- I do have to apologize. I do have to  
16    stand corrected from the last meeting. The lease  
17    originally did have a straight 90 -- 90-day  
18    bailout provision in there, and I misinformed you  
19    unintentionally that it did not have any type of

20 a bailout in there. It does indeed have a 90-day  
21 bailout. However, we have established penalty  
22 provisions within the lease agreement that  
23 significantly offset the risk of the Airport  
24 Authority, in our opinion.

25 Basically, if they were to elect to

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1 terminate the lease agreement at any time during  
2 the first 24 months, they would be subject to a  
3 lump-sum payment to the Airport Authority at the  
4 time of notification to the extent of the entire  
5 investment of the Airport Authority, or the  
6 \$600,000, the Airport Authority's share.

7 And that would be then prorated downward  
8 over the next six years at a rate of eleven  
9 percent of the total investment, which works out  
10 to be a hundred thousand dollars a year, so that  
11 at the end of year seven, there would be no more  
12 penalty clause or recouping of the Authority's  
13 original investment. They would -- their risk,  
14 all risks would be at that point mitigated.

15 There is a second penalty provision within  
16 here that at any time during the lease agreement,  
17 if they do -- and it includes the latter seven  
18 years of the lease agreement -- if at any time



19 they do, they will return the facility at their  
20 expense to the Airport Authority. If we -- if we  
21 desire it to be all the improvements removed and  
22 it returned to a regular aircraft hangar, they  
23 will do that at -- at our -- or at their expense  
24 at any time during the lease agreement.

25 It also provides for in the event that takes

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1 longer than necessary, then they're still  
2 obligated to pay rent on the facility till which  
3 time it is returned to the Airport Authority.

4 The only other provision that was changed in  
5 the lease is -- was back in section 31, and it  
6 had to do with just some -- some declaratory  
7 language relative to time lines to do the  
8 improvements on the building.

9 They were -- pretty much they go exactly  
10 with what the proposed design/build contract was  
11 relative to the construction time. And basically  
12 it provides for a 160-day construction period  
13 after receipt of the building permits.

14 So, that's -- other than that, the lease  
15 agreement is -- is unmodified in the form it was  
16 last time.

17 As far as a calculated rate of return on

18 rent only, we've got a great number of opinions  
19 on how we do that. The approach I took generates  
20 about 8.38 percent return on investment.

21 In discussions with your treasurer -- and I  
22 don't disagree with his methodology either -- we  
23 end up with, if I'm correct here, about 6.5  
24 percent, without consideration of fuel.

25 Fuel angle is -- as far as a minimum

10

1 purchase, has been avoided within the lease  
2 agreement; however, with a decision of the  
3 Authority to construct a self-fuel facility on  
4 the other side, which would be a -- a prudent  
5 decision to make, they are quite willing to enter  
6 into a minimum purchase agreement with the  
7 Airport Authority to support that kind of a  
8 decision to go self-fuel on the east side.

9 I think that's the -- the -- the guts of  
10 the -- of the agreement. We feel like we've made  
11 significant progress in the lease. We're now --  
12 and the university is completely up against the  
13 wall relative to time to do something, get it  
14 going, so I think this is the -- essentially the  
15 last best shot.

16 We -- we have received from them -- in fact

17 it was hand-carried up today, just as a statement  
18 of good faith, primarily, we did receive executed  
19 copies of that lease agreement from them for our  
20 execution, should you elect to do that, but just  
21 more to show that they -- they have read it,  
22 understood it, and are on board with the lease  
23 agreement, just again, as a -- as a show of good  
24 faith.

25 Bottom line return to the Airport Authority,

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1 in my opinion, is significant. It far outpaces  
2 just re-renting the building, even when  
3 considering the investment the Authority makes in  
4 the -- in the building itself. After recovery of  
5 those improvements, it's a -- it's by far the  
6 single-largest return on investment the Authority  
7 has to date on its building.

8 So, with that, turn it over to -- turn it  
9 over to the board for whatever you -- assume  
10 public comment.

11 CHAIRMAN GREEN: Right. I think we need to  
12 open it to public comment on the changes with the  
13 lease agreement. Do we have any public comment?

14 (No public comment.)

15 CHAIRMAN GREEN: Okay. Seeing no public

16 comment, we'll close that. Board discussion.

17 MR. UPCHURCH: May I ask a question?

18 CHAIRMAN GREEN: Uh-huh. Can we have you  
19 come up here and state your name, please?

20 MR. UPCHURCH: Yes. I'm Hamilton Upchurch,  
21 local attorney. I'm not here as an attorney; I  
22 just happen to be one. But I see this public  
23 comment three times in the agenda.

24 CHAIRMAN GREEN: Right.

25 MR. UPCHURCH: And I was just wondering if

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1 this comment where you asked for just a minute  
2 ago, was that on the makeup of the lease or the  
3 overall issue of whether or not there should be a  
4 lease?

5 CHAIRMAN GREEN: I think we could --

6 MR. WUELLNER: Be all of that.

7 CHAIRMAN GREEN: -- entertain any comment on  
8 that, anything to do with Embry -- Embry-Riddle  
9 lease. Uh-huh.

10 MR. UPCHURCH: Or whether or not to even  
11 execute one at all.

12 CHAIRMAN GREEN: Right. Because we have not  
13 come to a decision with that at the board either.

14 I mean, we saw one, we didn't like what we saw,

15 we asked for a revision, so it's back before us  
16 again.

17 MR. UPCHURCH: Well, then, may I be heard?

18 CHAIRMAN GREEN: Absolutely.

19 MR. UPCHURCH: Thank you, ma'am. I've been  
20 coming out to the airport and doing legal work  
21 for Aero Sport since Aero Sport was established.

22 I was privileged to represent Ernie Moser  
23 before Jim was -- had reached his majority, and  
24 I've been interested in the airport ever since  
25 that time as a pilot, owner of airplanes, and as

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1 a citizen of this county.

2 And I'm not here today representing anybody.  
3 I just -- I'm here personally. I prefer to  
4 represent people because I'm paid when I come out  
5 here, but this time, I'm on my own.

6 MR. WUELLNER: So would we.

7 MR. UPCHURCH: But I just -- before you make  
8 this decision, all right, I just want to throw  
9 out a few things I want you to think about. And  
10 it may seem a little trite, but I'm going to  
11 remind you -- and if you think it's trite, I  
12 apologize, but you-all are not working for Staff;  
13 you're not working for Embry-Riddle.

14        You really are representing the people of  
15        this county, not just the pilots, this -- those  
16        in the Pilots Association or business on the --  
17        on the airport, but a much larger constituency of  
18        the people of this county. And frequently, I  
19        have heard in this room that we need to do thus  
20        and so with businesses to get the airport off of  
21        the tax roll.

22        Now, I've been on boards and was privileged  
23        to serve on the city commission and was Florida  
24        legislature, and I tried to keep my finger on the  
25        pulse of the community with reference to the

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1        airport because I was always interested in the  
2        airport. And the only time I ever heard about  
3        keeping -- or reducing the taxes on the airport  
4        or that the airport cost in taxes to the  
5        taxpayer, was in this room.

6        On the street, in my other capacities, or  
7        with clients, I never heard people complain about  
8        what they were getting for their tax dollars so  
9        far as the airport was concerned. And I don't  
10        think it's the burning issue to take -- to reduce  
11        the impact that the airport has to the taxpayer.  
12        I really don't think so.

13 Now, I'm opposed to the Embry-Riddle concept  
14 or lease or coming in here for whatever reason,  
15 and I'll tell you why in just a minute. And I --  
16 I assume that the idea's been presented to you  
17 that the more income you can get from leases and  
18 businesses and whatever you can generate reduces  
19 the taxes to the taxpayer.

20 Well, I just don't think that's a problem,  
21 and I'll tell you why. And I thought I might be  
22 wrong, so I made some investigation. And I  
23 talked to Jim Sutton.

24 Jim Sutton, as some of you know, is -- was  
25 the immediate past editor of The Record. And he

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1 left The Record to become executive director of  
2 an effort in this community called St. Johns  
3 Vision. And that was a task that he undertook as  
4 executive director to work with approximately 200  
5 people in the community to try to define a vision  
6 and a strategic plan for St. Johns County.

7 And he had -- people were appointed to that  
8 by the county commission. They were appointed by  
9 the -- by the Chamber of Commerce and any number  
10 of ways that you could get on this very large  
11 committee. They even had a steering committee of

12 27 persons. But Jim told me yesterday that it  
13 was -- they had working 175 to 200 persons to try  
14 to determine the vision, which is another word  
15 for the future plan, not a comprehensive land  
16 plan, but a future plan of where these persons  
17 felt this county should be.

18 And they were from every walk of life:  
19 Business retirees, white, black, north part of  
20 the county, south part of the county. Every  
21 conceivable agency or endeavor was supposedly  
22 represented on that group. And they -- and they  
23 came up with a -- they identified a number of  
24 items that they felt were material issues to this  
25 community.

16

1 And the first thing that they thought was  
2 the most important thing was the effect of growth  
3 on this community. And the second thing was how  
4 growth was -- would affect your infrastructure.  
5 And the third thing was the quality of life, how  
6 the quality of life would be affected in the  
7 future. And the fourth thing was education,  
8 which I don't think is material to our discussion  
9 today, but I think the first three are of  
10 considerable importance.



11 And the -- the issue of reduction of taxes  
12 did not seem to be a problem. And that's why I  
13 felt some support. It confirmed what I felt  
14 personally, that the tax cost of this airport,  
15 which is pretty modest, was not the most pressing  
16 thing that was bothering people out there, your  
17 constituents, my friends and acquaintances and  
18 others. It was not the greatest. So, the only  
19 thing that they concluded was that the taxes be  
20 fairly assessed and the money raised not be  
21 wasted.

22 Now -- and I think that the Embry-Riddle  
23 proposal in the lease directly impacts the issues  
24 that I've just mentioned. And controlling --  
25 controlling growth, maintaining quality of life,

17

1 and when you reduce it to the issue here, would  
2 be controlling growth on the airport and  
3 maintaining the quality of this airport as we  
4 know it today and as we hope it can be further  
5 improved. So, I just ask you to consider that.

6 Now, additional operations at this airport  
7 are not a need. And I ask you to answer this  
8 question: Will this proposed lease and any that  
9 may follow these gentlemen -- I have no complaint

10 against Embry-Riddle as an operation, but will  
11 this proposed lease result in more growth to this  
12 airport?

13 Will this proposed lease affect the quality  
14 of life that we enjoy, that all of the public  
15 enjoys on this airport? And if you say that it  
16 will affect those things, I respectfully suggest  
17 your vote should be no, thank these gentlemen for  
18 coming, but tell them no, that this isn't where  
19 we need to take this airport.

20 Now, if you want to fill it with every  
21 conceivable business, you can probably do it, but  
22 I think that if you did so, and I've confirmed it  
23 by Mr. Sutton's committee, that you'd be going  
24 against the express will and intent of your  
25 constituents, which are the people of this

18

1 county.

2 And it's -- this is your opportunity to say  
3 to the public, "We hear you. We want to maintain  
4 quality of life here. And this is a way to stop  
5 growth."

6 And I would respectfully ask you to vote no  
7 on this proposed lease and operation. Thank you.

8 CHAIRMAN GREEN: Thank you, Mr. Upchurch.

9 Are there any other public comments on the lease?

10 Yes, sir.

11 MR. TUCKER: Hi. My name is Len Tucker.

12 I'm a tenant at the airport. In fact, I've been

13 at the airport for a number of years, long enough

14 I guess that I've seen three executive directors;

15 I've seen numerous board members; I've seen Staff

16 turn over several times. And during that time,

17 I've noticed that there's only one or two things

18 that remain constant.

19 One of the constants that we've had is that

20 we continually want to try to get the airport off

21 the tax roll; seems to be the goal of everybody

22 that runs for election on the board.

23 The other constant, though, that I don't

24 believe anybody ever addresses, is what has been

25 a very lengthy hangar waiting list, long enough

19

1 that I waited six years for the current hangar

2 that I've got, long enough that I had severe

3 damage to the airplane that I was trying to get

4 into that hangar and had to sell it at a

5 considerable loss.

6 The issue I think is that if we want to

7 continue to -- down this road of trying to get

8 the airport off the tax rolls, we need to start  
9 thinking about doing something different, because  
10 in that length of time, 12, 15 years, we haven't  
11 gotten it off the tax rolls and we haven't  
12 reduced the hangar waiting list. Maybe those two  
13 things are connected somehow. But whatever we've  
14 been doing for the past number of years, we  
15 haven't been doing it right.

16 In that length of time, I've seen hangars go  
17 in for Ring Power, seen hangars go in for the  
18 Sheriff's Department, seen hangars go in for  
19 Florida National Guard. I've seen all sorts of  
20 corporate hangars built with very little advance  
21 consideration -- I don't know how long they were  
22 on a hangar waiting list, but I doubt very long.

23 And all they've really done is increase the  
24 infrastructure cost for our airport.

25 Now, because we've got that kind of

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1 corporate traffic, we have to have a tower, we  
2 have to have an ILS, we have to have additional  
3 taxiways. All of that's infrastructure cost that  
4 was never projected when we said let's build  
5 hangars to bring them here. So, that's cost  
6 borne by the taxpayer.

7 If we want to get this airport off the tax  
8 rolls, we need to stop glossing over those hidden  
9 infrastructure costs and say, what are they  
10 really? What is this lease going to cost in  
11 terms of additional requirements on this airport?

12 I believe that we need to address the needs  
13 of the pilots and the other users that are  
14 currently here on this airport, been waiting  
15 patiently for hangars, and for whatever reason,  
16 keep getting bypassed year after year. With all  
17 of that revenue that would be going to those  
18 hangars by people that are already here -- and we  
19 don't need to bring them in -- we can increase  
20 the revenue of the airport.

21 What we're going to end up with is a very  
22 high traffic volume with a hidden infrastructure  
23 cost that's only going to add to our need to be  
24 on the taxes. Thank you.

25 CHAIRMAN GREEN: Thank you, Mr. Tucker. Any

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1 more public comment?

2 MR. SMITH: Derrick Smith with SK Logistics.  
3 I've got some similar comments to what were made  
4 by the last two. Unfortunately, I'm probably not  
5 as eloquent as either of them.

6 But the fact of the matter is -- is, you  
7 know, I agree on the fact of waiting for hangar  
8 space. I mean, we -- currently, we have a hangar  
9 being built. We were -- we are currently  
10 occupying the Future First hangar, which is one  
11 of the hangars that is to go to Embry-Riddle.

12 I notified -- we -- we orally notified  
13 Mr. Warner (sic) previously, and I sent him a  
14 letter just recently, as well as put it in  
15 writing, and I know I've talked to some of the  
16 board members, is that we are -- you know, we are  
17 willing to continue to rent that hangar should  
18 the board decide not to go forward with this  
19 lease in addition to the new hangar we're moving  
20 towards.

21 Part of the reason for that is, like he was  
22 talking about of hangar space, is that with the  
23 Embry-Riddle construction, or quite possibly with  
24 any other arrangement, we will probably have to  
25 vacate that hangar before the hangar that's being

22

1 built is finished.

2 Now, we were originally told the hangar was  
3 going to be finished in July. Now I think  
4 they're guessing September. It's -- you know,

5 and for the same sort of problem that was  
6 addressed before, we're going to have aircraft  
7 sitting out on the taxiway because we've got  
8 nowhere to put them.

9 It was brought up that, you know, obviously,  
10 these -- you know, Embry-Riddle is saying they're  
11 going to pay more per square foot, but obviously  
12 also the Airport Authority is going to be  
13 investing a lot of money, or that money's going  
14 to be going to pay them back.

15 There was some mention about the -- them  
16 buying certain amount of fuel. Well, I don't  
17 remember the exact numbers, but I know that Bjorn  
18 at the last meeting gave an estimate of what he  
19 thought how much fuel they would consume, and I  
20 believe the man from Embry-Riddle stated that it  
21 was -- that he thought Bjorn was fairly close.  
22 I'll be quite honest. We probably consume that  
23 much fuel taxiing across the -- from one side of  
24 the airport to the other.

