

1 ST. AUGUSTINE - ST. JOHNS COUNTY AIRPORT AUTHORITY

2 Regular Meeting

3 held at 4796 U.S. 1 North

4 St. Augustine, Florida

5 on Monday, July 12, 2004

6 from 4:00 p.m. to 6:04 p.m.

7 * * * * *

8 BOARD MEMBERS PRESENT:

9 SUZANNE GREEN, Chairman

JOSEPH CIRIELLO

10 BOB COX

JOHN "JACK" GORMAN

11

BOARD MEMBERS ABSENT:

12

WAYNE "BUZZ" GEORGE, Secretary-Treasurer

13

* * * * *

14

ALSO PRESENT:

15

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

17

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

18

BRYAN COOPER, Assistant Airport Director.

19

* * * * *

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21 JANET M. BEASON, RPR, RMR, CRR

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1 PROCEEDINGS

2 CHAIRMAN GREEN: Call to order the
3 St. Augustine-St. Johns Airport Authority meeting.
4 Please all stand for a pledge of allegiance.

5 (Pledge of Allegiance.)

6 APPROVAL OF MINUTES

7 CHAIRMAN GREEN: First, we have the approval
8 of our minutes, and these include the workshop
9 minutes from May 27. Are there any exceptions or
10 changes to the minutes?

11 (No exceptions or changes.)

12 CHAIRMAN GREEN: Hearing none, then we'll
13 accept the minutes as recorded.

14 Next are the minutes from our last meeting,
15 Monday, June 14. Are there any exceptions or
16 changes to those minutes?

17 (No exceptions or changes.)

18 CHAIRMAN GREEN: Hearing none, those minutes
19 will be approved as transcribed.

20 ACCEPTANCE OF FINANCIAL REPORTS

21 CHAIRMAN GREEN: Next, we have our financial

22 statement for the eight months ending May 31,
23 2004. Are there any comments, exceptions to the
24 financial statements?

25 (No comments or exceptions.)

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1 CHAIRMAN GREEN: I notice that our Executive
2 Director's gone over them and Buzz is not here.
3 But hearing no exceptions, then we will accept
4 these financial statements as presented.

5 APPROVAL OF MEETING AGENDA

6 CHAIRMAN GREEN: Next, we have our agenda
7 today, which goes through G, as far as agenda
8 items. Any changes to the agenda? Mr. Gorman?

9 MR. GORMAN: I have one. I'm not sure how
10 long the discussion will go on about the TRIM rate
11 adaption. And could we move that up, since some
12 of -- the rest of them are a bit different? I
13 don't know. Do you think that's necessary or not?

14 CHAIRMAN GREEN: Meaning that you want,
15 because it's shorter to do it, so people could
16 leave -- I mean, if we have public concern about
17 it, or what? Or you think it's going to be
18 longer? That's what I didn't understand.

19 MR. GORMAN: It might go long, was my
20 thought.

21 MR. WUELLNER: Historically, it's about a

22 one-minute agenda item.

23 CHAIRMAN GREEN: Yeah.

24 MR. WUELLNER: Or less.

25 MR. GORMAN: Historically.

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1 MR. WUELLNER: Good point.

2 CHAIRMAN GREEN: I have no problem moving it

3 up. Does -- Bob, do you have any?

4 MR. COX: No problem.

5 CHAIRMAN GREEN: Okay. Sure. We can move it

6 up to --

7 MR. WUELLNER: Why don't you put it before

8 the eminent domain.

9 CHAIRMAN GREEN: After project -- yeah.

10 MR. WUELLNER: Yeah.

11 CHAIRMAN GREEN: Okay.

12 MR. GORMAN: That's fine.

13 MR. CIRIELLO: It would be B, then.

14 CHAIRMAN GREEN: Yes, sir. F will be our new

15 B, or we can just move F after A.

16 MR. WUELLNER: Apparently, Mark had a -- Mark

17 Arnold with Rogers Towers had a court hearing that

18 had to -- that they sprung on him this morning, at

19 3:30. So, he'll be here shortly. I mean, he
20 should be -- it was less than a half-hour item
21 with Judge Traynor, so he should be -- and he's
22 handling the --

23 CHAIRMAN GREEN: B?

24 MR. WUELLNER: -- lion's share of what was B.

25 CHAIRMAN GREEN: Okay. That's fine. Then

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1 we'll do the TRIM first. All right. Any other
2 comments on the agenda?

3 (No further comments.)

4 CHAIRMAN GREEN: Okay. Hearing none, the
5 agenda is approved then for the July 12th meeting.

6 I did not see Mr. Maguire. Is anybody from the
7 County Commissioners here?

8 (No representative present.)

9 CHAIRMAN GREEN: Okay. Michael Slingsluff,
10 Aero Sport?

11 (Not present.)

12 CHAIRMAN GREEN: Nobody from Aero Sport?
13 Northrop.

14 6.C. - NORTHROP GRUMMAN

15 MR. LESLIE: No report.

16 CHAIRMAN GREEN: John, Pilots Association?

17 6.D. - S.A.P.A.

18 MR. RODERICK: We have one item for you
19 today. S.A.P.A. supports the southern expansion
20 of the airport. We just want to go on record
21 about that.

22 We believe the new facilities will bring
23 increased revenue to our county in three main
24 areas: Directly to the airport, to our airport
25 businesses, and to the many communities around the

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1 airport. To not go forward, we feel would be a
2 waste of time, money and material. You've been at
3 it a long time. We feel this is not the time to
4 hesitate. We hope the last few properties that
5 are -- that stand in the way of completion can be
6 successfully negotiated. If not, we stand behind
7 you morally to do the right thing.

8 CHAIRMAN GREEN: Thank you. Bjorn, Florida
9 Aviation? I did not see him.

10 (Not present.)

11 CHAIRMAN GREEN: David, Tower?

12 MR. WUELLNER: Doug had -- did you have
13 anything?

14 CHAIRMAN GREEN: He's next; is that right?

15 MR. WUELLNER: Oh.

16 MR. COX: He's next.

17 MR. WUELLNER: Yeah, I do. But I have it
18 after, that's all.

19 CHAIRMAN GREEN: I'm sorry.

20 6.F. - ATCT

21 MR. KNIGHT: You'll notice on the chart --
22 Dave Knight, manager of St. Augustine tower.

23 You'll notice on the chart we are plus 16,274
24 ops over last year. For the first six months of
25 year 2004, we have cleared over 71,000 operations,

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1 so we're on track for about 140,000 for this year.
2 You'll notice the lines peaked up a little bit and
3 we'll probably see the same thing again in July.
4 Other than that, all other projects are on track,
5 no changes.