25 It's -- you know, I think that -- I think

23

1 growth is good, but I think that the Airport  
2 Authority needs to consider how quickly it wants  
3 to grow.

4 I spoke today on the phone with the -- with  
5 the developer, who is going to be building the  
6 condos on the Ponce ground, and he's planning on  
7 building pretty nice condos, not anything I can  
8 afford.

9 And I think that if the airport doesn't take  
10 into account of how fast it wants to grow, we're  
11 going to run into a problem like some other  
12 airports in the State of Florida where we have  
13 noise abatement rules that just result in  
14 ridiculous restrictions that are not only going  
15 to affect businesses, but are going to affect the  
16 private pilots as well.

17 The -- I think the lease -- and Ed can  
18 correct me if I'm wrong, remember there's  
19 something about they were only supposed to take  
20 off two times, two touch-and-goes at a time?

21 MR. WUELLNER: Two in the pattern at any one  
22 time.

23 MR. SMITH: Two in the pattern at any one  
24 time? That's still, depending on how -- you  
25 know, average touch-and-go at most schools is

24

1 only about six minutes. That works out to 160  
2 landings a day, you know. And I realize these



3 aren't very big aircraft that they're using;  
4 they're only -- they're only dual props. That  
5 still can result in an awful lot of extra planes  
6 in a relatively short period of time.

7 I believe their goal is some 90 students in  
8 a matter of about two to three months. I -- you  
9 know, I would not -- I'd be the first person that  
10 I'm not opposed to growth in any way, and I think  
11 the airport has to grow if it's -- you know,  
12 either is going to either have to grow or is --  
13 it's going to get swallowed up at some point by  
14 something else.

15 But I think the Airport Authority really  
16 needs to consider whether that this growth is a  
17 good growth or whether it's basically growth  
18 that's going to be too fat, too much, too soon,  
19 and it's going to result in creating other  
20 problems, whether that's, you know, lack of  
21 hangar space, whether that's noise -- noise  
22 problems with the neighbors, you know, or any  
23 other, the host of problems that -- the hidden  
24 costs that could develop out of this whole  
25 problem.

25

1 I think that the infrastructure at this time

2 and what is going up around the airport is that  
3 the -- this lease was just going to result in  
4 having too many aircraft piling up at too quick a  
5 rate, and it's going to just end up causing in  
6 addition to additional cost to the taxpayers, but  
7 also the additional cost to the airport and  
8 additional bad feelings with the neighboring  
9 area, such as the woman that came in and  
10 complained about the fact that there wasn't the  
11 right size barrier for where she lives.

12 I think that common complaints like that  
13 will be more common if all of a sudden we're  
14 having, you know, 90-something students flying in  
15 and out of here, even if it is being limited to  
16 two -- two in the pattern at a time.

17 CHAIRMAN GREEN: Thank you, Derrick. Okay.  
18 We'll close public comment, then. Board  
19 discussion? Oh, yes, sir.

20 MR. HOLIDAY: Don't be in such a hurry,  
21 Suzie.

22 CHAIRMAN GREEN: Well, I closed it once.  
23 Nobody raised their hand.

24 MR. HOLIDAY: Well, we're bashful.

25 CHAIRMAN GREEN: I doubt that.

1 MR. HOLIDAY: I didn't have a chance to talk  
2 to Ed about this. Being retired, I seem to have  
3 less and less time. That's really interesting.  
4 I always thought when you retired, you had more  
5 time.

6 So, I don't know exactly what the -- the  
7 nearly new hangars cost to put in. That's the 36  
8 hangars we have, plus the eight additional  
9 spaces. Ed, do you have any idea just off the  
10 top of your head?

11 MR. WUELLNER: Yeah.

12 MR. HOLIDAY: It brings in around \$96,000 a  
13 year.

14 MR. WUELLNER: \$1.725 million.

15 MR. HOLIDAY: \$1.7 --

16 MR. WUELLNER: -- 25 million.

17 MR. HOLIDAY: -- -25 million for those three  
18 hangars. That's \$96,000 a year roughly, give or  
19 take, is what's brought in. So, you got the 36  
20 hangars, \$200 plus or minus, blah, blah, blah.  
21 It's pretty simple math. Let's say a hundred  
22 grand a year, rounded off.

23 I don't really know the kind of answers that  
24 you have, but it seems to me, if you've got a  
25 list of tenants that want to rent something, and

1 they basically are the users of the airport, that  
2 they would get the precedent, they would take the  
3 precedent over anything else.

4 I've only been out here 30 years, but it  
5 never seems to happen. We don't have the key to  
6 the back door of this building, so we don't come  
7 in here and lobby you and talk with you.

8 Organized, we should be more organized. So, I  
9 think this is our fault. We sort of have waited  
10 till the last possible moment to come up here and  
11 talk to you.

12 But we really didn't know until the last  
13 possible moment. And we came here last week or a  
14 couple of weeks ago, and we found that you were  
15 going to give away the airport -- or the proposal  
16 that you had negotiated with Embry-Riddle to even  
17 get them up here to talk with you was such a  
18 sweetheart deal, it was -- it was embarrassing  
19 for anybody to be sitting here and listening to  
20 this really lowball deal.

21 And so that's when I started thinking to  
22 myself, golly, what do other people charge that  
23 even -- up and down U.S. 1 for just simple  
24 warehouse space? And I asked Toby Thorpe over  
25 here what he and his partner, Bob Thousand, got

1 for their warehouse space, and it was -- that was  
2 pretty good money, but it was -- it certainly  
3 wasn't what you're talking about with these guys.  
4 And they're bare warehouses.

5 And I talked to John Tesdorpf. He just got  
6 back from Sweden, he's got a little jet lag, but  
7 he was talking about the same basic numbers per  
8 square foot for a bare warehouse, nothing done to  
9 it.

10 It seems to me anytime anybody does anything  
11 out here, they have to do it themselves. They  
12 have to actually rent something or lease  
13 something and then renovate it themselves. Even  
14 the Pilots Association have rented our little --  
15 our little clubhouse, and that air conditioner,  
16 we had to put in ourselves.

17 But I don't really understand -- and I guess  
18 I'm just stupid, Ed -- why we are going out and  
19 trying to bring Volusia County people up here  
20 when we really need to serve our own residents of  
21 this county? And we aren't. We aren't serving  
22 those residents. That's what you're hired to do.

23 You're hired basically to look out for us.  
24 And looks to me like anybody comes along that's  
25 got a suit and tie on, they can come in here and

1 swing a deal in the back room of this place, and  
2 we have to kind of run up here all of a sudden  
3 and find out what that deal was. And I really  
4 don't -- don't feel good about it.

5 I really think you should really put right  
6 on the front of your thing, let's go out and get  
7 that money and let's go out and start building  
8 these hangars. And you tell me we went out and  
9 bought all these buildings back here. Starting  
10 using some property. Thank you very much. I  
11 just don't get it.

12 CHAIRMAN GREEN: Yes, sir?

13 MR. RAUHOFER: My name is Warren Rauhofer,  
14 for those of you who don't know me. And I'm a  
15 retired American Airlines captain, 35 years with  
16 American, and a retired naval aviator. I've been  
17 in the aviation business for over 50 years.

18 What I didn't hear today -- I heard a lot of  
19 numbers being crunched and everything, but I --  
20 what I didn't hear today is a little word we call  
21 in the airline industry: Safety.

22 You put more airplanes in the air, and  
23 you're going to have more stress on the tower and  
24 more stress on people flying the airplanes.

25 Everybody's going to have to -- and I just

30

1 wondered if anybody has addressed -- and I don't  
2 know the answer to this, but if anybody has  
3 addressed the safety issue.

4 And, of course, the first person I'd ask is  
5 Mr. McKnight (sic) over here (indicating), head  
6 of our tower, to find out just how many airplanes  
7 in the pattern does he think is a safe -- safe  
8 number from his standpoint and from the  
9 standpoint of the pilots flying the airplanes.

10 Another thing I think we should also look at  
11 and address is a negative impact of a bunch of  
12 airplanes coming in and another school coming  
13 into -- and when I say the negative impact, is  
14 this is going to disqualify our airport for  
15 certain corporations that bring their jets in and  
16 certain companies that have jet airplanes and  
17 corporate airplanes? Is this going to disqualify  
18 this airport?

19 I know we took a giant step forward in  
20 qualifying when we brought the tower in. And we  
21 have an ILS out here now. This qualifies our --  
22 our airport for certain corporations that would  
23 not heretofore have flown into St. Augustine.

24 So, it's really these two questions: Is it  
25 safe? And I don't -- I mean, I do care that

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1 we're making money and everything, but I mean,  
2 are we going to have wreckage out there, you  
3 know?

4 And two in the pattern is two -- two in the  
5 pattern from the school, but how many other guys  
6 are going to be in the pattern with them? How  
7 can you control that? And these are the  
8 questions that I want to pose before the board.

9 Thank you.

10 CHAIRMAN GREEN: Thank you. Any further  
11 public comment?

12 (No further public comment.)

13 CHAIRMAN GREEN: Okay. We'll close public  
14 comment and open it up to board discussion.

15 Mr. Gorman?

16 MR. GORMAN: Well, I have a -- I just  
17 left -- there was another board member there, but  
18 I just left a Planning and Zoning Board meeting  
19 and -- at 3:30 when I had be here. And in that  
20 board meeting, they're going to decide whether or  
21 not they're going to build 350 condominiums. And  
22 I might say that these are going to be high



23 income, so they're going to be high-income  
24 people, because they're expensive condominiums,  
25 and they are -- these are going to be in the

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1 flight path.

2 And that -- that said, to be responsible in  
3 the decision-making, I don't think we can  
4 disregard whether or not they're actually going  
5 to approve that. They're going to approve that  
6 today. I mean, as we speak, we don't know right  
7 now whether they've approved it or disapproved  
8 it. To be responsible on the decision-making, I  
9 can't disregard the potential for complaint and  
10 litigation from these people.

11 Historically, when you take high-density,  
12 high-income people, and you put them right next  
13 to an airport, they file. They're going to  
14 litigate. They're going to complain, no matter  
15 how much disclosure or what you do, because  
16 they're going to do it anyway, whether it's a  
17 frivolous lawsuit or not. And the AOPA, Aircraft  
18 Owners and Pilots Association, has volumes of  
19 files that prove that.

20 Now, as far as -- on the counterpoint, as  
21 far as deals go, to Mr. Wuellner's credit, it's a

22 pretty good deal, you know. But whether or not  
23 it serves the needs of the community as a whole  
24 and whether or not it's going to open a, you  
25 know, a rather large bag of worms is another

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1 question.

2 So, myself, I find it hard to make that  
3 decision without knowing about the 350  
4 condominiums right now. That's just one issue.  
5 Because I agree with -- there was a public  
6 comment here, it's the end of the world if we get  
7 mandatory noise restrictions.

8 If we get mandatory noise abatement  
9 restrictions as far as aircraft departures,  
10 that's really going to change the airport here.  
11 I don't know if that would happen or not. It's  
12 just a concern of mine. But I really would like  
13 to know what they've done at that Planning and  
14 Zoning Board.

15 CHAIRMAN GREEN: Okay. Mr. Ciriello?

16 MR. CIRIELLO: I'll wait till these guys all  
17 get done.

18 CHAIRMAN GREEN: Mr. George?

19 MR. GEORGE: I'll go ahead and dive in. As  
20 far as the comments made about the reduction of

21 the -- getting off the tax rolls, I think that  
22 that has historically been something that is a  
23 campaign issue, and it has been discussed at the  
24 campaigns, and it is in here.

25 And I think that the new board members that

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1 have come on board have in essence either  
2 directly or indirectly given our executive  
3 director and his staff the idea that this is  
4 important to us. And I think it is important to  
5 the St. Johns County residents to see some action  
6 going in that direction.

7 I think that we need to take care of the  
8 people that are in line for our facilities. It's  
9 my understanding we have eight, nine, or ten  
10 people that are on a list for corporate hangars.  
11 To take the corporate hangars and divert that and  
12 give it to somebody that is not on the list and  
13 hasn't been on the list, is a -- kind of a slap  
14 in the face, if you will.

15 I'm the treasurer and I'm the one that kind  
16 of disagrees with the number crunching, if you  
17 will. If you ask five people, it's five  
18 different ways. I'm a Georgia Tech graduate,  
19 industrial engineering, and we used to say that

20 figures don't lie, but liars will figure a way to  
21 make the figures look, you know, better. I'm not  
22 calling Ed a liar or anything. What I'm saying  
23 is that there are different ways to cut this cat.

24 I think that the -- the basis of the  
25 decision is: Do we want to be in the

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1 office-building business? If we are not going to  
2 be in the office-building business, then every  
3 dime that we spend to put this property into  
4 office building has to be recouped during the  
5 term of the lease.

6 At the last meeting, we gave direction that  
7 we didn't like the lease because at seven years,  
8 they could walk and we would be out money;  
9 absolutely nothing. So, we gave direction that  
10 the only way it would look halfway decent would  
11 be to come back and recapture those -- those  
12 monies.

13 We have a building with nine people waiting  
14 to lease two of them, and the going lease rate is  
15 \$4 a foot. That to me is a market value. My  
16 math says if I take the \$900,000 that we're going  
17 to spend to the building and calculate that as an  
18 amortization schedule over 14 years, because I

19 don't think we want it when they get through with  
20 it, take that and add to that \$4 a square foot,  
21 that puts the square-footage rent that we need to  
22 get up in the \$8 range, eight, eight and a half,  
23 for it to meet that criteria. Basically, annual  
24 payments of around \$180,000 as opposed to \$112-.

25 In the event that the fuel, you know,

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1 brought that up to the \$189,000, then we would be  
2 in the range for what I call a prudent business  
3 decision of, you have a resource of mine and I'm  
4 putting more resources to it, and this is the  
5 return that you're going to bring to me, you  
6 know, based on that calculation.

7 But irregardless of the way it's calculated  
8 or -- or not, I think when you go back and you  
9 look at taking care, you know, of the people that  
10 are in line, also giving weight to the 95 people  
11 that are on line for hangars that we don't have,  
12 you've got to think that the \$600,000 that we  
13 would have to invest off of the tax roll money  
14 could be better invested at some point in the  
15 next year or two to get those 95 and the 9  
16 satisfied with construction.

17 The executive director, I found this week,

18 and just -- I'm still plodding my way through  
19 finding how this business works. We do a budget,  
20 and they have requested from the Florida  
21 Department of Transportation and from FAA monies  
22 to be appropriated over the next five, six years.  
23 And there is money there, like one and a half  
24 million for property acquisition.  
25 There's apron expansion money that has

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1 already been programmed within Florida and within  
2 Florida Department of Transportation and with FAA  
3 to help St. Augustine out to come up with that  
4 expansion -- expansion.

5 I would therefore say that our \$600,000  
6 needs to be available so that we can take care of  
7 some of that infrastructure needs, take care of  
8 some of the things that this board has already  
9 approved that wasn't really on -- on the agenda  
10 from the previous year, \$3-, \$400,000 to put the  
11 temporary VOR back in, putting in the shade  
12 hangar, using it out of our reserves and  
13 replacing from -- hopefully from the lawsuit,  
14 replacing that back out.

15 So, I think that the \$600,000 has a better  
16 use for more effective utilization of the

17 airport.

18 The traffic is definitely a concern of me.

19 I sat with David the other day, and I think David

20 has thought out pretty well how he's going to

21 handle this and how many planes can be in the

22 pattern and when does he have to call quits and

23 when does he have to -- to make people stay

24 outside. Now he's thought it out, you know, very

25 well.

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1 But the airport operates off of points, and

2 they get a point for a takeoff and a point for a

3 landing. So, every sortie that goes out gets

4 them two points.

5 It's my opinion that our corporate brethren,

6 some of them with multiple airplanes, but they go

7 away and don't come back for two or three days,

8 that they will generate three points, if you

9 will, a day on the average.

10 With eleven airplanes coming in with

11 Embry-Riddle, we're talking about 88 points in a

12 day, possibly. That's not including any

13 touch-and-go. And you multiply that times normal

14 workdays during the month, that's close to 2,000.