6 CHAIRMAN GREEN: Thank you. Doug, with your
7 approval, I just saw Bjorn come in. Bjorn, was
8 there any comment from Florida Aviation?

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

10 MR. OTTESEN: No report.

11 CHAIRMAN GREEN: Okay. And for Aero Sport?

12 6.B. - AERO SPORT

13 MS. ANDERSON: No.

14 CHAIRMAN GREEN: Doug?

15 6.G. - AIRPORT AUTHORITY ATTORNEY

16 MR. BURNETT: Very briefly. Litigation's
17 moving forward. We've been working on some lease
18 issues with your staff, and the other obvious
19 thing is the matter that Mark Arnold's going to be
20 here for this evening. So, that's all I have to
21 report.

22 CHAIRMAN GREEN: Okay. Next is action items.

23 MR. WUELLNER: Well, actually, it's project
24 updates.

25 CHAIRMAN GREEN: I'm sorry, A, project

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1 updates --

2 MR. WUELLNER: Yeah.

3 CHAIRMAN GREEN: -- under action items.

4 7.A. - PROJECT UPDATES

5 MR. WUELLNER: And projects to talk about
6 today briefly are the terminal project, airport
7 maintenance facility, Taxiway Bravo, land
8 acquisition in Araquay Park, the home demolition,
9 Phase II of the hangar structure, park -- parking,
10 yeah. Marketing and public relations, airport
11 leasing activities, financial planning and the
12 Airport Master Plan.

13 Leading the list is the terminal project.
14 Phase I, minor punch list stuff still going on. I
15 can report that the as-built survey has been
16 submitted to St. Johns County, which is one of the
17 items that's been dragging its feet.

18 Underground work related to the depression
19 that was identified in the access road has been
20 excavated and restored with nothing else other
21 than it appears that it was improperly backfilled
22 when it was excavated and a drainage structure
23 removed way back a couple of years ago when the
24 project first started.

25 So, the project at this point is moving on,

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1 and we would expect that once the -- they get a
2 little further into the C -- the review of the
3 as-builts, that a C.O. should be on the way out
4 the door. We're not aware of any other
5 substantive items holding it up. There are a few
6 warranty items to be discussed with the bonding
7 company to get that wrapped up, but they're not
8 affecting occupancy, at least at this point.

9 Phase II is ready to go. Got temporary C.O.
10 in place. And we -- they have ten more days left
11 on their as-built survey review, which -- before a

12 final C.O. can technically be issued by the
13 County, but it's ready to be occupied as of --
14 actually as of tomorrow morning. So... And
15 otherwise, the project's finished and this is the
16 last time this will show up on project updates.
17 For a change, some good news on a project, and I
18 win the bet, it got finished before the terminal.
19 Not that there was anybody betting against me.

20 Airport maintenance facility, those of you
21 that have driven by there in the last couple of
22 weeks, it's finally off and running. Structural
23 steel is for the most part up and completed at
24 this point and it's leaping ahead here pretty
25 quickly.

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1 The entire building structure should be up
2 within the next three weeks and they'll be doing
3 the trade work and the like on the inside. So,
4 it's -- it's going to -- going to happen pretty
5 quickly here. Still anticipated for the end of
6 the year is occupancy, as the contract had a
7 six-month time length from building permit issue.
8 So, it's moving.

9 Taxiway Bravo. For the most part,

10 everything's complete out there with the exception
11 of the little bit on the north end of the FBO
12 apron where it intersects Taxiway Bravo 2. That
13 is finalizing the lime rock this week. Should be
14 paved next week at the latest. And we're still
15 just awaiting signage out there to be able to open
16 the majority of places on Taxiway B. It's --
17 they're awaiting delivery from the manufacturer.
18 So, as soon as it's here, we're looking at a few
19 days to install the signs.

20 The work to install them is just simply
21 bolting them in place and connecting the wires.
22 The main part of that is already done. And the
23 access to the self-fuel is now open, also. So,
24 now you can pull through on the -- on the
25 self-fuel av. gas.

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1 Araquay Park land acquisition. That's the
2 current status (indicating). The stuff on the
3 right-hand side of Casa Cola Way, which is -- get
4 it here. Casa Cola runs right here (indicating).
5 Those properties in here (indicating) are the
6 ones, the subject of the long-form eminent domain
7 appraisals, and those will be reviewed here in
8 just a few minutes as part of another agenda item.

9 Home demolition update. All of those that
10 were previously constructed have been removed --
11 or, excuse me, contracted for demolish, have been
12 done. Received no bids at all on the vacant
13 homes, including the couple of mobiles that were
14 back in there after the advertising.

15 Per your direction at the last meeting, we
16 have pursued the demolition contract. It's been
17 quoted, awaiting any hiccough that would develop
18 today before we would execute that and get started
19 on those. There are at least 14 additional homes
20 we anticipate being offered for bid and relocation
21 by the beginning of -- by the end of August,
22 excuse me.

23 And as we kind of discussed at the last
24 meeting, we were certainly open to the idea of
25 adding additional advertising and different

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1 methods of advertising and trying to solicit some
2 interest, although there are only a handful of
3 mobiles in that next batch, also. But we
4 certainly were going to pursue some additional
5 advertising to see if we can't, again, try to stir
6 up some interest in relocating some -- what's left

7 of the homes back there. That kind of brings you
8 up to speed on where it is now.

9 There are -- actually, I'm sorry, we have 14
10 homes available by the end -- for demolition by
11 the end of July, first of August. So we've got
12 actually eight, nine vacant -- eight vacant homes
13 currently back there, and there'll be six more
14 that the leases run out. And they're not
15 extending the lease terms beyond July 31st, so
16 you'll have 14 total by then. And you add another
17 five by the end of August, which leaves only three
18 other homes back there, other than what's yet to
19 have been acquired still in that eminent domain
20 process.