15 Last month -- excuse me, several months back, we

16 had 12,000 takeoff and landings in a month. But  
17 last month, it dropped back to 8,000.

18 Guys, we're talking about giving away  
19 another 25 percent of what we're doing here, you  
20 know, to -- to one potential. And I think that  
21 that's just more than I want to bite off and --  
22 and -- and go along with approving. And I just  
23 don't want to have another paint hangar, you  
24 know, that we all have to go back on. So, I -- I  
25 am against it for those reasons.

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1 CHAIRMAN GREEN: Mr. Cox?

2 MR. COX: I took notes on every speaker that  
3 spoke up at the podium today, and I -- I have  
4 to -- and I've outlined and put comments beside  
5 each one of them. I have to say that with almost  
6 all of the comments, I agree to a certain extent  
7 with some things that everybody said.

8 One of the important things that I think was  
9 pointed out, and -- and Mr. Upchurch pointed out  
10 very eloquently, is that the tax issue for the  
11 airport, and I happen to agree, is -- in this  
12 particular instance, is not the burning issue  
13 that a lot of us or a lot of people like to think  
14 that it is.



15 And I like to use the analogy is, is when  
16 was the last time you called 911? Police? Fire?  
17 I never have. Everybody I've talked to probably  
18 never has. But we're happy to pay the tax on  
19 that service, because it's there and it's  
20 available.

21 This airport is a public service utility.  
22 It supplies fire, search and rescue, police,  
23 customs, drug interdiction. I could go on and on  
24 and on. Fire, search, whale watching. We could  
25 go right down the list.

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1 But I think we're justified in -- in the tax  
2 rate right now that we're charging, if you will,  
3 or that people are paying for the airport.  
4 That's not to say that we can't move towards  
5 getting it off the tax rolls. And I think Ed's  
6 done an admirable -- admirable job in putting  
7 this together to try to use that as an objective  
8 to -- for that purpose.

9 Mr. Tucker brought out some very good points  
10 about the hidden infrastructure costs. That's a  
11 great point and it's something we really need to  
12 consider.

13 SK, as I understand you to say, you're

14 willing to lease both hangars, assuming the lease  
15 is not acted on?

16 MR. SMITH: Yes, that's true.

17 MR. COX: I just wanted to make sure that's  
18 what you were talking about.

19 And I've got a real problem with the fact  
20 that -- that Embry-Riddle is not putting any of  
21 their own money into the -- into the hangar at  
22 all, and that -- and as Dan pointed out,  
23 corporate warehouse space is given as is and that  
24 any improvements made are -- the tenant makes the  
25 improvements.

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1 So, we're -- we're putting out almost a  
2 million dollars to build this for Embry-Riddle,  
3 and -- and they don't have to put anything into  
4 it.

5 The safety issue, I think we could go either  
6 way on that. As far as it being a safety issue,  
7 I think -- Dave, correct me if I'm wrong; I think  
8 you guys could probably handle the traffic that  
9 we're talking about and it's not really an issue.

10 But when you talk safety, of course, you  
11 know, anything that's -- in traffic, as far as  
12 traffic safety goes, any more traffic, of course,

13 is I won't say detrimental, but it's harder to  
14 handle. There's no -- there's no way around it.  
15 It's not to say we can't do it safely.

16 And that's a good point you brought out  
17 about -- I hadn't thought about that -- the  
18 corporate entities saying that they're going to  
19 disqualify the airport because of the new  
20 training that's now happening at this airport.  
21 That'd be something to consider.

22 Also, there's -- I've still got some  
23 problems with -- and I think that 200 cars a day,  
24 which is what's going to be going into that  
25 facility over there once we start up with that,

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1 irregardless of what times of the day it is, it's  
2 going to be a tremendous impact on A1A (sic),  
3 coming in and out of that.

4 So, we're -- just like two blocks away,  
5 you've got Northrop Grumman with a stoplight.  
6 Sooner or later, we're going to have another  
7 stoplight right there on A1A (sic). So, I really  
8 can't -- I can't support it for those reasons,  
9 either.

10 CHAIRMAN GREEN: Well, Joe wanted to go  
11 last, so... I just have a couple of comments. I

12 was going to ask our treasurer about the debt  
13 service monthly, and you've answered my question,  
14 because me being the lawyer, not the engineering  
15 accountant that you have, my debt services were  
16 upside down, too. And I was very concerned about  
17 that.

18 And also, having a background in  
19 construction contracts, I was very concerned with  
20 regards to Embry-Riddle not putting forth even  
21 the buildout, the interior. I mean, sometimes in  
22 commercial buildings, the developer or owner of  
23 the property will build the structure, but then  
24 from the electrical -- or not even that, just the  
25 walls in, that's your tenant. You may give them

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1 a buildout amount to do, but there's a lot of  
2 costs that usually are borne by the tenant for  
3 building that, serving that particular tenant.

4 So, those reasons with regards to the  
5 construction costs, the outlay of funds of the  
6 \$600,000, I do believe needs to be service more  
7 for our local people, and I'm not in favor of the  
8 lease, either. Joe?

9 MR. CIRIELLO: Well, first of all, when I  
10 moved down here 16 years ago, one of the first

11 things I did was sign up to vote. I take a very  
12 serious consideration in life on voting.

13 From day one -- and I -- I started working  
14 at Grumman when I come down here, so I was on the  
15 airport six days a week for six years. From day  
16 one, I've heard people campaigning for this job.  
17 And back then, 16 years ago, the statements were  
18 made that this airport would be self-sufficient  
19 in 10 years. Now, it's 16 years and it's still  
20 not.

21 Now, I've been directly involved with the  
22 airport for about ten years, because that's when  
23 I got laid off from Grumman, ten years ago, and  
24 I've been coming to meetings ever since. I ran  
25 for this job four times and I finally made it.

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1 Probably everybody out there would like to throw  
2 me out of here right now because I don't think  
3 I've made any friends.

4 But when you get down to this airport paying  
5 for itself, I believe I'm the only candidate in  
6 all the times I ran for this job that would stand  
7 up in public and say this airport will never pay  
8 for itself and get off the ad valorem taxes. Not  
9 because of any wrongdoing from anybody; it's just

10 the way it's set up by the charter and the way  
11 it's being developed.

12 For the last four or five years when we've  
13 gotten the budget, even before I got on the  
14 board, the way I looked at it -- now, I'm not  
15 a -- an accountant. I went down the budget on  
16 the revenue side, and I'd put in the list all of  
17 the income and revenue for the airport, not the  
18 ad valorem taxes, not anything, just fuel, rents,  
19 and things like that, normal everyday things.

20 I did the same for the expenditures. Didn't  
21 add any taxes or anything or capital  
22 improvements, just the actual monies that we  
23 spent on telephones and salaries and whatnot.

24 Every year, we're about \$225,000 spending  
25 more money than we're making. And anybody in

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1 business will tell you if you spend more money  
2 than you're making, you're not breaking even.

3 Now, when the budget comes out and it's  
4 balanced because the ad valorem taxes of \$2  
5 million is in there, the monies you get from  
6 capital improvements is in there, and it comes  
7 out to a balanced budget.

8 But if you take a look at the airport in --

9 in operating it, it's a vicious circle. The  
10 capital improvements is like some of you  
11 gentlemen has mentioned, the control tower, which  
12 I really didn't want; the ILS, which I really  
13 didn't want. Of course, I wasn't on the board  
14 then; I was out there like you guys, and I spoke  
15 against them. That's all capital improvement  
16 money that in my opinion we get no direct  
17 benefits from.

18 Now, hangars, you get direct benefits from.  
19 But still, if you build 12 or 15 T-hangars this  
20 year -- I'm not talking corporate hangars --  
21 T-hangars, and rent them out, it takes about  
22 five, six, seven years to get your money back  
23 because you -- you know, you get half the money  
24 from the state and we pay the other half.

25 Okay. Now, five or six years down the road,

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1 you build some more. And so, that circle  
2 continues. You're always trying to get your  
3 money back. You're never to the point to where  
4 everything you've invested after five or six  
5 years all comes back cash flow in the black and  
6 you're not in the red anymore. So, this vicious  
7 circle continues.

8 Now, when you put in taxiways, runways,  
9 control towers, things like that, you're not  
10 getting any direct benefit from it. I don't know  
11 of many pilots -- and I've asked a few corporate  
12 pilots when they come here, "Did you come here  
13 just because we have an ILS or control tower?"

14 No, they came here because that's where they  
15 had to come for business. And they'd have come  
16 here no matter what. In fact, they have come  
17 here when there was none of that stuff. So, it's  
18 not, when somebody tells you, "Oh, we've got an  
19 ILS and a control tower; we're going to make  
20 money on selling fuel because they're going to  
21 come here because we have that stuff." So, this  
22 vicious circle, until you stop building capital  
23 improvements, it's not going to pay for itself.

24 Now, you're talking about build -- well,  
25 everybody. Of course, every one of you guys made

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1 statements, and every one of them's got some true  
2 benefits to it, but when you're talking about  
3 putting more hangars in -- now individual  
4 hangars; I'm not talking corporate. The only  
5 place we have is over here in Araquay Park.

6 You're talking about taking out tax-paying



7 homes, good homes, most of them nice homes,  
8 livable, with families and people living in them.  
9 You're going to tear them down and put in  
10 nontaxing hangars to rent out for a couple of  
11 hundred dollars a month. So, you're going to  
12 destroy all those homes to put these hangars in.

13 Now, some years ago when whoever was on this  
14 board started buying homes for whatever reason,  
15 once that snowball started, you couldn't stop. I  
16 don't think they should have ever done it in the  
17 first place. But now it's, like I say, a  
18 snowball you can't stop. You've got to keep  
19 buying these homes. But we don't have them all  
20 in line to where we can just take and tear them  
21 all out and put all these hangars in we need.

22 We have, what, 60, 80 people, 90 people on  
23 the waiting list?

24 MR. WUELLNER: For T-hangars?

25 MR. CIRIELLO: Yeah.

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1 MR. WUELLNER: Just right around a hundred.

2 MR. CIRIELLO: Now, Ed could tell you that  
3 I've been on his case here for the last couple of  
4 months about our hangar leases. I want to review  
5 them. I want to go over them. I don't like the

6 way they're being done. I don't think they're  
7 fair. But that's what everybody out here wants,  
8 more hangar -- T-hangars to build more revenue.  
9 They don't think getting -- how much is it a  
10 year, a hundred thousand a year or something from  
11 Embry-Riddle is bringing in any money. I don't  
12 see anything wrong with this Embry-Riddle thing.

13 Then I'd like one of you guys out there to  
14 answer my question: This is a public use  
15 airport. I don't think any of us have a right to  
16 sit up here and try to manage growth, saying,  
17 "You can't come here."

18 We get federal and state money to run this  
19 airport. It's not our job to sit up here and  
20 say, "We don't want you because it's  
21 inconvenient. We don't want you because it's  
22 going to ruin our traffic pattern. You're --  
23 we're (sic) going to chase me out." Or, "I can't  
24 get a hangar, and I've been on the hangar list  
25 for six years because the corporate people are

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1 coming in -- or the Embry-Riddle people are  
2 coming in. You're taking care of them first."

3 That's not our job. We can't pick and  
4 choose and monopolize who can come here. This is

5 a public use airport. And if Embry-Riddle wants  
6 to come up here and if we can provide and they're  
7 going to pay their way -- and I don't think  
8 they're going to come in here and invest all that  
9 money that's Ed's talking about, the hundred  
10 thousand a year for six, seven, eight years, and  
11 then maybe fourteen. If they think that after a  
12 couple of years or a year that they're not going  
13 to get the students they expect, then they're  
14 going to go bust, because they're still going to  
15 have to pay some money.

16 So, I -- I don't see anything wrong with  
17 this thing. And I don't see anything that we  
18 should say, "No, we don't want you because it's  
19 inconvenient to our locals."

20 Sure we need to take care of you. But  
21 tearing down people's nice houses to give you a  
22 tin hangar to put an airplane in doesn't make  
23 much sense to me. But we've got the property and  
24 there's nothing we can do about it. I have no  
25 problems with doing that, going ahead with it.

50

1 But I also have no problem with Embry-Riddle  
2 coming up here. And like I said, every one of  
3 you guys had good arguments and good statements

4 in why you don't want them, but I can't see that  
5 we have any right to tell them they can't come.

6 CHAIRMAN GREEN: Any further board  
7 discussion?

8 I just want to add one point. I don't  
9 disagree with Mr. Ciriello about we are a public  
10 use airport and people that want to come here,  
11 and businesses, should be able to. But my  
12 feeling is I don't want to pay for them to come  
13 here.

14 If they want to come and build out, and if  
15 Embry-Riddle had put more money up on this lease  
16 or contributed to it, then the numbers might jive  
17 a little better. But that's my concern. The  
18 numbers just aren't there.

19 So, I don't think -- as a board member, I'm  
20 not saying that this is not a public facility; it  
21 is. But it has to be a sound business public  
22 facility. So, I'm against it for the numbers as  
23 they are.

24 MR. GEORGE: Madam Chairman, I recommend a  
25 motion that we reject this lease in its entirety.

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1 CHAIRMAN GREEN: Do we have a second?

2 MR. COX: Second.

3 CHAIRMAN GREEN: Any further discussion?

4 (No further discussion.)

5 CHAIRMAN GREEN: All in favor of the motion?

6 MR. GEORGE: Aye.

7 CHAIRMAN GREEN: Aye.

8 MR. COX: Aye.

9 MR. GORMAN: Aye.

10 CHAIRMAN GREEN: All opposed?

11 MR. CIRIELLO: No.

12 CHAIRMAN GREEN: Motion's carried.

13 5. - SUBMITTED AIRPORT ISSUES

14 CHAIRMAN GREEN: Next on the agenda are --

15 we have before us some submitted just airport

16 issues to banter around and discuss. And I

17 think -- I know, Mr. Gorman, you put some things

18 together, and I -- and when I look at it, it

19 looks like it was culminated. Hopefully a lot of

20 your issues were culminated into this front

21 issue, too.

22 MR. GORMAN: Not really. I'd rather go

23 through mine rather quickly.

24 CHAIRMAN GREEN: Okay. I have no objection

25 to that. You put a lot of work and effort into

1 this. We tried to get this last meeting, so...

2 MR. GORMAN: Quickly -- quickly we'll be  
3 done.

4 CHAIRMAN GREEN: Okay.

5 MR. GORMAN: In other words, I -- everybody  
6 pointed at their watch. I have -- as a problem,  
7 I have got -- or a potential problem, the funding  
8 of the shade hangar. And I have written that  
9 this problem -- ready for all of these? Ready?

10 CHAIRMAN GREEN: We're just following you.

11 MR. GORMAN: Okay. This project is now  
12 slated to be funded by a settlement amount,  
13 dependent on litigation against the firm of Earth  
14 Tech who state they have a \$1 million deductible  
15 on their errors and omission insurance.

16 And I -- I simply think that that's just not  
17 a practical way to go if you're really going to  
18 fund this thing. You've really got to have plan  
19 B, because if, for instance -- now, I am not a  
20 lawyer, and I'm not -- but if you had an  
21 intangible company and they did suffer a  
22 litigation loss against them, it would be a lot  
23 easier for them to go bankrupt and pay nothing  
24 than it would be to suffer a large litigation  
25 payment to the St. Augustine-St. Johns County

1 Airport Authority, period. I mean, that's just  
2 a -- just a fear of mine. Whether or not it's  
3 based on fact, I don't know.

4 But I know they could do that, and if they  
5 did do that, you'd have nothing to go on. I'd  
6 also like to know the funding of the shade hangar  
7 facility -- again, along with Madam Chairman's  
8 idea about people putting in money -- have we  
9 considered private funding for the shade hangar?

10 I personally think a shade hangar is a nice idea,  
11 and I've seen one before that was -- that really  
12 worked well. But we're paying for everything  
13 here. So, have we considered private funding?

14 So, I don't really feel very good about our  
15 plan to fund this shade hangar. I don't think  
16 we've got -- it's all smoking mirrors.

17 That said, I'll move on to -- do you want me  
18 to move on to my points real quick, or do you  
19 want --

20 MR. GEORGE: No. Let's cover one by one.

21 CHAIRMAN GREEN: That's fine.

22 MR. GORMAN: Any discussion on the other  
23 side?

24 CHAIRMAN GREEN: Any other comments on the  
25 shade hangar?

1 MR. COX: That's fine. No.

2 CHAIRMAN GREEN: Ed?

3 MR. GEORGE: I'd like to hear Staff's  
4 comments on it.

5 CHAIRMAN GREEN: I just said "Ed" right when  
6 you said --

7 MR. WUELLNER: Well, you know, we -- there  
8 are probably a lot of issues we'll agree to  
9 disagree on principle here, but the shade hangar  
10 itself is -- was the fallback development plan,  
11 as you remember, for Phase 2. I mean, it was  
12 not, you know, in and of itself, a separate  
13 project originally.

14 After the terminal project problems, we --  
15 we met -- actually it was, you know, brought up  
16 by -- by the tenant that their needs had changed  
17 to some degree about what the utility -- you  
18 know, what they wanted there, the like. The  
19 previous Authority, you know, approved the  
20 original project. This Authority approved the  
21 construction contract to move into this.

22 You have a -- you know, there was always the  
23 alternative on the table, and I know we explained  
24 this, but because this was originally funded and  
25 the original funds expended in respect to a



1 Florida DOT grant, that the alternative here is  
2 that you write a check back to the Florida DOT  
3 for the funds. The -- which, of course, nets no  
4 return to the Authority under any circumstance  
5 related to the project.

6 So, it wasn't a case of you could just stop  
7 developing in a sense and -- and nothing happens.  
8 FDOT is fully expecting to see some sort of  
9 project completed with -- with their money or it  
10 returned. And their preference is to have  
11 something built, frankly.

12 It -- you know, it generates revenue at some  
13 point. The short-term scenario was that we went  
14 into reserves to cover this until the litigation  
15 settles. The reality is, if it never settles, if  
16 we never got a nickel out of it, you'd still  
17 write a check out of reserves back to Florida DOT  
18 for the project. So, in the big picture, there's  
19 certainly a Catch-22 relative to a final product.

20 MR. GORMAN: So, you're saying we actually  
21 have to wait for the litigation to settle to  
22 actually go ahead with the shade hangar.

23 MR. WUELLNER: No. The -- this board  
24 approved using -- allocating reserve funds to do  
25 the construction at this point.

1 MR. GORMAN: I understand that.

2 MR. WUELLNER: And then reimburse that  
3 reserve account with the litigation funds.

4 MR. GORMAN: And if the litigation never  
5 happens, we never --

6 MR. WUELLNER: Then you've used the reserve  
7 on it, that's correct.

8 CHAIRMAN GREEN: I don't think there's a  
9 question the litigation has happened. We're in  
10 the middle of it.

11 MR. GORMAN: If it's not successful, but...

12 CHAIRMAN GREEN: Well, there's -- you know,  
13 you also have to banter around collectibility,  
14 too. I mean, there may be a figure that we  
15 settle on that may not make us a hundred percent  
16 whole, but if you have to take back out what we  
17 would write back to FDOT, that's when you go to  
18 your mediation and figure out what can we live  
19 with. I think we kind of gave them a number that  
20 we were looking at.

21 But I think we're premature to say it won't  
22 settle. I mean, you always have a collectibility  
23 or a settlement figure, okay, I'll live with it  
24 and let's go forward and not have a loss.

25 MR. GEORGE: Ed, do you know what the number

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1 is we would have to write a check to FDOT? I  
2 think what you're saying is, if we decide to  
3 abandon the project all together, what they've  
4 paid us thus far --

5 MR. WUELLNER: It would have been 50 percent  
6 of the original construction, so you're --

7 MR. GEORGE: Six twenty-five or six  
8 seventy-five?

9 MR. WUELLNER: I don't think it's quite that  
10 high. I think it's in the \$400,000 range,  
11 probably. The other half of the money was ours.  
12 The original Phase 2 was -- I've forgotten the  
13 number. I think it was \$700,000 range, \$800,000  
14 range.

15 MR. GEORGE: Okay. So -- but had they paid  
16 us? I didn't think they paid us.

17 MR. WUELLNER: They paid -- they paid the  
18 majority of it. That's where the problem is  
19 relative to the lawsuit.

20 MR. GEORGE: Okay.

21 MR. GORMAN: Ready for another one?

22 CHAIRMAN GREEN: Sure.

23 MR. GORMAN: Well, we go through these

24 quickly.

25 MR. GEORGE: I'm not --

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1 MR. GORMAN: I'm sorry.

2 MR. GEORGE: Was there a resolution on that?

3 I mean, what's -- you know, we discussed it,

4 but...

5 MR. GORMAN: I know. That's why I'd love to

6 have a resolution, but...

7 CHAIRMAN GREEN: Well, I think we voted as a

8 board what we were doing, which was to use the

9 reserves, go forward. And we have our

10 discussions with regards to where we are with

11 Earth Tech. And so, now we have to wait on

12 advice of counsel. I mean, I think that's where

13 we are as far as --

14 MR. GORMAN: Okay. But we have no plan B.

15 MR. GEORGE: Okay. But pressing forward

16 with the shade hangars, my understanding that

17 we're into the design on it and we have awarded a

18 design and build.

19 MR. WUELLNER: Yeah. You are awaiting a

20 permit in the next, probably next week, I would

21 suspect, to go right to construction with it.

22 So, it's --

23 MR. GEORGE: Do you remember what the price  
24 tag was?

25 MR. WUELLNER: I think total was at \$840-,

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1 round numbers.

2 CHAIRMAN GREEN: Uh-huh.

3 MR. GEORGE: Okay.

4 CHAIRMAN GREEN: It's pretty close to where  
5 we were.

6 MR. GEORGE: Pretty close to where we were  
7 with the original seven --

8 MR. WUELLNER: Right.

9 MR. GEORGE: So, if we -- if we go forward,  
10 FDOT has agreed then to take that project and say  
11 that this satisfies it.

12 MR. WUELLNER: Yeah, yeah.

13 MR. GEORGE: Okay.

14 MR. GORMAN: I'll be real quick on parking.

15 Parking is -- I'm not sure when we're ever going  
16 to get in that terminal. And let's not argue  
17 about that one. That's not one of my issues, the  
18 terminal, because we've hashed that so much.

19 But when we do get in there, what's being  
20 done now for planning for parking? The parking  
21 is going to become extremely acute. Are we going

22 to park along U.S. 1? Are we going to build a  
23 garage? Are we going to have a tram from Palatka  
24 to here? I mean, where?

25 I mean, we've got an acute problem, and

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1 that's going to be -- it's going to come up. And  
2 so I -- just for planning purposes, I'd just like  
3 to see really what we're doing.

4 And I know we've got a new engineering firm  
5 coming. But things seem to move at a glacial  
6 pace around here. And no offense; they do. And  
7 the problem won't be -- the problem is going to  
8 exist immediately. So, that's my comment on  
9 parking, and I'll move along after that. I'd  
10 like to see some planning.

11 MR. WUELLNER: Well, my -- my response there  
12 would be -- would be two-fold.

13 First of all, you're -- all you're doing is  
14 reincorporating an existing use in the terminal  
15 at this point. So, the parking impacts are, as  
16 it stands right now, negligible. The only  
17 increased parking requirements beyond what we  
18 have over there is when we -- when the second  
19 floor begins to be occupied or whatever,  
20 that's -- that's definitely new impact.

21 The discussions we've had were with -- with  
22 Grumman relative -- you've got -- you know, in  
23 fairness, you've got about a dozen parking places  
24 around the new building that are largely unusable  
25 at this point because they're continually

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1 barricaded off and are not -- you know, not  
2 available day in and day out to use.

3 And as such, that has certainly pinched the  
4 existing conditions here. But, all you've done  
5 is take the flight school out. They're still  
6 operating in the terminal with all the same  
7 vehicles and putting them in a different  
8 building.

9 MR. GORMAN: Ed, have you tried to park  
10 there recently?

11 MR. WUELLNER: Oh, I -- there are certain  
12 days that it's impossible.

13 MR. GORMAN: Just as long as we all agree  
14 that it's an acute problem.

15 MR. WUELLNER: Oh, it's not a -- it's not a  
16 great place to be.

17 Now, the other -- we have worked with --  
18 been trying to work with Northrop Grumman. They  
19 have -- we've been back and forth a number of

20 times -- and unfortunately, it's been tied to  
21 various projects -- to -- to get them to allow us  
22 to have that -- it's about a quarter of an acre  
23 of additional parking right there at the corner  
24 of the main entrance. And -- and I think that  
25 solution's, you know, really close on the

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1 horizon.

2 It got tied up with the discussions on the  
3 customs property release and all of that with  
4 their corporate folks, and now local St.  
5 Augustine Grumman folks are trying to divorce it  
6 from that issue and get it stand alone and get  
7 it -- get it to happen. That's how we got the  
8 original half acre that's over there that we kind  
9 affectionately call long-term parking.

10 With that, I think the engineering firm's  
11 going to be able to look at all of that available  
12 space there and reconfigure it to something  
13 that's way more productive in terms of layout.

14 Unfortunately, until I get the property, I  
15 can't really do that. The alternatives are go  
16 up. And, you know, you're looking at 20-, 25,000  
17 a space for -- for garage, you know, which is  
18 insane. That's a lot of money.



19 MR. GORMAN: I mean, I -- myself, I can move  
20 on, because I just want to know what we're doing  
21 for planning. We have a new engineering firm  
22 coming in now. But, I mean -- but we're going to  
23 have the problem, chop, really quickly. And so,  
24 I just wanted to know what we're going to do.

25 MR. GEORGE: Mr. Gorman --

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1 MR. GORMAN: Yes.

2 MR. GEORGE: -- I have a problem. My  
3 problem is that you bring up a problem, and we  
4 tell you the status, and we go on without getting  
5 any resolution. So, I don't know when it's going  
6 to come up again. So, let me give you an  
7 example.

8 MR. GORMAN: Right.

9 MR. GEORGE: In this particular case, you  
10 made the comment about Ed being over there to try  
11 to park now. We have construction going on. Is  
12 your problem that during the construction phase  
13 there's no parking?

14 MR. GORMAN: No. My problem is we don't  
15 have any planning in place now, sir, to actually  
16 alleviate the problem.

17 MR. GEORGE: Okay. When we got the permits

18 and everything, were not parking permits included  
19 in the permit process for the number of square  
20 feet -- foot -- footage, excuse me, that we have?  
21 Was it, Ed?

22 MR. WUELLNER: Yes. The -- the parking lot  
23 that was added, the half acre that was added was  
24 not associated with the project. So, the new  
25 project was able to take credit for the parking

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1 that had been added for no apparent reason.

2 The original terminal parking was -- was  
3 even worse. I mean, it was 70 -- about 70 spaces  
4 less than it is now. It was just that short  
5 perimeter part.

6 And by the time you put rental cars and even  
7 a few of those in there, it was -- it was always  
8 saturated. That's when we were able to get the  
9 relief, if you will, from Grumman, and got  
10 that -- that additional area that we now can use  
11 as credit against the -- the building, although  
12 it still has surplus parking spaces.

13 MR. GEORGE: Okay. And I think what  
14 Mr. Gorman is saying is even with that credit  
15 that you've got, in his opinion, it is still --

16 MR. WUELLNER: We --

17 MR. GEORGE: -- need more.

18 MR. WUELLNER: There's no argument.

19 MR. GEORGE: How close to getting the  
20 Grumman property are we, and what do you think  
21 the probability of getting access to that is?

22 MR. WUELLNER: Within the last 45 days, we  
23 rewrote Grumman about getting that property back  
24 or getting that property released to us. We have  
25 not gotten a response.

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1 It is not unusual for it to take 60 to 90  
2 days to get any answer, because they're not  
3 allowed to make those decisions any longer  
4 locally and they all go up to Grumman corporate.  
5 And it's just not a big deal, so nobody looks at  
6 it. It takes forever to get something out of  
7 this -- this scale.

8 MR. GEORGE: Okay. Do we have anybody --

9 MR. WUELLNER: We continue to press them to  
10 get the quarter acre back, but that corporate  
11 wheel moves even slower than ours.

12 MR. GEORGE: Do we have any consultant that  
13 we have that is capable of looking at the needs  
14 of that area over --

15 MR. WUELLNER: Sure. The --

16 MR. GEORGE: -- the present construction

17 period --

18 MR. WUELLNER: Sure.

19 MR. GEORGE: -- and coming up with a "We  
20 need X number of parking spots"? Because then we  
21 can --

22 MR. GORMAN: Right.

23 MR. GEORGE: -- either stay with Grumman or  
24 turn the engineers loose to build a garage. But  
25 I think that Jack is saying we've got a problem,

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1 and I don't know the magnitude of it. I don't  
2 know if those twelve spots that the construction  
3 is going to solve it --

4 MR. WUELLNER: No.

5 MR. GEORGE: -- or not.

6 MR. WUELLNER: It -- it's not going to solve  
7 the big picture. I mean, you've got -- it was a  
8 really dumb place to put that facility, but  
9 that's, you know, way, way before me. It's way  
10 before these -- you know, you folks. It's a fact  
11 we've just got to deal with it.

12 MR. GEORGE: When this meeting -- excuse me.

13 CHAIRMAN GREEN: No.

14 MR. GEORGE: When this meeting was set up as

15 a workshop, we couldn't make any decisions, but  
16 now it's not a workshop; it's a session. So, is  
17 it appropriate for me to make a motion that we  
18 have Staff undertake a study that will define how  
19 many parking spots we need and how many we have  
20 in that particular area so that we can then  
21 develop a plan?

22 CHAIRMAN GREEN: Yeah.

23 MR. WUELLNER: I'm -- I'm not sure you --  
24 you need that.

25 CHAIRMAN GREEN: Right. We can direct him

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1 anyway.

2 MR. WUELLNER: I mean, I understand what  
3 you're trying to do. What I'm saying is that a  
4 normal part of what they would be looking at in  
5 the master plan study.

6 And you can do a little stand-alone thing if  
7 that -- if that's your desire. You certainly  
8 can. But, you know, it's the kind of thing that  
9 they go through and look at the buildings, the  
10 locations. You know, it's a fairly easy math  
11 equation to come up with how many spots you ought  
12 to have based on what you -- what you're doing.

13 MR. GEORGE: Okay. The master plan is a

14 15-month deal?

15 MR. WUELLNER: Well, yeah. I mean, yeah,  
16 that's the -- that's the downside of just letting  
17 it happen through the master plan; you don't get  
18 your answer for 15 months.

19 MR. GEORGE: I think if it's a problem, you  
20 know, that's affecting, you know, the public and  
21 the people using that, that that needs to get  
22 accelerated in his schedule so that we at least  
23 can get a letter back to us that says,  
24 preliminarily, it looks like based on what, you  
25 know, is there now, here's the spots, and whether

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1 you're short or not.

2 MR. WUELLNER: Sure. We can do it. We'll  
3 scope something out.

4 MR. GEORGE: So, I make that motion.

5 MR. WUELLNER: We'll scope something out and  
6 have them get a quote to us, the two we just  
7 hired, and see what you -- see what you come up  
8 with.

9 MR. GORMAN: I'll second it, because it  
10 sounds like progress.

11 MR. GEORGE: Okay?

12 CHAIRMAN GREEN: I don't think need a

13 motion. I think directing him --

14 MR. WUELLNER: That's fine.

15 CHAIRMAN GREEN: -- Staff to do that --

16 MR. WUELLNER: Okay.

17 CHAIRMAN GREEN: -- is good enough.

18 MR. GEORGE: So, no motion.

19 CHAIRMAN GREEN: And that will be vote --

20 that will be brought back before us. Hopefully

21 you can get something by the next meeting?

22 MR. GEORGE: That's what I meant about let's

23 do something before we go on to the next one.

24 MR. GORMAN: I'll go on quickly to the next

25 one.

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1 Okay. I have written operating  
2 expenditures. Checks over a specified amount  
3 should be countersigned by one of the board  
4 members on a rotating basis. I believe this  
5 would give the board members a hands-on feel for  
6 expenditures.