21 So, basically everything east of Casa Cola
22 will be in a position to be -- be removed over the
23 last -- next 90 to 120 days. With the exception
24 of those properties we've yet to acquire,
25 obviously.

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1 Structure rehab, a lot of that steel's been
2 relocated and has -- work has begun a little more
3 in earnest on getting that -- that steel treated,
4 covered and reworked there. So...

5 This month, presentations are or have

6 occurred at Jacksonville Beach's Exchange Club,
7 and I think tomorrow night another one at the
8 St. Augustine Republic Club will -- will occur.

9 Basically updates on the airport and projects and
10 just kind of general information kind of
11 presentations.

12 Airport leasing activities. Second floor,
13 that is an agenda item a little later. We have
14 been able to confirm a number of tenant interests
15 up there including a single tenant to occupy all
16 of it for a period of between one to two years,
17 which case they would hopefully be moving into
18 facilities that support their aviation operation
19 on another part of the airport so they would no
20 longer need it.

21 But it would -- would allow for that to get,
22 not only built out, but occupied with a single
23 tenant for the -- for the short term, anyway, the
24 first couple of years. That's a little later.

25 We've got another brief presentation on that as an

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1 agenda item.

2 Last throw is the Aero Sport thing at --

3 we've presented them with a final review document.

4 They are in the process of looking that over, and
5 I suspect it will be through everything and ready
6 to finish this thing in the -- at the August
7 meeting here on the 16th. So, at this point,
8 though, they're minor items and scheduling of a
9 survey to be done on the metes and bounds of
10 this -- of the FBO leasehold is really all that's
11 left to do there.

12 Financial planning. Just make a note that
13 there's an item on this to go over the financial
14 planning, and that -- that will be a little later
15 on the agenda item, a more detailed presentation
16 on that. So, we -- we do have your first blush
17 ready for you here to look at.

18 Airport Master Plan. Gloria is here with LPA
19 to kind of walk through a very very brief
20 presentation.

21 MS. LOUNGEWAY: Over the last month, we have
22 been completing the write-up and kind of analysis
23 of like preliminary cost estimates on the various
24 alternatives and finalizing an assessment of the
25 environmental impacts. We will hopefully get that

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1 to you -- get a kind of draft write-up to Staff
2 sometime next week.

3 We would like to schedule a public meeting
4 the first week of August to take the alternatives
5 to the public, which is part of -- which is part
6 of our scope. And we were hoping to do it either
7 the first Monday or Tuesday of the month, if that
8 meets with the board's approval. And we would
9 generally do it in the early evening hours, and I
10 think our thought is -- is to do kind of a
11 workshop kind of board presentation where people
12 can walk around and ask questions more one-on-one.

13 MR. WUELLNER: Does anybody have a conflict
14 with that date schedule and --

15 CHAIRMAN GREEN: You said Monday or Tuesday,
16 right?

17 MR. WUELLNER: It's Monday or Tuesday.

18 MS. LOUNGEWAY: Monday or Tuesday.

19 MR. WUELLNER: It's a fairly informal thing.

20 It's not a meeting-meeting, like you're custom
21 here. It's basically open-to-the-public displays
22 there. They can walk through, ask questions of
23 consultant and staff. It's a -- wouldn't be a bad
24 idea to be here if you --

25 CHAIRMAN GREEN: That's fine, Monday or

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1 Tuesday. Joe? Monday or Tuesday?

2 MR. CIRIELLO: Anything's good for me.

3 CHAIRMAN GREEN: That's fine.

4 MS. LOUNGEWAY: Okay. Since that works out,

5 we will probably come back to the board at the

6 August meeting with our final recommendations,

7 taking into account the public input and also

8 around that -- that same date, hopefully we'll

9 have the last Technical Advisory Committee meeting

10 on the alternatives.

11 CHAIRMAN GREEN: Saying like -- our usual,

12 like around 4 o'clock, 5 o'clock? You said later.

13 MS. LOUNGEWAY: 5:00. I mean, we want to try

14 and be accommodating to people's work schedules.

15 CHAIRMAN GREEN: Work people? Yeah.

16 MR. WUELLNER: We can do something like 5:00

17 to 7:00, something like that, window of time.

18 MS. LOUNGEWAY: And that's all I have this

19 month.

20 MR. COX: And you guys are bringing hors

21 d'oeuvres and soft drinks, right?

22 CHAIRMAN GREEN: Soft drinks.

23 MS. LOUNGEWAY: Soft drinks.

24 CHAIRMAN GREEN: That's what I just said.

25 7.B. - T.R.I.M. RATE ADOPTION

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1 MR. WUELLNER: Okay. Per your rearranged
2 agenda item, this meeting, we need to consider
3 adopting the TRIM -- you're good?

4 MR. BURNETT: Yeah.

5 MR. WUELLNER: The TRIM rate, which is the --
6 lack of better terms, the not-to-exceed millage
7 that the Authority would consider as it moves
8 through its final budget discussions as well as
9 the two public hearings required by Florida
10 Statutes to formally adopt your budget, including
11 the ad valorem assessment.

12 Last year's adopted millage rate was .2356,
13 and it would be our recommendation that the
14 Authority consider adopting the millage rate at
15 that level this year, as we do not anticipate when
16 you -- when you factor in increase -- likely
17 increase of the tax base that's occurred in the
18 last year, that that would allow the Authority
19 adequate flexibility to still maintain the same
20 total of ad valorem dollars, but that would
21 also -- that would generate a lesser requirement
22 for a millage rate.

23 So, the rate for individuals would go down.
24 The total dollars could remain the same. This
25 just affords the luxury of holding last year's

1 millage rate and whatever tax increase would be
2 associated with it. It's not a recommendation to
3 take the tax increase; it's just to simply hold
4 the worst-case scenario at last year's rate.

5 CHAIRMAN GREEN: Public comment? Yes.

6 MR. HICKOX: Wayne Hickox, 881 Queen Road.

7 If I may to the Chair, to the Executive Director,
8 Ed, does this reflect the board's step several
9 months ago in which they plan to begin a process
10 over a few years of reducing the dependence on the
11 ad valorem tax?

12 MR. WUELLNER: I think it's consistent to
13 this point. This preserves last year's rate as
14 the absolute worst-case scenario. The -- the
15 Authority, as far as the budget presentation we
16 made, we are presenting that it would be
17 reduced -- that the millage rate would be reduced
18 to reflect the same total ad valorem dollars to
19 the Airport Authority.

20 So we would take what's called the
21 rolled-back rate into next year, or at least
22 that's the Staff presentation regarding budget
23 that was made last -- last month, I believe it
24 was. It will be up to the board to decide

25 ultimately the outcome, but the worst-case

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1 scenario would be is the rate you had this year is
2 the rate you would have next year, if you adopt
3 this.

4 CHAIRMAN GREEN: Mr. Martinelli? Thank you,
5 Mr. Hickox.

6 MR. MARTINELLI: I think that it bears
7 repeating that this is a preliminary and that you
8 can go down from here, not up, okay?

9 And so, basically, what this is saying is, if
10 the new assessments for the coming year remain
11 what they were last year, which is -- cannot be
12 because there have been increases during the year,
13 anyway. But statistically if they remain the
14 same, then this rate would return the same ad
15 valorem revenue to the Airport Authority as last
16 year.

17 If the tax base goes up, which in fact it has
18 all during this year, to return the same dollars
19 to this airport as last year, the rate would go
20 down. And so, all you're doing now is saying,
21 this is the maximum rate that we can charge. When
22 we finally complete our budget, it can go down,
23 and it probably will.

24 CHAIRMAN GREEN: Any other public comment?

25 (No further public comment.)

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1 CHAIRMAN GREEN: Seeing none. Board comment,

2 Mr. Gorman?

3 MR. GORMAN: This of all days is probably one

4 of the most important days financially if you're

5 going to be a board member. If I -- just to keep

6 things simple, this is the day the rubber meets

7 the road.

8 If you're going to actually prove to the

9 public that you're going to reduce taxes, and I've

10 been told that we could get off the tax rolls in

11 five years, then to me, this would be the day to

12 reduce it 20 percent. If you reduce that 20

13 percent, you'd come to .8848, if my little

14 calculator works -- .18848.

15 CHAIRMAN GREEN: Okay.

16 MR. GORMAN: Looks like it didn't work.

17 MR. WUELLNER: Is a -- a 20 percent

18 reduction?

19 MR. GORMAN: It's as simple as that. In

20 other words, you've got -- when does it happen?

21 When do we actually roll the taxes back? When do

22 we actually stop?

23 MR. WUELLNER: What -- what is 18848?

24 MR. GORMAN: It's 20 percent less. Just 20
25 percent less.

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1 CHAIRMAN GREEN: 20 percent less.

2 MR. WUELLNER: Okay.

3 MR. GORMAN: It's a 20 percent reduction in
4 the overall rate. You know, I -- I tried to read
5 it, my writing, and it didn't work. It's as
6 simple as that. I mean, when do we do it?

7 CHAIRMAN GREEN: Joe?

8 MR. CIRIELLO: Ed gave the last year's
9 millage rate and everything, but what would the
10 rollback rate this year be?

11 MR. WUELLNER: I don't have those numbers
12 yet. The County Property Appraiser's Office
13 requested a two-week extension of that schedule
14 and they will not be -- that information will not
15 be able to us until after the 15th.

16 MR. CIRIELLO: Oh.

17 MR. WUELLNER: So I don't -- I can't
18 calculate the rollback rate at this point for you.

19 MR. CIRIELLO: Well, I -- I just wondered,
20 because the first two years on the board, I will

21 say that it was my insistence with the board
22 members then to go with the rollback rate, rather
23 than maintain the present rate, because then for
24 four years, it was at .28, and we went down from
25 .28 to .25 to this. And then last year, I tried

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1 to get the board to go with the rolled-back rate,
2 and they didn't do it, they stayed here. But --

3 MR. WUELLNER: No. We -- you did take the
4 rolled-back rate last year.

5 MR. CIRIELLO: We did?

6 MR. WUELLNER: Yes, you did.

7 MR. CIRIELLO: I thought that last year, when
8 I wanted to go to rollback rate --

9 MR. WUELLNER: You've taken a couple --

10 MR. CIRIELLO: -- I didn't make it.

11 MR. WUELLNER: No. Where you didn't make it
12 was -- for this purpose, was for the TRIM. The
13 board -- the Authority preserved its options until
14 which time as they finished their budget
15 deliberations and then took the rolled-back rate.

16 MR. CIRIELLO: Well, I have no problems with
17 this .235 for right now because we can lower it.
18 I mean --

19 MR. WUELLNER: Correct.

20 MR. CIRIELLO: -- there's no sense in

21 lowering it now.

22 MR. WUELLNER: And intend to, frankly.

23 MR. CIRIELLO: Yeah. Or even set it higher,

24 who cares, because you know you can always bring

25 it down. But I -- I have a problem with hearing

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1 us getting off the tax rolls, you know. And, I'm

2 sorry, it just won't happen --

3 MR. WUELLNER: Well --

4 MR. CIRIELLO: -- no matter what you try to

5 do. A few years before the board went with the

6 .28, because of around election time, a couple of

7 years, the board started reducing the tax rates --

8 and I think you can remember, Victor.

9 MR. WUELLNER: I remember.

10 MR. CIRIELLO: You lowered so far, that then

11 you come in with a catastrophe of needing a lot of

12 maintenance work done and then you had to raise it

13 way up to get the money to do it. You remember

14 that, Victor?

15 MR. WUELLNER: Oh, yeah.

16 MR. MARTINELLI: (Nods head.)

17 MR. CIRIELLO: So if you keep lowering it

18 just for the sake of lowering, you've got to take
19 into consideration you could run yourself into a
20 corner.

21 So, I -- I'm not too concerned with how low
22 we can go. I'd like to see it reduced every year
23 a little bit, if we can make sense of it. But I
24 have no problems with this, because I know we can
25 lower it. But I'm -- I'm interested in the

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1 rollback rate. And, gee whiz, it's only a matter
2 of a few pennies when you go to the rollback
3 rate --

4 MR. WUELLNER: Right.

5 MR. CIRIELLO: -- so you're not really
6 cutting a lot. Okay.

7 CHAIRMAN GREEN: Any other board comment? I
8 just want to make one comment like Mr. Ciriello,
9 who's been on the board longer than I, that we
10 have historically set the TRIM and then taken the
11 rollback rate, because our budgeting has gotten so
12 much more defined as to where we're looking.