7 For instance, in other words, just as a "for  
8 instance," vehicular equipment, maintenance, and  
9 other expenditures should come under examination  
10 to minimize costs. If the board members know of  
11 these, if they're hands-on signing these checks,

12 they're going to understand what these costs are.

13 And many more board members stated they want  
14 to run this airport like a business. Well, it's  
15 not standard business practice to have the  
16 disbursement of funds in the hands of one man, no  
17 matter how competent. And more importantly, the  
18 requirement of one board member at a time reading  
19 and signing checks is going to allow them that  
20 experience that they need --

21 MR. GEORGE: Which number are you on?

22 MR. GORMAN: -- to encourage intelligent  
23 questions.

24 MR. COX: He's got his own.

25 MR. GORMAN: Oh, yeah, I'm going to go fast.

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1 That's number four.

2 CHAIRMAN GREEN: That's number four.

3 MR. GEORGE: Okay.

4 MR. WUELLNER: The response to that from the  
5 Staff side is that's not the reality of how it  
6 works. You have a --

7 MR. GORMAN: Well, how it has worked.

8 MR. WUELLNER: Well, no, it hasn't. And not  
9 since I've been here, and it wasn't that way when  
10 I got here.



11 MR. GORMAN: Doesn't --

12 MR. WUELLNER: There's always been a board  
13 member -- your secretary/treasurer that you elect  
14 annually is responsible to not only verify all of  
15 the transactions that go on at the airport, but  
16 it also countersigns all checks.

17 CHAIRMAN GREEN: And provides us a monthly  
18 report.

19 MR. GEORGE: Every check, I sign.

20 MR. GORMAN: That's fine. I have no idea  
21 what you've been signing. And it's --

22 MR. WUELLNER: Yeah, you do. Every month,  
23 you have a --

24 MR. GORMAN: It would be an --

25 MR. WUELLNER: -- financial report.

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1 MR. GORMAN: It would be an education to  
2 each one of the board members to be more in tune  
3 with that particular endeavor. That's my  
4 problem.

5 MR. GEORGE: I added -- I added to the  
6 agenda for the next meeting, which is July the  
7 21st, for me to present to you a management  
8 report of the financials as opposed to P&Ls and  
9 stuff.

10 And I think that that way, you'll be able to  
11 see I have income coming in from the rental  
12 houses and here have been the total expenditures  
13 back from that --

14 MR. GORMAN: So you've been --

15 MR. GEORGE: -- as a summary. But if you  
16 want to get into the detail, that detail is not  
17 any further away than picking up the phone and  
18 calling him and scheduling a meeting with Donna,  
19 and she'll show it to you.

20 MR. GORMAN: So, in other words, you're --  
21 you're feeling that your -- your detailed  
22 quarterly reports are going to be enough to  
23 educate the board so that they can make  
24 intelligent decisions and intelligent questions  
25 as to how to best manage expenditures? I don't

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1 feel that way.

2 MR. GEORGE: No. My management reports are  
3 going to give you a better picture of what are  
4 the expenses associated with the revenue from the  
5 different areas that we're receiving.

6 Right now, you get a P&L and a balance  
7 sheet, and for you to sit there and wade through  
8 it, say, okay, well, does this tie with this and

9 does this tie with that --

10 MR. GORMAN: Exactly.

11 MR. GEORGE: -- I'm trying to tie it down so  
12 that you can then say, "Is that all the money  
13 we're making from rental houses?" Then somebody  
14 might want to take a look at it.

15 I would like to point out that Donna sits  
16 down with all of those high items and goes over  
17 them with Ed, and every time I'm signing checks,  
18 they always have an answer of what they've looked  
19 at and where this comes from. I will be most  
20 happy to relinquish the check signing to you.

21 CHAIRMAN GREEN: Not to me, you won't,  
22 because I've been there, done it. And it is  
23 detailed.

24 MR. GEORGE: It is.

25 CHAIRMAN GREEN: I mean, you sit down and

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1 sign all of --

2 MR. GORMAN: I'm looking for the detail as  
3 an education.

4 CHAIRMAN GREEN: Well, I went by to check it  
5 out a couple of times, so I'm -- like I said  
6 you're free to go. And I think the reports will  
7 help us. Mr. Cox?

8 MR. COX: Question, Jack: Are you -- are  
9 you looking for detailed information on what we  
10 pay the guys to mow the lawns out here and  
11 spray-paint the buildings?

12 MR. GORMAN: You know what I'd actually like  
13 to have? And that is part of what we'll get into  
14 later. But it's another thing. I'd like to have  
15 an independent firm, an operational audit of the  
16 entire airport.

17 MR. COX: That's your -- that's your last  
18 item.

19 MR. GORMAN: That is -- that would --

20 MR. COX: I'm not interested in how much we  
21 pay the guys to mow the lawn out there.

22 MR. GORMAN: Well, that wouldn't be an  
23 interesting entry. The more interesting entry  
24 would be a sum total of the properties -- we have  
25 50 rental houses.

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1 MR. COX: Okay. Well, I understand that.

2 MR. GORMAN: Of the sum total of what we've  
3 got, the dynamic of what's going on, and an  
4 independent judgment of that, not generated by  
5 Staff and not signed by the board; an independent  
6 analysis of that. That would be -- an

7 independent operational audit would do that.

8 And I'm not looking to cast disparaging --

9 you know, I don't think Mr. Wuellner's writing

10 himself checks or anything like that. And I --

11 truly, I don't. But truly, I don't think that

12 any of the board members have a grip on how

13 things are working around here, and how deep, for

14 instance, the morass may be about the Araquay

15 Park issue. That's not a money-maker.

16 MR. GEORGE: Editorial comment.

17 MR. GORMAN: Sure.

18 MR. GEORGE: These doors are open to the

19 public, and more importantly, open to each one of

20 these board members. I hear Ed talking about,

21 Wayne, you coming down. And Mr. Ciriello, when

22 he has a problem, he comes and asks. You wait

23 till we get to these board meetings to bring it

24 up.

25 MR. GORMAN: Because we want to be in the

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1 Sunshine about this thing, sir. We need to have

2 people understand what's going on.

3 MR. GEORGE: But if -- if you took the time

4 to come and go with Ed and Donna and go through

5 what's there, you would be a more knowledgeable

6 representative on this board.

7 Now, it would -- the Sunshine is only  
8 between, you know, us making some decision. I  
9 would just suggest it. If you want to, come, and  
10 they'll go through all of the detail. But then  
11 you'll have a better feel for what that detail is  
12 there.

13 And you might be correct. We might need to  
14 do an operational one. But at least by looking  
15 at it and having a feel for that, you'll --  
16 you'll have a better appreciation what they --

17 MR. GORMAN: It would be interesting then if  
18 an independent audit firm came up with the same  
19 detailed analysis that you did and they all  
20 matched, then I would certainly sit down.

21 MR. COX: Who does our audit now?

22 MR. GEORGE: We do, do have an independent  
23 audit.

24 MR. GORMAN: It's a financial audit. It's a  
25 different -- it's not the way you do business.

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1 It's actually -- I don't --

2 MR. GEORGE: Okay.

3 MR. GORMAN: I believe that Mr. Wuellner and  
4 yourself can add. I certainly believe that.

5 But how we're doing business, how you're  
6 allocating things, that's an operational audit.  
7 I'm not an auditor. I'm not an operational  
8 auditor. But I would love to see that done only  
9 because we have such a huge situation, especially  
10 with 50 rental houses. Fifty-plus.

11 CHAIRMAN GREEN: Well, as a suggestion, I  
12 think that each of us within the period of time  
13 we have, can come in, sit down with Ed and Donna.

14 I've done it. They've poured me more coffee  
15 than I think they want to make, I've come down  
16 here so often in between court hearings, and sat  
17 down and gone over the checks. Then all of us  
18 will have a better idea. And then look at  
19 Mr. George's report that he's going to give us.  
20 Then we'll know, maybe by July 1 -- I think all  
21 of us could come by and do that. If we do need  
22 it, that doesn't satisfy our questions --

23 MR. COX: August 1st.

24 CHAIRMAN GREEN: Is it the August meeting?

25 MR. GEORGE: No, July 21st.

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1 CHAIRMAN GREEN: 21.

2 MR. COX: July 20 -- you said July 1.

3 MR. GEORGE: I'm sorry.

4 CHAIRMAN GREEN: July 21 --

5 MR. GEORGE: July 21st.

6 CHAIRMAN GREEN: -- is our next meeting.

7 Then if that doesn't satisfy our questions, we

8 can take it up if we need to have an outside

9 audit.

10 MR. GEORGE: Sounds good as far as I'm

11 concerned. Look at the management reports; then

12 we'll decide what more we need.

13 MR. GORMAN: Certainly, I just wanted to

14 start this dialogue.

15 MR. GEORGE: That's good. That's what --

16 we're getting it started, so that's good.

17 MR. GORMAN: Fine. I'll move on to five.

18 I'll be done shortly. Marketing-driven plan,

19 building and planning. For instance, there is --

20 recently, we just had a discussion that was

21 marketing driven. Okay. That's the right idea.

22 In other words, I'd like to know -- I'll keep

23 this one short. I'm going to abridge this one.

24 What's the status of the lease and income

25 for the second-floor terminal? Do we have a

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1 tenant there now?

2 MR. WUELLNER: No, we do not. It's not



3 finished. There's no C.O. for the building.

4 There's no way to place a tenant there.

5 MR. GORMAN: What marketing -- what  
6 marketing have we done for people that could  
7 possibly occupy this?

8 MR. WUELLNER: Well, frankly, we've done  
9 nothing, and the reason we've done nothing is  
10 we've not had a facility to offer them until we  
11 have a C.O. There's -- there's literally  
12 nothing -- I'd have yet another tenant upset with  
13 me because he can't occupy their leasehold. I  
14 mean, we'd be in the same situation we would  
15 be -- we are with Aero Sport.

16 MR. GORMAN: What is the time line between  
17 the occupational -- Certificate of Occupation and  
18 the actual tenant?

19 MR. WUELLNER: I -- I really don't believe  
20 you're going to have any time line or any -- any  
21 loss of time here to rent that. I mean, it's  
22 a -- the trouble is I've got nothing to show them  
23 right this minute. You know, I have no product  
24 until it's finished. I mean, I'd be standing  
25 there --

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1 MR. GORMAN: I don't agree with that, sir;

2 I'm sorry. I just don't. I think that we could  
3 do some marketing of issues like that and say,  
4 "When this is finished, would you be interested?"

5 In other words, that would be the same thing that  
6 I would do --

7 MR. WUELLNER: Well, we've had --

8 MR. GORMAN: -- for other status of other  
9 marketing projects.

10 MR. WUELLNER: I mean, we had some  
11 discussions with folks about the -- they've not  
12 come to fruition. I mean, frankly, they were on  
13 time lines that we couldn't meet.

14 MR. GORMAN: And I would like to see a  
15 workshop for marketing development, in other  
16 words, so that you're not the only person --  
17 Mr. Wuellner's not the only person stuck with  
18 marketing. Because we have a lot of intelligent  
19 people here, and possibly they would have a lot  
20 input.

21 So, a marketing workshop. Maybe I'll just  
22 sum this, the marketing-driven plan, building and  
23 planning, up by I would like to see marketing  
24 workshops.

25 MR. WUELLNER: My question is -- I guess

1 that would be a function of when we get to the  
2 point of really talking about marketing, but what  
3 are we marketing to?

4 You can't handle all of the development and  
5 activity you have on the property at this point.  
6 So, going out and trying to generate more doesn't  
7 make a lot of sense.

8 MR. GORMAN: Well, right now --

9 MR. WUELLNER: I mean --

10 MR. GORMAN: -- we've got a second floor  
11 that's not rented, so...

12 MR. WUELLNER: It will be. It will be  
13 rented, you know, as soon as it's available; I  
14 have no doubt in my mind. It's highly marketable  
15 space.

16 MR. GORMAN: I'll move on to the next one.  
17 I just -- I would like to see a workshop for  
18 marketing development. That's -- that is my  
19 question.

20 The TVOR relocation and the original  
21 condemnation. I'll keep this one short, too.  
22 I'd like to talk about the credibility of the  
23 Thales reports. We have a firm here that gives  
24 us a report. The report's inconclusive. It  
25 has -- it has data that we don't know where it

1 came from and has unexplained data on it.

2 We get -- we are told that we're going to  
3 get this particular issue of whether or not we  
4 can relocate the VOR in its original location.

5 We were told by Mr. Wuellner that this study was  
6 going to go on.

7 When the study came back, it was the exact  
8 same data. Nothing had been rerun. All of the  
9 graphs were the same. And they said nowhere on  
10 the field can we put this VOR. Then they run it  
11 again for a location for this thing. All of a  
12 sudden, yes, we can put it on the field. Or,  
13 it's certainly possible to put it on the field  
14 for \$408,000.

15 To sum it all up, I would just like to  
16 see -- and Mr. Wuellner has promised me recently  
17 that as soon as the Thales engineering comes  
18 through, we're going to put it up for bid. He's  
19 promised me that, and I'd like to hold him to  
20 that promise, and that's fine.

21 But the credibility of the company as a  
22 whole to me is a little off the wall. I mean,  
23 they don't read their own writing. So, I don't  
24 mean to be that way, but I feel that way. And I  
25 just would like to just allow us the opportunity

1 to research other avenues.

2 I mean, if these bids come in, and following  
3 the engineering that Thales does, and it doesn't  
4 make a whole lot of sense to anybody but Thales  
5 personnel, I'd like to just have a completely  
6 different opinion from a different company.

7 Simple as that. Because that just seems to make  
8 common sense to me.

9 MR. GEORGE: I don't know how much money  
10 we're going to throw at this TVOR because you  
11 don't like it. So, how much more do you want us  
12 to throw at it?

13 MR. GORMAN: I don't want you -- I don't  
14 want -- I want as little as possible.

15 MR. GEORGE: The Thales report cost us what?  
16 How much did it cost us?

17 MR. WUELLNER: So far, it hasn't cost us  
18 anything.

19 MR. GORMAN: Well, that's a good answer. I  
20 like that answer.

21 MR. GEORGE: Well, we'll take four more of  
22 those, then, if they have it done by Friday.

23 MR. GORMAN: Thank you. Thank you.

24 MR. CIRIELLO: What did he say? I didn't  
25 hear that.

1 CHAIRMAN GREEN: Nothing.

2 MR. GEORGE: Nothing yet.

3 MR. GORMAN: The point I'm making is  
4 Thales -- Thales is a company that markets and  
5 maintains navigational aids for large airports.  
6 They are what I -- just to put it in vernacular,  
7 a high-dollar vendor. In other words, you've got  
8 to have another opinion there. In other words,  
9 we're not Atlanta. We don't need a brand new  
10 TVOR.

11 If you look at their prices, the equipment  
12 manager in Oklahoma City -- I'm not going to nail  
13 myself down, nor do I want to get in that loop,  
14 but there is recommissionable material available.  
15 And maybe another company would --

16 MR. GEORGE: Okay. That's what Mr. Wuellner  
17 said.

18 MR. GORMAN: -- obtain that better than  
19 Thales would.

20 MR. GEORGE: When the design is put in black  
21 and white, he will give it to three other  
22 companies to bid and to make recommendations  
23 where --

24 MR. GORMAN: I believe we have to, anyway,

25 because it's -- it's Florida Statutes over

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1 \$200,000, I mean, if it's going to come over.

2 Actually, the whole thing's overcomplicated,

3 because this thing is just a transmitter and a

4 stand. That's all it is.

5 MR. GEORGE: Why don't you put it in for us,

6 Jack?

7 MR. GORMAN: I could. You and I could do

8 it.

9 CHAIRMAN GREEN: Mr. Cox?

10 MR. GORMAN: It would take us three days.

11 MR. COX: Colonel Roderick, am I mistaken in

12 understanding that it doesn't matter what kind of

13 VOR we put; they're not going to -- the FAA will

14 not approve that position or location to put a

15 VOR there?

16 MR. RODERICK: They will not approve where

17 it was.

18 MR. COX: Say it again.

19 MR. RODERICK: They will not approve where

20 it was.

21 MR. COX: Right. So, it doesn't matter,

22 Jack, what kind of --

23 MR. GORMAN: I understand that.

24 MR. COX: -- equipment we get. So, I mean,

25 I don't understand what --

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1 MR. GORMAN: I'm looking for price. I'm

2 looking to beat \$408,000.

3 MR. COX: Okay. The problem -- the problem

4 you have with the TVOR is just the dollar amount

5 right now?

6 MR. GORMAN: I'd like some other opinions as

7 to dollar amount --

8 MR. COX: Because we keep going back to the

9 Taxiway B thing.

10 MR. GORMAN: I don't -- Taxiway B is dead.

11 MR. COX: Good.

12 MR. GORMAN: Okay. We'll stop. Okay.

13 We'll stop. All right.

14 But my problem is, is we don't have any

15 other avenues to redo this, and at \$408,000, with

16 no additional funding, it's going to be a bit

17 expensive. And the fact is it's not that

18 difficult a task to put this thing up.

19 So, we need possibly to go out of the box,

20 think out of the box, and just get this thing

21 done. So, I'd like to see some out of the --

22 just a little bit more -- more opinion here,



23 except from one company. That'll put that to

24 bed.

25 CHAIRMAN GREEN: Okay. I think we're there.

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1 I mean, because we're going to bid it out --

2 MR. GORMAN: Okay. In other words --

3 CHAIRMAN GREEN: -- and work down that

4 number.

5 MR. GORMAN: -- if the bid's --

6 MR. GEORGE: I don't think that it's a

7 problem. I think it is progressing in its normal

8 stages and your concerns are being handled. So I

9 wouldn't call it a, quote, all the problems we

10 have at the airport. It's a project we have at

11 the airport.

12 MR. GORMAN: Six months is a long time.

13 It's been down for six months.

14 Let me move on to public relations, customer

15 relations. What are we doing right now -- and

16 Wayne will have a good idea on this -- as far as

17 the negative dialogue and perceptions? In other

18 words, if there's negative dialogue and

19 perceptions, what can we do about them now? What

20 can we do proactively? What's the cause? What's

21 the cure?

22 For instance, that noise abatement, end of  
23 the world. The end of the world historically is  
24 going to be if we have a mandatory noise  
25 abatement. What can we do to make people feel a

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1 little better about that?

2 I've heard things about, oh, public -- what  
3 am I trying to say -- air shows, about places for  
4 people to view the aircraft. In other words,  
5 what type of things can we do for the public to  
6 make them feel like they're getting something for  
7 their money that aren't pilots, that are  
8 nonpilots?

9 CHAIRMAN GREEN: Well, I can tell you --

10 MR. GORMAN: That's all.

11 CHAIRMAN GREEN: -- the eight phone calls I  
12 get -- no, twelve a month, at my office because  
13 of being chairman of the board, I return every  
14 single one of those phone calls, whether it's  
15 8:00, 9:00, 10 o'clock at night. And these are  
16 citizen calls.

17 Mr. Smith, I talked to him on the phone on  
18 the way here. So, that's one thing I think we're  
19 trying to do as a board. Every phone call that  
20 comes in, I take my time. I called Mr. Morelli

21 (sic) when we got our funding. I called him --

22 MR. MARTINELLI: Martinelli.

23 CHAIRMAN GREEN: Martinelli. I called him  
24 at home just to let him know how happy we were we  
25 got our funding, because it was a concerned issue

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1 of his. So, I think if we as board members can  
2 at least on our end do that, that helps the  
3 public awareness and some concern as well.

4 MR. GORMAN: And the last one under public  
5 relations, the -- the St. Augustine Airport  
6 Authority board presence at municipal planning  
7 meetings. I think that that's really key. If  
8 somebody's not there, some one of us ought to  
9 volunteer, because that's just key to know.

10 For instance, right now, they just made a  
11 decision. The decision is to whether to build  
12 350 condominiums that are right in the flight  
13 path of the airport. That's very key for us to  
14 know. That way, we can make -- so, one of us has  
15 to go; I really feel that way. Everyone's  
16 nodding their head yes, so if we could just  
17 expedite that. I'll move on.

18 MR. GEORGE: Maybe that would be a good, you  
19 know, agenda item, as you hear something is

20 coming up, to add it to the agenda, that which  
21 board member is going to take care of it.

22 MR. GORMAN: Exactly. That's a great idea.

23 A hangar utilization chart. I don't know  
24 why I hear it, but I hear constant references to  
25 hangars full of equipment, boats. I would simply

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1 like Mr. Wuellner to publish a chart, give it to  
2 all the board members, something that I can -- I  
3 can give out for public consumption to put that  
4 to bed, period. That will put that to bed very  
5 quickly.

6 In other words, I would like him to just  
7 give every one of the board members and something  
8 that I can show to the public, that here's --  
9 here's the hangars, here's who in them -- here's  
10 who's in them; this is what we're doing; and this  
11 is why the waiting list is a hundred and five  
12 long. Simple as that. But without that, I can't  
13 do much. And I would like to get that.

14 And the last one, and I'll -- I'll run  
15 through this as quickly as I can.

16 MR. WUELLNER: Is that something  
17 collectively you-all want? I mean, I'm not  
18 exactly sure that --

19 MR. GORMAN: It's my request.  
20 MR. WUELLNER: Okay.  
21 MR. GEORGE: I'm not sure if we can publicly  
22 disclose what somebody has in their hangar, can  
23 we?  
24 MR. WUELLNER: Well, yeah. I mean, yes.  
25 MR. GORMAN: Well, not an itemization. I'm

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1 not asking for itemization.  
2 MR. WUELLNER: We wouldn't have a choice,  
3 because if that data's in our hands, it's subject  
4 to review. I mean, it's subject to public  
5 availability directly, for the most part.  
6 MR. GORMAN: So, what's wrong with that?  
7 MR. WUELLNER: I don't have a problem. I'm  
8 just addressing his question. You're looking --  
9 I just want to make sure I understand what  
10 exactly you're asking for, because I've -- we've  
11 got all of that, anything you want.  
12 MR. GORMAN: Just an overview of all the  
13 hangars and the lessor of the hangar. No other  
14 detail.  
15 MR. WUELLNER: A list of --  
16 MR. GORMAN: And basically its use.  
17 MR. WUELLNER: "Use" meaning?

18 MR. GORMAN: Meaning what's in it. In other  
19 words, whether we've got building materials,  
20 whether we've got boats, elephants, whatever.

21 MR. WUELLNER: Okay.

22 MR. GORMAN: I keep hearing from so many  
23 people. And it won't go away.

24 MR. CIRIELLO: Wouldn't this come up, Ed, in  
25 the leases, hangar leases that I keep bringing

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1 up? Isn't that going to be on the agenda?

2 MR. WUELLNER: Uh-huh.

3 MR. CIRIELLO: And when I went through the  
4 hangars for those two days with  
5 Mrs. Hollingsworth and Kevin, the foreman, I  
6 wrote down everything that was in these hangars,  
7 cars, boats, motorcycles, trailers, and air --  
8 hangars without airplanes in them and different  
9 things that -- I have that all recorded.

10 And we're out here talking, and I'm bashing  
11 somebody, trying to get a more stringent hold on  
12 the leases, because I think we're too lax and too  
13 lenient. This is going to come out. This is  
14 what he's wanting to know. This is going to come  
15 out, because me and my big mouth is going to  
16 bring it out.

17 MR. COX: Why don't you make the chart and  
18 give it to him?

19 MR. CIRIELLO: Well, I don't have a --

20 MR. COX: You're the one that did the  
21 analysis.

22 MR. CIRIELLO: -- chart. I don't have a  
23 chart for him. I just have a tablet with about  
24 ten pages on there with each hangar number and  
25 what was in it.

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1 MR. GEORGE: While we're at it, I was in Jim  
2 Bryant's office, the County Commissioner, about  
3 six months ago, and he had a picture of his  
4 family there, and I don't think it's authorized  
5 to have pictures of their families in their  
6 hangars, are they?

7 MR. GORMAN: We could. That --

8 MR. CIRIELLO: We're not talking the leases  
9 right now. We'll bring that up when the leases  
10 come up.

11 MR. GEORGE: Okay. I think the lease, as it  
12 now stands, states the lease has to be for the  
13 primary purpose of housing an aircraft or an  
14 aircraft-related project. It does not say, "and  
15 therefore nothing else."

16 MR. COX: Right.  
17 MR. GEORGE: So, I would say that the --  
18 through your investigations, the results of them,  
19 that the executive director should be taking  
20 action to correct any hangar that he found that  
21 does not fit the criteria of that lease. Would  
22 you agree?

23 MR. GORMAN: (Nods head.)

24 CHAIRMAN GREEN: Uh-huh.

25 MR. GEORGE: How many do we have that do not

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1 fit -- I'm sorry. That's getting into the  
2 detail, but...

3 MR. WUELLNER: We have two that -- lease  
4 hangars that are actively pursuing another  
5 aircraft. They have sold their airplanes. They  
6 do not currently have an airplane in there.  
7 That's it. The rest of them are primarily  
8 aviation use.

9 MR. GEORGE: Okay. Well, Joe's going to  
10 bring up the hangar and the whole thing --

11 MR. WUELLNER: And they have already --

12 MR. GEORGE: -- so maybe that is the best  
13 time --

14 MR. WUELLNER: And to further that, they've



15 already been put on notice that if they don't  
16 have aircraft and have that issue resolved at the  
17 expiration of the lease, which is coming up here  
18 shortly, that they may not be extended an offer  
19 to renew the lease without an aircraft.

20 MR. GORMAN: Fine. Then we'll just get the  
21 chart and I'll tell the public to call me, that  
22 this is the way it is. Not a problem.

23 MR. CIRIELLO: Well, I can't give him the  
24 chart, because that would be out of the Sunshine.  
25 I mean, with my investigation, I can't --

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1 MR. WUELLNER: We've got it. We've got it  
2 here. We'll give it to you.

3 MR. GORMAN: Let me -- let me move on to  
4 Araquay Park, and then I will -- I will probably  
5 be done. I have a little speech for you.

6 For an airport to own and rent single-family  
7 residences, this activity must be incidental to  
8 the airport operation. And over 50-plus rental  
9 units, the size of this home-rental operation,  
10 the Araquay Park properties, makes the airport  
11 almost incidental to the property-rental  
12 operation.

13 Five or six trucks are out on the street on

14 a daily basis. You'll see five or six trucks  
15 parked over in the Airport Authority. They're  
16 gone every day. It's not because these people  
17 are goofing off; it's because these people are  
18 trying to maintain these properties.

19 How much of the airport maintenance  
20 resources -- how much resources are we using on  
21 these homes? And, of course -- in other words,  
22 how much airport personnel hours are devoted to  
23 this?

24 The problem -- the problem with this is that  
25 little or no progress, actually no progress, has

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1 been made in ten years or more to resolve the  
2 situation, to actually use these things to  
3 actually deal with eminent domain, to actually  
4 come up with a plan and move forward.

5 I think that this will -- my fear is that  
6 this -- this whole 50-plus -- and I'm just going  
7 to say this. My fear is that this whole 50-plus  
8 rental operation has a life and breath of its  
9 own.

10 There's a certain resistance to dismantling  
11 this thing because there's so many issues  
12 involved. There's a certain resistance to

13 dismantling it. There's people that worry about  
14 their job security if the Araquay Park  
15 maintenance was dissolved. In other words, it's  
16 gotten way beyond incidental to the airport  
17 operation.

18 And as the -- as the state auditor says,  
19 you've got to be incidental to an airport  
20 operation. I actually think at this point at its  
21 size, it violates the original charter of the  
22 airport.

23 I'd just like to see -- because it has --  
24 because it is so large, I'd like to see the use,  
25 the immediate use of the newly selected

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1 engineering firm to establish a time line to  
2 adhere to for resolution, whatever resolution it  
3 is. But get a time line going. We haven't got  
4 another ten years to wait.

5 We just bought another \$500,000 house. We  
6 had no business plan in place to use that  
7 property right at that time. That's all. Use  
8 the newly selected engineering firm to establish  
9 a time line, adhere to the time line, and really  
10 come up with solutions.

11 We have people here that want hangars.

12 Because we built the tower, we have no other  
13 place to put hangars. Cut and dried. That's it.  
14 I'd like to see a time line.

15 CHAIRMAN GREEN: Mr. Cox?

16 MR. COX: Ed, just off the top of your head,  
17 what -- what's your -- what's the airport's plan  
18 for starting -- to start moving houses -- homes  
19 out of that area and start building over there  
20 for the airport?

21 MR. WUELLNER: Largely, it's tied to the  
22 airport master plan.

23 MR. COX: Master plan, right.

24 MR. WUELLNER: I mean, I hate to keep coming  
25 back to this --

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1 MR. COX: Right.

2 MR. WUELLNER: -- but, you know, the -- the  
3 acquisition was ongoing without plan to develop.  
4 It was to acquire the property as it became  
5 available so that when the Airport Authority was  
6 ready to pursue development of the neighborhood,  
7 we had acquired the property.

8 MR. GORMAN: So, these properties were  
9 being -- these properties have been being  
10 acquired on an ongoing basis without a business

11 plan in place to actually use them.

12 I mean, I wonder if it bothers anybody else  
13 that state municipal funds have been used for  
14 years to acquire properties with no cohesive plan  
15 in place. That's probably my problem.

16 MR. COX: We can't have a cohesive -- I  
17 mean, my opinion would be we can't have the plan  
18 in place until we have the whole area that's --  
19 that we own, because we can't start building  
20 runways or hangars or anything else if we've got  
21 one family living square in the middle of it.

22 MR. GORMAN: Well, that's the eminent domain  
23 issue.

24 MR. COX: I agree with you, yeah. And I  
25 agree with what you say. It's taken on a life of

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1 its own; there's no doubt. But it's kind of rock  
2 and a hard spot because there's not any other  
3 choice. We've got to take the property when we  
4 can, and --

5 MR. WUELLNER: The reality is that this  
6 would be way further along than it is right now,  
7 but -- but for this Authority. I mean, not  
8 these -- these members, but the collective  
9 Authority's decision approximately three years

10 ago to not finish the handful of eminent domains  
11 that would have opened several blocks in the  
12 neighborhood to construction.

13 So, you know, you've almost got to look at  
14 yourselves and go, all right, now you've got a  
15 new board and you can select the direction you  
16 go. The problem now is you need -- you need that  
17 exact business plan, if you will, to decide  
18 exactly what you're going to do with these --  
19 these properties.

20 MR. GORMAN: Thank you, Mr. Wuellner. True.

21 So, we just don't have it now. And I -- I just  
22 see so much, so slow a movement here, that I  
23 would like to see an accelerated pace as to the  
24 resolution, period.

25 MR. COX: You mean aggressively pursue the

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1 eminent domain option?

2 MR. WUELLNER: If this is the change of --  
3 you know, and I think it's -- this is a real good  
4 discussion, because, you know, the Authority took  
5 a stance basically that backed off completely  
6 with -- of active pursuit of these properties.

7 And we've literally, for the last 15-plus  
8 years, have pursued a voluntary acquisition

9 methodology. Basically, if someone presents  
10 their property and the Authority has funds to  
11 purchase it, we make the acquisition at that time  
12 under a nonadversarial-type, you know, approach  
13 to it. That's netted what basically we have  
14 today, 80 percent of the neighborhood,  
15 approximately.

16 Now it's time to finish the job. You've got  
17 the majority of the property. You've got needs  
18 that the airport needs to meet. Now it's time to  
19 move off dead center and finish the job.

20 MR. GORMAN: And one other point would be if  
21 we have to compromise our issues, in other words,  
22 if the full scope of an original 10-year plan has  
23 to be compromised and not develop that much  
24 property and dispose of it, however it needs to  
25 be disposed of, and just develop part of it and

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1 put these issues to bed, I certainly wouldn't  
2 like to see this board go through its term  
3 without doing anything, because ten -- five years  
4 turned into ten years, turned into fifteen years.

5 And I just -- as using state taxes for the  
6 State of Florida now to be in the single-family  
7 rental business to me is just not -- is an

8 unconscionable thing.