13 So... All right. No more public com -- or no
14 more comment from the board. Is there a motion?

15 MR. CIRIELLO: I'll make the motion to accept

16 Staff's recommendation for the TRIM at .2356.

17 CHAIRMAN GREEN: Is there a second?

18 MR. COX: Second.

19 CHAIRMAN GREEN: Any further discussion?

20 (No further discussion.)

21 CHAIRMAN GREEN: All in favor?

22 MR. CIRIELLO: Aye.

23 MR. COX: Aye.

24 CHAIRMAN GREEN: Aye. All opposed?

25 MR. GORMAN: Nay.

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1 CHAIRMAN GREEN: One opposed. Three

2 approved. Staff recommendation will be accepted.

3 MR. WUELLNER: We're still waiting on Mark to

4 show -- in fact, that might be him there. It is.

5 CHAIRMAN GREEN: Okay.

6 MR. WUELLNER: Well, you're right on cue.

7 CHAIRMAN GREEN: Are you ready, Mr. Arnold?

8 MR. WUELLNER: All we needed was a --

9 MR. ARNOLD: They say timing's everything in
10 life.

11 CHAIRMAN GREEN: I had to play judge for a
12 minute, you know, "Are you ready, Mr. Arnold?"

13 MR. COX: We need to turn that microphone on.
14 It hasn't been on for the last three speakers. If

15 he's going to use that.

16 MR. WUELLNER: You get no break. You're on.

17 7.C. - EMINENT DOMAIN APPRAISALS & RESOLUTION

18 CHAIRMAN GREEN: Mr. Arnold, we are at

19 action -- or action item B, eminent domain

20 appraisals, resolution.

21 MR. ARNOLD: Pardon me?

22 MR. COX: We're at your point.

23 MR. ARNOLD: Let me just read what it is.

24 CHAIRMAN GREEN: Up there (indicating).

25 MR. WUELLNER: Basically --

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1 MR. ARNOLD: All right.

2 MR. WUELLNER: Yeah. Basically, they have

3 not -- they are for the first time -- Christine,

4 I'll let you toss those around the table, if you

5 will. But the next slide basically shows the

6 values based on the address as preliminary

7 determination. I don't think you've received

8 final reports yet, either.

9 MR. ARNOLD: No, I have not.

10 MR. WUELLNER: But based on the preliminary

11 reports issued by the appraiser, the valuations

12 that will be on the screen are what has -- has

13 been preliminarily determined.

14 You have a little more detail than what will
15 be on the screen. It's not particularly
16 informational other than we -- we have elected, at
17 least from a -- from a presentation standpoint, to
18 omit the names of the parcel owners. It's just
19 simply identified by address. You have that
20 information in front of you, if you want to make
21 the correlation, but we felt like it really wasn't
22 in general needed to be -- needed to be handled
23 that way, although there's no reason it can't be.

24 What we are looking for, what will -- Mark
25 will review those properties and the values that

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1 have been determined. The amounts you see in
2 parenthesis when it comes up is -- is the amount
3 where, in the couple of cases you had appraisals
4 done two or three years ago, and that's the
5 previous year's appraised value or the previous
6 time's appraised value, just so you have some idea
7 of what that correlation is.

8 What we're looking to do today is dis -- have
9 any discussion you'd like to have relative to
10 those values as they were determined, and we would
11 like some direction from a Staff side as to what

12 you would like us to offer, preferably expressed
13 as a percentage or something along that line,
14 relative to those values as a way of getting the
15 ball off dead center in the -- in the process.
16 Mark, I'm sure, will detail to some extent, but at
17 some point -- not today, but at some point, a
18 resolution will be required.

19 Our suggestion is you consider that at your
20 August meeting, which would move into the process
21 of eminent domain and make that formal declaration
22 of -- of need and move it forward, and from that
23 point, largely, your -- your involvement in it is
24 pretty much done. It's handled by Staff and
25 attorneys from that point on, and we'll -- we'll

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1 let you -- keep you informed of the schedules, but
2 basically it will -- it will just run its course
3 through the -- through the legal system.

4 With that, Mark's here to answer questions
5 about not only the appraisals to some degree, not
6 the details of how it was appraised, but the
7 values and how they were determined and what that
8 means to you. So, these are the -- the
9 appraisals.

10 MR. ARNOLD: Let me mention one thing. One
11 of the reasons why these are preliminary values is
12 the appraiser, for whatever reason, has had
13 difficulty getting into some of the homes; it's
14 been inconvenient for some of the owners, whether
15 it be because of the summer, timing or whatever
16 the case may be.

17 And we've also contacted the owners'
18 attorneys to try to facilitate the entry into the
19 home, just to make sure -- when we're talking
20 about improved properties, just to make sure the
21 value conclusions that they render once they
22 finalize their report are as close to being market
23 value as possible.

24 So, if you had questions as to why we only
25 have a preliminary number right now, that is the

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1 main reason. And they've -- to the extent they
2 can, they've verified what their value conclusions
3 are through the Property Appraiser's records as to
4 those particular properties that are improved.

5 MR. WUELLNER: And you can see, at least in
6 one case, 312 Araquay, the valuation is
7 substantially less in the current appraisal. If
8 you recall, that's the home that experienced the

9 fire last -- it was late winter, early spring, and
10 now, instead of talking a structure on the
11 property, it's simply a land value.

12 In the other cases, the other two I think are
13 387 and 395 Indian Bend, were the only two
14 occurrences where an appraisal of this level was
15 accomplished, what, three or four years ago, I
16 don't remember exactly, when the Authority
17 considered eminent domain back then. You can see
18 that they've experienced a fairly significant
19 increase since that time.

20 CHAIRMAN GREEN: I was going to open up to
21 public comment, Mark, if that's --

22 MR. ARNOLD: That's fine, unless the board
23 members have any questions.

24 CHAIRMAN GREEN: I -- I take them second.

25 MR. ARNOLD: Okay.

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1 CHAIRMAN GREEN: Any public comment?

2 (No public comment.)

3 CHAIRMAN GREEN: Seeing no public comment,
4 board comment?

5 MR. GORMAN: Which one of these are vacant
6 and -- vacant property or vacant homes, and which

7 are occupied homes that are resisting?