9 MR. WUELLNER: Well, we can't wait to be out  
10 of it, too. I mean, that's not hard to imagine.

11 MR. GORMAN: Glad you agree.

12 MR. GEORGE: Madam Chairman, can I suggest  
13 that we direct the executive director to make  
14 that an agenda item at the next meeting to go  
15 over the Araquay area only, how much property is  
16 still left --

17 MR. WUELLNER: Okay.

18 MR. GEORGE: -- what the plan was for  
19 acquisition in this budget year. Also, what the  
20 plan is for matching funds, which is in the plan  
21 and it's in his office anytime you want to look  
22 at it, as matching funds.

23 So, I don't want to go out and spend  
24 \$600,000 of my money to buy all of that property  
25 if I can wait six months and spend \$300,000 of my

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1 money and \$300- of Uncle Sam's to go buy it.

2 MR. GORMAN: Right.

3 MR. GEORGE: You just need to understand  
4 that those funds are out there, but let's let him  
5 make a presentation of that at the next board.

6 MR. GORMAN: Right. But we needed to have



7 this conversation six months ago.

8 MR. GEORGE: I had the conversation with him  
9 six months ago.

10 MR. WUELLNER: That's part and parcel to the  
11 budget process, anyway.

12 CHAIRMAN GREEN: Right.

13 MR. GORMAN: That's all I had. I'll let the  
14 rest of it go.

15 CHAIRMAN GREEN: Ed, you had some -- I know  
16 we have touched on a lot of issues you had  
17 brought up. Is there anything else Staff wanted  
18 to bring up?

19 MR. WUELLNER: No. You know, we -- we  
20 understand that. There's just -- there are not,  
21 you know, not always simple solutions that are --  
22 that are that quick to get to, and a lot of it,  
23 we've been operating based on direction we've  
24 gotten from the Authority over the past years.

25 And now there's a different Authority, and,

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1 you know, in a sense, different members and  
2 hopefully a fresh direction relative to the -- to  
3 the concern issues, and that gives us the  
4 latitude to get it done.

5 CHAIRMAN GREEN: Mr. George, you had some --

6 MR. GEORGE: Yes. I have the first two  
7 pages or so of the ones that I submitted, and  
8 some of the ones I submitted were from articles I  
9 read in the paper about, quote, all the problems  
10 we had and from solicitations of some other  
11 people.

12 Terminal project, I think we've already beat  
13 the parking, you know, the hangars, and we beat  
14 all that to death. So, that's fine.

15 The TVOR, I think we have also beat that,  
16 you know, to death.

17 The hangar waiting list, we have talked  
18 about it. I think that the first step of having  
19 Mr. Wuellner come in about the acquisition plans  
20 for property to finish this acquisition will be  
21 the start of when we can have something done so  
22 that we know that by September the year 2005, we  
23 ought to have 96 new hangars coming out.  
24 That's -- that's a good step to go forward.

25 Radar availability. I would like to hear

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1 from somebody what is the -- what is happening  
2 right now with radar availability for the tower.

3 CHAIRMAN GREEN: David?

4 MR. KNIGHT: You want me to come up?

5 MR. GEORGE: Yes. I -- somebody had -- had  
6 commented to me that they don't know the status  
7 of that and they're, you know, concerned about  
8 it.

9 MR. KNIGHT: Strictly out of our hands,  
10 primarily. Jacksonville approach has got to  
11 build a new -- all right.

12 Dave Knight, manager of St. Augustine tower.  
13 The bottom line is there is a request up through  
14 Jax approach to provide radar service. Their  
15 long-range terms or plans primarily is to bring  
16 in the new -- the new STARS program under the  
17 waterfall that keep slipping further and further.

18 So, it's several years out in regards to  
19 them providing a newer radar system for  
20 themselves and also at the same time period, one  
21 of their sensors areas to have a raised antenna  
22 that will indeed provide better coverage in this  
23 area.

24 That's what it boils down. It's all FAA  
25 driven.

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1 MR. GEORGE: If I might add to that, is it  
2 not a correct statement that all we need to do to  
3 tap into Jacksonville is to get their approval

4 and get a phone line that's going to cost us  
5 about \$4,000 a month, because it would be a  
6 dedicated line from Jacksonville running down,  
7 you know, to the tower, and then we put in, as  
8 you said, minimal-cost equipment, and then we can  
9 mimic what they're seeing up there.

10 MR. KNIGHT: For roughly in the neighborhood  
11 of \$300,000 for the pieces of equipment, the  
12 telephone line that's connected to it, you could  
13 receive radar presentation next week.

14 The bottom line is -- primarily is that  
15 radar presentation on the north end of the  
16 airfield from Jacksonville approach, their area  
17 of coverage is only down to 1200 feet. The  
18 traffic pattern is 800 feet.

19 So, what in essence it provides the control  
20 tower is aircraft that are inbound and outbound  
21 that have crossed through 12- or 1300 feet, then  
22 would be seeable on a radar presentation of which  
23 we could utilize as an aid.

24 MR. GEORGE: At a cost of \$300,000.

25 MR. KNIGHT: That's the ballpark figure.

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1 MR. GEORGE: Okay.

2 MR. GORMAN: So, you're saying, Dave, just

3 to clarify it, that after 1200 feet, give or  
4 take, then they are off the radar.

5 MR. KNIGHT: Below 1200 feet --

6 MR. GORMAN: In other words, you do not have  
7 any more data below 1200.

8 MR. KNIGHT: Below 1200 feet to the north of  
9 the airport.

10 MR. GORMAN: Okay.

11 MR. KNIGHT: In essence, the radar from  
12 Daytona Beach goes up, which is 1200 feet on the  
13 south side. Jacksonville radar from the north,  
14 same thing on the north side, and they cross.  
15 And basically the tower is below them. Okay.

16 MR. GEORGE: And so, even with that \$300,000  
17 and phone line, we still would not have radar  
18 visibility below 1200 feet.

19 MR. KNIGHT: Affirmative.

20 MR. GEORGE: But you would have, on the  
21 approach path coming into 31, you would have it  
22 not all the way down to ground level, but you  
23 would have something.

24 MR. KNIGHT: Let me be a little bit more  
25 clear.

1 MR. GEORGE: That would be fine.

2 MR. KNIGHT: The -- the computerized systems  
3 are able to handle more than one feed; therefore,  
4 it can be mosaic'd together, and you would have  
5 better coverage if you had two telephone lines  
6 fed in, one from Daytona Beach, one from  
7 Jacksonville approach.

8 MR. GEORGE: Has anyone laid the  
9 requirements out to you, Ed, in black and white,  
10 as far as a technical document that says, here's  
11 what we need to do, your recommendations for  
12 getting radar at this tower?

13 MR. WUELLNER: They're two different things.  
14 One -- one is a display, which is what Dave has  
15 been talking about just here recently. It's just  
16 a -- your view of what's going on in the radars  
17 that exist.

18 The fundamental problem is not our problem.  
19 It's a problem with the FAA airspace system in  
20 that the antennas that are being used to  
21 determine the radar images you're seeing, are  
22 located -- are set low enough to the ground that  
23 they're not picking up the airspace in our area.

24 The solution is to elevate, is one of the  
25 solutions, is to elevate the antenna sites of the

1 radars that allows a lower sweep across this area  
2 and picks up a much lower airspace.

3 That's an FAA project. We've been working  
4 with Congressman Mica's office, you know, keeping  
5 it on the burner. But the reality is, is it's  
6 going through a big adjustment in terms of  
7 schedule on the national picture as they  
8 implement the STARS program.

9 And it's tied to the STARS implementation,  
10 if you've been following that. And, you know,  
11 it's going to take whatever time it takes FAA to  
12 get to Jacksonville and get that part of the  
13 project implemented. And, you know, we can  
14 display all we want, but it still doesn't cover  
15 the airport.

16 And, you know, we've looked at it and gone  
17 it really is a \$300,000 investment in nothing  
18 that's meaningful to close into the airport. If  
19 there were another way to do that, you could  
20 certainly buy your own radar, but you're talking,  
21 you know, millions of dollars instead of  
22 thousands of dollars, and I'm not sure it solves  
23 anything.

24 MR. GEORGE: Okay. I think that that will  
25 satisfy the person that asked me the question.

1 At least he now has the information on why we  
2 don't have it and what the obstacles are.

3 At one of the board meetings, one of the  
4 ex-board members made a tongue-in-cheek remark  
5 about why does it take so long to get VASI lights  
6 repaired. Would you -- I notice they are --

7 MR. WUELLNER: Yeah. The parts -- for  
8 whatever reasons, the units that were damaged via  
9 an aircraft accident, which is why they went out  
10 in the first place, the units -- and I --  
11 predates me, but were -- the lenses or whatever  
12 it is that's involved in replacing that had to  
13 come out of someplace in Europe. And they're  
14 custom ground based on the specifications of the  
15 facility for some reason.

16 So, we sat there and waited something like  
17 twelve weeks for the lenses to show up. And once  
18 they got here, they were replaced, and the  
19 thing's back up and running. And we also  
20 replaced the original two-bar VASI on -- on  
21 runway 6. It's now been replaced with a PAPI.  
22 So, it's -- it's now brand-new hardware there and  
23 up and running and everything's good.

24 MR. GEORGE: Okay. I think this is a prime  
25 example of what Mr. Gorman was talking about,



1 about PR. In other words, the information is  
2 there. It's having it available -- I mean, the  
3 information is there as to why something happens,  
4 but we need a better way of disseminating, you  
5 know, that information. And I think that one  
6 step by having a web site might be the place to  
7 do that.

8 MR. WUELLNER: Well, I'm not sure -- you  
9 know, the problem is certainly easier to see now  
10 on -- on those kind of things, because they're --  
11 they're broadcast continually on -- on ATIS --

12 MR. GEORGE: Yeah.

13 MR. WUELLNER: -- which heretofore, it was  
14 filed as a NOTAM and it sat out there, and if you  
15 checked your NOTAMs, you'd be aware, but if you  
16 didn't, you might just not -- you might notice it  
17 wasn't working.

18 MR. GEORGE: The problem is, the  
19 perception --

20 MR. WUELLNER: Right. I agree.

21 MR. GEORGE: -- of the staff is not doing  
22 their job if that VASI light stays on for 60 days  
23 or something like that, you know, or stays as a  
24 NOTAM, so...

25 MR. WUELLNER: Sure.

1       MR. GEORGE: The next one I had on the list  
2 was the paint hangar. I think that the future of  
3 the paint hangar, we decided at another meeting  
4 that we will continue to lease that paint hangar  
5 out on a month-to-month basis, and when someone  
6 comes up and needs a paint facility like that,  
7 then the person that's in that paint hangar would  
8 be asked -- given a reasonable amount of time to  
9 vacate that one.

10       CHAIRMAN GREEN: Right.

11       MR. GEORGE: I don't know if there's any  
12 other questions. Yes, sir.

13       MR. GORMAN: I have one. And again, I'm  
14 going to harp a little bit more about marketing  
15 efforts. What kind of marketing efforts have we  
16 done to do that paint hangar?

17       Is there someone out there that might --  
18 that might just be the best thing they ever saw.  
19 Because that is designed for large aircraft. But  
20 that's one of the reasons; that the only large  
21 aircraft painter could probably withstand that  
22 lease payment a month. But a facility that  
23 size --

24       MR. GEORGE: The story I had from last year,

25 when I looked into it, was that what we would

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1 have to charge to get our investment out of that  
2 paint hangar, that there were so many mom-and-pop  
3 paint shops in north Florida that somehow or  
4 another got around or had another way of solving  
5 the environmental problems, and they were already  
6 doing all the paint that they wanted to do and  
7 therefore not coming to this location.

8 MR. GORMAN: I don't think that facility was  
9 really designed for mom and pop. That is -- it's  
10 hard to get a facility big enough to paint, for  
11 instance, a King Air. And that facility is.

12 And so, you're going to do your marketing to  
13 large aircraft people that can only use that  
14 facility. And I just wondered what marketing  
15 efforts we could do or we could step up or maybe  
16 even farm out to somebody else, in other words,  
17 so that we could actually get that thing marketed  
18 and get the money. That's my question.

19 MR. GEORGE: Do you have any suggestions on  
20 marketing?

21 MR. GORMAN: Well, you could start by  
22 calling all the large paint shops that paint King  
23 Airs and go from there.

24 MR. GEORGE: Okay. So, if they have  
25 extra -- if they're turning business away because

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1 they don't have the space for it, then they might  
2 consider moving here.

3 MR. GORMAN: Then throw -- throw their hand  
4 up, right, and say St. Augustine's responding.

5 MR. WUELLNER: I mean, that all sounds great  
6 on the surface, but --

7 MR. GORMAN: Sure.

8 MR. WUELLNER: -- there are some -- there's  
9 some real issues relative to the facility as it  
10 was built. It was -- you know, it was one of  
11 those really stupid decisions that got a life of  
12 its own and got to the point where the investment  
13 was made. You know, I inherited the thing when  
14 it was, you know, it was basically complete.

15 Its location is -- and available ramp space  
16 in that area, as well as its physical layout  
17 is -- it's a very difficult facility to operate  
18 profitably because of the way it's built.

19 It doesn't allow -- in order for this work,  
20 you've got to have a cue that works very well  
21 through the various hangar units there to be able  
22 to strip, then paint, then mask and, you know, do

23 all of the little details, as well as have  
24 aircraft staged to enter the facility for those  
25 processes and those, you know, waiting for paint

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1 to cure long enough to deliver it.

2 And -- and it just -- you know, it was just  
3 a dumb layout to -- to allow a business to  
4 accomplish all those things indoors.

5 MR. GORMAN: Do you feel it's not marketable  
6 due to its design?

7 MR. WUELLNER: In my opinion, the  
8 Authority -- you know, off the record, it would  
9 be -- can the whole concept of creating a paint  
10 facility out of this thing, because it will  
11 never -- we've had multiple opportunities to rent  
12 it as a paint facility, but because of the  
13 operational limitations, their valuation of it is  
14 a fraction of what it would be even for storage,  
15 because it just -- it doesn't function well.

16 The investments in the Authority, I mean,  
17 you just chalk them off as that was dumb; we just  
18 don't do those things again.

19 It works perfectly well for storage of  
20 corporate-size aircraft, you know, up through  
21 about a King Air.

22 MR. GEORGE: Is there any value to the  
23 equipment, paint-related equipment?

24 MR. WUELLNER: We're having that assessed,  
25 because that's -- we've come down to the last

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1 unit that becomes available to rent. For the  
2 past almost a year, we had materials stored in it  
3 in support of the northeast, taking advantage of  
4 cost savings. But the -- the cleaning material,  
5 the strip --

6 MR. COX: Tanks and stuff.

7 MR. WUELLNER: The clean -- you know, the  
8 cleaning system for the stripping, strip remains.  
9 That's -- we're having that evaluated to  
10 determine if there is indeed a value to it.

11 Originally, you know, I think the Authority  
12 paid, you know, upwards of \$50,000 to install --  
13 to install that for the tenant with the purpose  
14 of, you know, it remaining environmentally clean.

15 We found out during a litigation effort, and  
16 I -- with the previous tenant, we went to bat  
17 with them against DEP relative to the whole  
18 concept, and it turned out to be just a bunch of  
19 administrative issues and wasn't any -- any type  
20 of disposal issue.

21 But it came down to an inspector's opinion  
22 that the facility was actually treatment of  
23 waste, technically hazardous waste for purposes  
24 of definition. And, you know, it had to -- it  
25 was going to have to be modified significantly to

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1 meet the requirements of the state law.

2 And what was put in there with good  
3 intentions and operated in such a manner to be  
4 perfectly safe in doing what we asked it to do,  
5 now with Florida Statute changes, is being viewed  
6 as no longer environmentally friendly.

7 It's now got -- you know, it's got some  
8 other modifications that would have to be done to  
9 bring it back into compliance, and then you have  
10 to file as a small waste or small quantities  
11 hazardous waste generator and go through all that  
12 magilla in order to, you know, assure proper  
13 recordkeeping to keep DEP and EPA --

14 MR. GEORGE: So, what you're telling me is  
15 that --

16 MR. WUELLNER: My opinion is turn it back  
17 into storage and forget it. You know, you can  
18 make more per square foot and you don't have all  
19 the aggravation and all the environmental risk,

20 because ultimately anything that gets put in the  
21 ground out there, even if you had nothing to do  
22 with it, is ultimately the owner of the  
23 property's ultimate responsibility for it.