8 MR. ARNOLD: Vacant property. Of course, 312

9 Araquay. I believe Lot 20.

10 MR. WUELLNER: Yes. 308.

11 MR. ARNOLD: And is 317? No, that's

12 improved.

13 MR. WUELLNER: 308.

14 MR. ARNOLD: 308? Correct.

15 MR. GORMAN: Let me rephrase that. Which of

16 these are occupied, then?

17 MR. ARNOLD: I -- off the top of my head, I

18 cannot tell you which ones are occupied.

19 MR. WUELLNER: Owner occupied?

20 MR. GORMAN: Occupied with people that are

21 resisting the -- the acclamation (sic) of their

22 home by eminent domain? Which ones of these

23 properties are they?

24 MR. WUELLNER: Occupieds would be 211 Indian

25 Bend. 250, we've had discussions with, however,

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1 that's not coming to fruition quickly, 250. 308

2 is a vacant lot. 312 is the -- where the -- where

3 the fire was. So it's basically a lot now. Wiley

4 is -- has a structure on it.

5 MR. GORMAN: That's not occupied?

6 MR. WUELLNER: To be honest, I'm not sure.

7 It looks like a garage, but it may be -- it may be

8 a home. 344 is occupied. 353 is occupied. Lot

9 20 is -- is a vacant lot that the re -- it's

10 basically got a well that serves a number of the

11 homes there. 387 is occupied. 395 is occupied.

12 As is 4730. So, all but three are occupied.

13 MR. GORMAN: I understand in a previous

14 briefing you gave us about the -- the taking of

15 eminent domain, that many times these cases of

16 eminent domain go to a jury?

17 MR. ARNOLD: That is correct. Sometimes.

18 About 5 percent of the time.

19 MR. GORMAN: Last time we discussed that map,

20 it looked like, to me, that there was an entire

21 case or an area of -- that almost was encompassed

22 where the ones in white that were not actually

23 airport property now, we'd have to go back to that

24 map to look at this, were vacant lots.

25 What I'm trying to do is just come back to

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1 the point where you could, with some common sense,

2 acquire vacant lots, and I -- I'm certain that a

3 judge would have much less sympathy for someone

4 that owned a vacant lot than someone who was in
5 the house, as far as a large award.

6 MR. ARNOLD: Is -- well, first of all, keep
7 in mind --

8 MR. GORMAN: Just from a purely business
9 practical standpoint --

10 MR. ARNOLD: Keep in mind the judge
11 determines not the value. The -- the judicial
12 determination that a court will make is whether or
13 not you have a public purpose, that there's
14 reasonable necessity to acquire the property for
15 that public purpose, and if you've done a valid
16 appraisal.

17 After that, it is a jury determination as to
18 what the value of the property is. And your -- I
19 think your question or point is that jurors tend
20 to sympathize with property owners.

21 MR. GORMAN: Yes, that would be my point.

22 MR. ARNOLD: Okay.

23 MR. GORMAN: And that would be -- that -- and
24 then, just from a purely business standpoint, I
25 would -- I cannot -- it seems we'd be engaged in

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1 litigation against a homeowner for quite a while.

2 MR. ARNOLD: It's -- well, is -- that has

3 nothing to do with the amount of time, except the
4 judge will determine when the owner has to vacate
5 the property. The judge makes that determination.
6 But as far as when you go to trial, whether or not
7 it's occupied or not, generally the trials of
8 these cases take anywhere from 6 months to 18
9 months to get before a jury, if that's where they
10 end up.

11 But as far as the sympathy factor goes, ten
12 years ago, I would have told you unequivocally,
13 yes, that jurors tend to sympathize with
14 homeowners and property owners significantly more
15 than they ever do with condemning authorities.
16 Unfortunately, and I represent mostly property
17 owners, I've seen that cutting both ways in the
18 last few years. There's been a lot of publicity
19 about condemning authorities paying too much for
20 properties.

21 MR. GORMAN: I'd hate to take an 84-year-old
22 lady in front of a jury, if I were you.

23 MR. ARNOLD: Well, I would, too. Or someone
24 in a wheelchair. I've represented them both.

25 MR. GORMAN: The point of the discussion

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1 being -- my discussion being, that there is an
2 area we could acquire that would be vacant lots
3 and then move ahead with construction without
4 trying to displace people. And that's probably
5 the end of my discussion.

6 MR. ARNOLD: And -- and I don't know that. I
7 don't know the answer to that question. I think
8 your consultants could better tell you that.

9 CHAIRMAN GREEN: Joe?

10 MR. CIRIELLO: Yes, Madam Chair. Have you or
11 anybody in authority on this talked to any one of
12 these people before us? Actually talked to any
13 one of them in negotiations to buy their property?

14 MR. ARNOLD: It would be improper for me to
15 discuss it directly with them, since most of them
16 are represented by attorneys.

17 I have discussed with Mr. Yerkes their
18 situation on the owners that he represents and
19 have tried to contact the other attorney who
20 represents I believe some other owners, asking
21 them to contact me regarding getting the appraiser
22 into the facility.

23 MR. CIRIELLO: Well then, let me put it this
24 way, then. Is there any movement on our behalf
25 that any of these people have been talked to by

1 whoever's allowed to talk to them to see if
2 they're willing to sell? I mean, in other words,
3 I want to know which one of these --

4 MR. WUELLNER: Yeah.

5 MR. CIRIELLO: -- is it reasonable for us to
6 assume we're going to get their property without
7 any fight, and which ones we won't.

8 MR. WUELLNER: Well, you have -- no one on
9 this list who has -- otherwise, you'd have it as a
10 sales contract already. But we have had
11 discussions with 308, 250 Indian Bend, as well as
12 4730 in Casa Cola. Conversations as recent as
13 today with some of them.

14 So, they are talking to us. They are --
15 where it is right now is we're at this point
16 negotiating or having discussions with them
17 relative to their properties, while simultaneously
18 keeping this part of it on track so that in the
19 event they do not wish to do that voluntarily as
20 they move ahead, you have not restricted yourself
21 and have to start this process over.

22 MR. CIRIELLO: Are you getting any feeling
23 from any of them that we're going to be able to,
24 oh, deal with them in good faith, that --

25 MR. WUELLNER: I think we always deal with

1 them in good faith.