24 MR. GORMAN: So, that's why you don't try to  
25 market it.

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1 MR. GEORGE: I think I would like to see a  
2 proposal like that to the board, you know, based  
3 on all of the reasons why it doesn't flow and a  
4 big corporate guy can get it. But then let's  
5 vote on it and get it out of here, like you say,  
6 and move on to something else.

7 MR. COX: Just another comment --

8 MR. WUELLNER: You can do that tonight. I  
9 just don't -- we could spend a lot of time  
10 detailing the reasons it don't -- it doesn't work  
11 well.

12 But the reality is, the reason we haven't  
13 been able to identify a tenant for it is because  
14 that's -- they look at it and go, you know --  
15 well, you know, if I can get it for like 2 bucks  
16 a foot, I can make the numbers work because I  
17 don't have the move the number of airplane  
18 through to offset a lease value and to comply



19 with EPA to the level they've got to. You know,  
20 there's a lot of things that, you know --

21 MR. GEORGE: Ed, I guess what I'm saying is  
22 I would like to see all of that information in  
23 black and white so it gets in the file in case  
24 there's any, you know, body coming at a later  
25 date that says, "Well, why the devil did you do

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1 that?" It's all right there.

2 MR. WUELLNER: Sure.

3 CHAIRMAN GREEN: And why did we spend  
4 \$50,000 in the first place. I think we need to  
5 document why --

6 MR. WUELLNER: You spent a lot more than  
7 that. I mean, that --

8 CHAIRMAN GREEN: Well, that was just for the  
9 install, right.

10 MR. WUELLNER: Yeah. That's just one piece  
11 of it. You had to go through -- you've got an  
12 elaborate fire suppression system that runs  
13 through two out of the four units in that  
14 building that was up over \$200,000 to install  
15 that wouldn't be required otherwise.

16 MR. COX: Explosive drains.

17 MR. WUELLNER: Now, the good point is that,

18 you know, those buildings, those units, because  
19 that system's installed, can be used for real  
20 maintenance of aircraft, I mean, in total  
21 compliance with the letter of the law for the  
22 type of unit -- you know, use you're going to  
23 have.

24 So, there are other uses that can be made of  
25 those facilities other than straight storage.

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1 But it's very limited in size. You're only  
2 talking 3,000 square foot of a unit there, which  
3 is not a lot to operate a full-pledged business  
4 out of. You could string them together, but  
5 you've still got operational issues.

6 MR. GORMAN: But you could advertise them  
7 marketing-wise as a maintenance facility because  
8 of the fire suppression --

9 MR. WUELLNER: Sure.

10 MR. GORMAN: -- availability.

11 MR. WUELLNER: Sure.

12 CHAIRMAN GREEN: Mr. Cox?

13 MR. COX: Just as a comment for your input  
14 for you guys, that the hangar that's on the --  
15 what's the end hangar, the west side there, yeah,  
16 with all the equipment that's in it, I'm not sure

17 you could get a King Air in there right now or at  
18 any time because of the way the ramp is situated  
19 and because of the way our gates -- I mean, you  
20 probably could, but it's one of those deals where  
21 it's going to take a team of people and really  
22 slow, you know, one of these jockeying-type  
23 things.

24 MR. GORMAN: More than one turn.

25 MR. COX: There's no doubt you could get

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1 smaller -- smaller airplanes in there, numerous  
2 small airplanes. I mean, you could do that and  
3 it would be good, and still use the facility.  
4 But I don't think for your idea of say a King Air  
5 size type aircraft or a corporate jet or anything  
6 else, I don't --

7 MR. GORMAN: I was just looking at the  
8 footprint.

9 MR. COX: Yeah.

10 MR. GEORGE: You're saying that the turn  
11 radius isn't right.

12 MR. COX: Yeah.

13 MR. WUELLNER: Hold just a second.

14 MR. GEORGE: But, see, having that in black  
15 and white --

16 CHAIRMAN GREEN: Excuse me. Just a second,  
17 please. Thank you. She needs to change her  
18 tape.

19 MR. COX: We need a bell.

20 MR. WUELLNER: I know. We'll get you a big  
21 bell.

22 CHAIRMAN GREEN: Okay. Go ahead.

23 MR. GEORGE: Having that in black and white,  
24 you know, gives us the ability to analyze it,  
25 make a decision and go forward. And, Mr. Gorman,

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1 it gives you the document to pass on to somebody  
2 else if they want to see it to analyze what we  
3 did.

4 Mass land acquisition plan, I think that  
5 we're covering that with -- with Ed going into  
6 the -- the plan for back here. The master plan,  
7 as we get into it, will also go into what's  
8 happening with the property on the other side of  
9 the road and at the end of -- you know, the north  
10 end. I think that can wait until that comes.

11 But we need to be able to publish that so that  
12 the public can see it.

13 Airport becoming more self-supportive. I  
14 think if you look at the -- one of the reasons

15 I'm coming up with this management report is  
16 because if you look at the finances and you go  
17 through each one of the categories, and you say,  
18 wait a minute, that is an expense that's really  
19 associated with this capital project over here  
20 and not associated with running the airport on a  
21 day-to-day business.

22 When you look at the stuff that's on there  
23 for running the airport on a day-to-day business,  
24 Mr. Ciriello's comment about we're not  
25 self-sufficient, if we had no capital

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1 improvements and wanted to add no new hangars and  
2 no new anything, the income that's coming in is  
3 paying for the debt service, if you will, and the  
4 maintenance of operating this airport.

5 So, we are basically operating at a profit  
6 if we did not want to go forward, which is not  
7 what we want to do. And I'll show you those  
8 numbers next meeting.

9 I had a question about procedures. And this  
10 was a procedure to have two people sign a check.  
11 Okay. That's -- that's already there. I think  
12 that -- and also documenting travel on behalf of  
13 the airport. Ed, do you want --

14 MR. WUELLNER: Well, you're required to  
15 submit an expense-related form. That's required  
16 by statute. And that has to be completed and  
17 signed and made a part of the file, to document  
18 any expenses made relative to travel and any  
19 reimbursement made relative to travel. That's  
20 a -- that's a fairly straightforward process  
21 within -- I mean, there's even a specific form  
22 you've got to use for --

23 MR. GEORGE: The -- the administration here  
24 has a list of all internal procedures about how  
25 you will do this and how you will do that.

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1 MR. WUELLNER: Yeah.

2 MR. GEORGE: I think that the question came  
3 from someone that has never called out and asked  
4 a question of the staff, "You guys have anything  
5 like that?"

6 They are running it like a business.  
7 They've got government requirements to do  
8 reporting and documentation. And unless, you  
9 know, we had an auditor come in to audit, you  
10 know, that piece of it, everything that I've come  
11 upon, you know, is handling like I would be --  
12 like I would handle it on a business, anyway, you

13 know, as far as the documentation and the filing  
14 and stuff like that.

15 Anybody that wants a copy of all the  
16 internal procedures, or if you want to see, you  
17 know, the internal procedures, they're here and  
18 you can just come to the front desk and get them  
19 and take a look at them.

20 MR. GORMAN: One comment on procedures.  
21 That was one of my last entries. I would like to  
22 change the procedure or recommend that we do as  
23 far as canceling meetings.

24 For instance, I'll tell you a little sea  
25 story. I got off a ship, traveled a thousand

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1 miles, got here on the 11th, and on the 14th,  
2 found out that the meeting was canceled. That's  
3 the end of my story.

4 But that -- for people that travel like  
5 myself -- I can't speak for Mr. Cox -- but I  
6 would like to have a little more notice if we're  
7 going to cancel meetings and a policy pertaining  
8 to that.

9 MR. GEORGE: When you're on ship, do you get  
10 e-mail?

11 MR. GORMAN: We need to establish a policy

12 that would not -- yes, but -- yes, but no.

13 MR. GEORGE: Okay.

14 MR. GORMAN: Yes. I would prefer to do it

15 other than e-mail.

16 MR. GEORGE: If you'd like to give us a

17 draft of a policy that you would like, it would

18 make it go a lot quicker, because I think --

19 MR. GORMAN: That's fine.

20 MR. WUELLNER: If I could suggest, we might

21 just want to modify your existing meeting policy

22 to include an area or section relative to that

23 versus creating another one.

24 MR. GORMAN: Just a time frame, that's all.

25 MR. GEORGE: That's all I have. Thank you.

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1 CHAIRMAN GREEN: Okay. That's what was on

2 our submitted airport issues. So, I need to

3 close that.

4 We do have Authority member comments and

5 then public comment after that. We've been

6 making a lot of comments ourselves. Are there

7 any further comments from Airport Authority board

8 members that you'd like to bring up? Mr. Cox?

9 6.A. - MR. BOB COX

10 MR. COX: To reflect what Jack said about



11 the schedules, I'd like to see just more in depth  
12 on our web site when we have a schedule change.  
13 There was no indication of this meeting on the  
14 web site.

15 MR. WUELLNER: Okay.

16 MR. COX: So, I mean, when we have special  
17 meetings or anything, because that's part of the  
18 reason I really wanted to see the web site, was  
19 so we could get meeting information out to the  
20 public so that they could be aware of this. And  
21 I just -- I think it's very important to somehow  
22 or other we get some kind of note or something on  
23 the web site.

24 Also, for those of you on the board here, we  
25 had some meeting yesterday with several people at

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1 the airport that are really moving energetically  
2 towards having an air show in 2004 for our  
3 airport, which leads right into the PR deal  
4 and -- and really looking forward to try to make  
5 it a signature event annually, if we can, and  
6 just make it a really, you know, really  
7 first-rate air show.

8 I mean, there's -- there are tremendous  
9 logistics problems that we -- I think we can

10 overcome. But Ed's been in the loop. And  
11 this -- this just all transpired in the last  
12 couple of days, so it's not anything that's been  
13 talked about, you know, that everybody didn't  
14 know about, because it just kind of came up.

15 But I just wanted you to keep that in mind.  
16 And a lot of the folks that are out in the  
17 audience now were at the discussion, and it's got  
18 a lot of support, so...

19 CHAIRMAN GREEN: Good.

20 MR. COX: That's all I have to say. Thank  
21 you.

22 CHAIRMAN GREEN: Any other board member?

23 MR. GEORGE: I don't have any more comments.

24 CHAIRMAN GREEN: No? Okay.

25 7. - PUBLIC COMMENT

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1 CHAIRMAN GREEN: Public comment. I think  
2 Dave McKnight (sic), he had his hand up first.  
3 Sorry.

4 MR. KNIGHT: Just one piece of information  
5 that I left out that I wanted to clarify.

6 This morning, I signed a piece of document  
7 that went back to the FAA that put in the initial  
8 requirement for an FDEP. That's a Flight Data

9 Entry Printout. It deals with the dissemination  
10 of IFR information to and from terminal  
11 facilities, approach control facilities and  
12 centers. That is one piece of equipment that is  
13 required prior to a DBRITE. And its estimated  
14 completion date, proposed installation, is April  
15 of '04. Okay.

16 CHAIRMAN GREEN: Thank you. Yes, sir.

17 MR. HOLIDAY: Only going to take a second.

18 Ed, I'd like to suggest that if something  
19 comes down the road a year ago, or how long ago  
20 did you start talking with Embry-Riddle, if  
21 something like that comes up, that you would get  
22 ahold of your board members and there would be  
23 more communication, because I think this is an  
24 ongoing thing.

25 I stood out here with a young man that

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1 worked for Embry-Riddle, and he said it had  
2 been -- they've been assured of it quite a few  
3 months ago, and he was really smoked about it.

4 But I think for PR, when someone comes to  
5 you with some of these things, no matter how it  
6 is it's communicated with the board members, they  
7 can communicate with us, the citizens of St.

8 Johns County, and we don't have to wait until it  
9 gets to this kind of a confrontation, which is  
10 distasteful for everybody.

11 CHAIRMAN GREEN: Thank you. Okay. No more  
12 public comment.

13 8. - NEXT BOARD MEETING

14 CHAIRMAN GREEN: Then, our next regular  
15 board meeting is July 21st, 4 o'clock, here. And  
16 with that, I thank everybody for I think a very  
17 helpful meeting.

18 MR. WUELLNER: I've just -- we've got a  
19 conflict we'd like to -- the July meeting is  
20 fine. But look into August. Just checking  
21 calendars. Is there -- anybody have a problem  
22 moving it to the fourth week of August? The  
23 fourth Monday? I think it's the 25th?

24 CHAIRMAN GREEN: It's the 25th.

25 MR. WUELLNER: I think that accommodates

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1 most schedules for that, if everybody else is  
2 good with that.

3 MR. GEORGE: I'll have to check. I don't  
4 have mine with me.

5 MR. WUELLNER: Oh, I do need to -- one --  
6 just one small thing. I just want to make you

7 aware, there's no action required or anything,  
8 but we received a fax this morning from FAA  
9 relative to the grant for Taxiway Bravo, which  
10 has the hardstand in it. And they're now pushing  
11 us -- and I just wanted to advise you of the  
12 process we're going to have to choose here.

13 Normally, we would bid the project, FAA  
14 would award a grant based -- actual grant based  
15 on the results of the bid process and have a firm  
16 number to roll into the grant itself.

17 For whatever reason, there's some kind of  
18 large-scale governmental audit that President  
19 Bush has ordered of the federal government that's  
20 backing up grant award dates as they apply to  
21 airports. And everybody that's getting a grant  
22 nationwide has to have it under grant by July  
23 31st, which is, you know, obviously just a month  
24 away at this point.

25 The alternatives we have, we can elect to

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1 roll this project forward into a new fiscal year,  
2 and you take your lumps; you may or may not have  
3 that money available in the new fiscal year.

4 The alternative, which is the one we would  
5 suspect everyone would prefer, is we can simply

6 provide FAA with an estimate, a sound engineering  
7 estimate of what the cost is going to be.  
8 They'll issue the grant, based on that amount,  
9 and then after it's bid, because we -- there's no  
10 way we can meet the bid schedule of July 1st,  
11 that you can -- you'd go to FAA for a grant  
12 amendment in the event the amount of the grant  
13 they gave you did not cover the project cost.

14 So, you go back, and as long as it stayed  
15 within the 15 percent overrun that they're  
16 legally allowed to deal with and also provided  
17 the funds would be available.

18 So, with that, we were planning just to make  
19 a best guess we can with the engineering  
20 information we got and -- and pursue the grant by  
21 the end of July on its path and then deal with  
22 amendments if we end up having to do that later  
23 on.

24 Because there's no way we can get a grant in  
25 to them until the end of August under the path

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1 we're going. We just -- we just awarded  
2 engineering a few weeks ago.

3 MR. GEORGE: Since we lost the VOR with the  
4 Taxiway B extension, is there any way you can

5 include what it's going to cost just to put the

6 TVOR back in?

7 MR. WUELLNER: Into the FAA project?

8 MR. GEORGE: Yeah. Why not? I'm sorry.

9 Yes.

10 MR. GORMAN: Great idea.

11 MR. WUELLNER: I don't know. I'll ask.

12 That's an angle I hadn't thought of. That may --

13 the problem might be that it's already gone.

14 We'll see.

15 MR. COX: Don't ask them. Just --

16 MR. WUELLNER: If not, I'm -- with

17 Mr. Gorman, there may be a way to do some FDOT

18 money matching, especially now.

19 CHAIRMAN GREEN: Okay. Thank you very much.

20 Adjourn the meeting.

21 (Whereupon, the meeting adjourned at 6:10 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 that I

7 was authorized to and did stenographically report the

8 foregoing proceedings and that the transcript is a true

9 record of my stenographic notes.

10

11 Dated this 21st day of July, 2002.

12

13

\_\_\_\_\_  
JANET M. BEASON, RPR-CP, RMR, CRR  
Notary Public - State of Florida  
My Commission No.: DD102224  
Expires: April 30, 2006

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