2 MR. CIRIELLO: I know.

3 MR. WUELLNER: I think there's always a --

4 MR. CIRIELLO: I mean, that they're -- that
5 they're, you know, thinking, well, yeah, we're
6 going to compromise or we're going to do something
7 here without a big fight.

8 MR. WUELLNER: Well, yeah. I mean, I don't
9 think there's a person out there that we've talked
10 to that, if we don't mind spending what they ask
11 for it, they're -- they're willing to take it.

12 MR. CIRIELLO: I was under the impression
13 there was a few people out that said --

14 MR. WUELLNER: It's not grounded in reality.

15 MR. CIRIELLO: -- no matter what you offer
16 them, they don't want to sell.

17 MR. WUELLNER: The requests we've had so far
18 are not grounded or backed up by any type of
19 reality or appraisal value.

20 MR. CIRIELLO: Well, I --

21 MR. WUELLNER: What we're trying to do is
22 find solutions to the problem that allow us -- us
23 to work within -- within reason.

24 MR. CIRIELLO: I must have been --

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1 be achieved. It may -- you know, that's why this
2 process is in place, to assure that they are
3 treated fairly.

4 MR. CIRIELLO: I thought there was some
5 people that money mattered nothing, that it's they
6 didn't want to move no matter what the money was,
7 and that --

8 MR. WUELLNER: The three we're talking to,
9 it's -- or actually, a fourth one in there, it at
10 this point is literally a money issue and a
11 function of value; you know, what we're willing to
12 write a check for versus what they're willing to
13 leave for. And -- and we're trying to make sense
14 of it in terms of valuation.

15 CHAIRMAN GREEN: Bob?

16 MR. COX: With your experience in these
17 cases -- you said you've represented on both
18 sides -- what's your feeling about the -- within
19 the parameters that you mentioned going forward,
20 for the Airport to go toward with eminent domain?
21 Could you -- I think you had three points the
22 judge will look at, several different --

23 MR. ARNOLD: Purpose, reasonable necessity

24 and that you've done a valid appraisal.

25 MR. COX: Okay. And from your experience,

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1 does the Airport sit in a pretty strong position

2 from that?

3 MR. ARNOLD: From what I've seen of the

4 Airport's Master Plan, there is a public purpose

5 and a reasonable necessity to acquire this

6 property to fulfill that purpose.

7 MR. COX: Right.

8 MR. ARNOLD: When the Court looks at the

9 appraisal, the Court's not looking at it to say

10 you're right or you're wrong as to the value that

11 the appraisers come up with; he's looking at it to

12 see if the appraiser has fulfilled the USPAP

13 standards, which is the Uniform Standards of

14 Professional Appraisal Practice.

15 I will say one thing, and I'm quite candid

16 when I say this, is I think, from what I've seen

17 thus far of the Authority and their efforts, they

18 have made significant offers for these properties

19 over and above possibly in many cases what the

20 appraisal says the property is worth, which I

21 think is very prudent on their part.

22 I think they're doing what they need to do.
23 And when an offer is made, it will be made based
24 upon the calculation that when you make an offer
25 that's significantly more than the appraisal, it

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1 puts the attorney for the property owner at risk,
2 because his fees are determined by the difference
3 between the original offer and whatever the final
4 judgment is.

5 I mean, I wish that we had something to work
6 with as far as appraisals from the owners, because
7 I could give you a little bit more information,
8 but right now, you're basically bidding against
9 yourself.

10 CHAIRMAN GREEN: So, from us, do you need
11 some direction as to, please go ahead and
12 negotiate in good faith? Do you need a ceiling?
13 Do you --

14 MR. WUELLNER: We -- we would prefer some
15 sort of a ceiling be established, even if it's a
16 percentage of the -- of what the appraised value
17 is established here.

18 Mark and I have discussed it and would like
19 to be in the 40 percent range, as being the
20 latitude when you -- when you factor in all of the

21 other things that the Authority could cost, the
22 exposure that the Authority could have in going
23 through the full process later on, that that
24 certainly represents a good first solid approach
25 to the -- to the owners.

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1 CHAIRMAN GREEN: Mark, you had verbal
2 conversations with our appraiser, as far as
3 getting these prelims?

4 MR. ARNOLD: Yes, I did. He has not rendered
5 a report yet, but he was able to give me a, you
6 know, "This is about mid-range where I'm coming
7 in. I feel pretty comfortable with these
8 numbers."

9 CHAIRMAN GREEN: Any other board comment?

10 (No further board comment.)

11 CHAIRMAN GREEN: I guess then we have a
12 motion that would be needed to allow Staff to set
13 a ceiling or some type of percentage that they're
14 allowed to negotiate.

15 MR. COX: I'll move to accept the Staff
16 recommendation of 40 percent to allow them the
17 leeway to negotiate and move forward with that.

18 CHAIRMAN GREEN: Is there a second?

19 MR. CIRIELLO: I'll second it just so we can
20 discuss it. I wanted to ask Bob what he meant by
21 that last couple of words in there, to go ahead
22 with it. I have no problems --

23 MR. COX: To move forward with what Ed was
24 talking about. To move forward with the leeway,
25 to allow them the leeway to --

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1 MR. CIRIELLO: Oh, oh, okay.

2 MR. WUELLNER: Extending an offer for it.

3 MR. COX: Exactly.

4 MR. CIRIELLO: I have no problems with that.

5 MR. COX: That's all.

6 MR. CIRIELLO: But I would have a problem if
7 anything in that motion said that once the
8 negotiation part was done, even with 40 percent,
9 if somebody said, "No, I don't want that; I want
10 more money," or, "I don't want any," then to move
11 into eminent domain. I -- I don't want that. But
12 if -- if that's not in your motion, then I'm okay
13 with it.

14 MR. WUELLNER: Earliest you would formally
15 move down that road is at your August meeting.
16 That's the earliest that --

17 MR. CIRIELLO: Right now, we're just letting

18 him go ahead and negotiate and see what we can do
19 in good faith.

20 MR. WUELLNER: Correct.

21 MR. CIRIELLO: Eminent domain is not a part
22 of this.

23 MR. WUELLNER: Based on the new appraisals
24 you've got.

25 MR. CIRIELLO: Yeah. But eminent domain is

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1 not a part. Then I can go with that.

2 MR. ARNOLD: Just -- just for clarification,
3 until we bring a resolution before you, we can't
4 go through eminent domain.

5 CHAIRMAN GREEN: Right.

6 MR. ARNOLD: You have that say and nobody
7 else.

8 MR. CIRIELLO: I'm good with that.

9 CHAIRMAN GREEN: There's a first and a
10 second. Any further discussion?

11 (No further discussion.)

12 CHAIRMAN GREEN: All in favor of the motion
13 to accept Staff's recommendation for negotiations,
14 say aye.

15 MR. CIRIELLO: Aye.

16 MR. COX: Aye.
17 MR. GORMAN: Aye.
18 CHAIRMAN GREEN: Aye. Any opposed?
19 (No opposition.)
20 CHAIRMAN GREEN: Hearing none opposed, the
21 motion passes.
22 MR. CIRIELLO: What did you say? I didn't
23 hear.
24 MR. GORMAN: I said aye. We can negotiate
25 it. If they'll just sell it, fine.

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1 CHAIRMAN GREEN: Next agenda item is the
2 terminal second floor office space.
3 MR. WUELLNER: Talk to you tomorrow. I'm
4 feeling lucky today.
5 MR. ARNOLD: You should be.
6 7.D. - TERMINAL 2ND FLOOR OFFICE SPACE
7 MR. WUELLNER: Second floor buildout. As I
8 mentioned in the project updates, we have
9 identified -- actually, identified three or four
10 folks interested in leasing the facility, only one
11 of which is currently still interested in leasing
12 all of it. It would require the Authority to
13 build that out.
14 It is conditioned upon -- I say conditioned,

15 but the time that they are interested in leasing
16 it for is tied to the Authority's being able to be
17 responsive to building a hangar facility that
18 includes the office facility over the next one- to
19 two-year time line.

20 So, it's -- it's somebody that's on our
21 waiting list, somebody who's expressed an interest
22 as a commercial entity, is interested in leasing
23 that as a way of getting up and running on the
24 airport and in conjunction with another hangar on
25 the airport that we would bring to you later as

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1 part of lease-related in -- request.

2 But basically, they've committed to leasing
3 that, if you commit to going ahead and doing the
4 buildout. And they would remain there what time
5 is necessary to occupy a new facility. That would
6 leave all of that -- once built out, would allow
7 then you could consider or lease it to smaller,
8 you know, folks looking for one office or
9 something along that line.

10 But initially, it would -- our suggestion is
11 it would go to the single tenant. That person
12 would -- that company would occupy it for the

13 eighteen months to two years or whatever time it
14 takes to build, at which time they vacate into new
15 facilities, that was -- those offices become
16 re-rentable to smaller or other single tenants,
17 whatever we can identify in eighteen months to two
18 years.

19 CHAIRMAN GREEN: Public comment?

20 (No public comment.)

21 CHAIRMAN GREEN: No public comment.

22 Mr. Gorman?

23 MR. GORMAN: Is it an aviation?

24 MR. WUELLNER: Yes, it is.

25 MR. GORMAN: And they -- we're not doing

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1 business with them? It isn't a trade? It's a --

2 MR. WUELLNER: No, it is a new tenant.

3 MR. GORMAN: In other words, it's not --

4 we're not trading.

5 MR. WUELLNER: Correct.

6 MR. GORMAN: It's not someone we're actually

7 doing business with as a contractor, so it's just

8 cash in our pocket.

9 MR. WUELLNER: Correct. New tenant to the

10 airport.

11 CHAIRMAN GREEN: And they're going to occupy

12 the entire --

13 MR. WUELLNER: Entirety of the second floor.

14 CHAIRMAN GREEN: So that if we wanted to put

15 up new nonstructural walls down the road two years

16 when they vacate, it's not --

17 MR. WUELLNER: You could do whatever you

18 wanted to.

19 CHAIRMAN GREEN: Are they possible future

20 tenants for smaller office space, too, up there?

21 MR. WUELLNER: Are they?

22 CHAIRMAN GREEN: Uh-huh.

23 MR. WUELLNER: I think they would hope that

24 what's built for them to occupy would meet their

25 needs.

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1 CHAIRMAN GREEN: But it would get us --

2 MR. WUELLNER: I don't think they'd prefer to

3 do separate operations, however --

4 CHAIRMAN GREEN: It would get us a tenant at

5 least for 18 months or so, which we don't --

6 MR. COX: Immediately.

7 CHAIRMAN GREEN: -- have right now.

8 MR. COX: Right.

9 MR. WUELLNER: Right.

10 CHAIRMAN GREEN: And what's been -- this is
11 what we've been advertising, right?

12 MR. WUELLNER: Correct. Uh-huh.

13 CHAIRMAN GREEN: And I just signed a check
14 today. It's been an expense to advertise in the
15 paper, correct, monthly?

16 MR. WUELLNER: Monthly.

17 CHAIRMAN GREEN: Substantial.

18 MR. GORMAN: Question. Is this tenant that
19 is then going to reoccupy different spaces, are
20 they going to be a future tenant; they're going to
21 reoccupy yet another space they were negotiating
22 with --

23 MR. WUELLNER: Yes. Permanently, though.

24 MR. GORMAN: In other words, they want to
25 actually --

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1 MR. WUELLNER: Be a long-term tenant on the
2 airport.

3 MR. GORMAN: And they're going to build out
4 at their expense or they're going to build out at
5 county expense on this --

6 MR. WUELLNER: On the second floor?

7 MR. GORMAN: No. I mean when they move.

8 MR. WUELLNER: When they move, we're still

9 negotiating with them on how that would proceed.

10 CHAIRMAN GREEN: Joe?

11 MR. CIRIELLO: Ed, do they have plans or do
12 we have plans, knowing how big this facility's
13 going to be and do we have the space to put it on
14 right now?

15 MR. WUELLNER: We have identified space that
16 works with their operation.

17 MR. CIRIELLO: Are we talking another
18 corporate hangar for this company, more or less?

19 MR. WUELLNER: Substantially larger than a
20 corporate hangar, yes.

21 MR. CIRIELLO: But we have the space --

22 MR. WUELLNER: It would -- it would -- in
23 order of magnitude, it would be in the order of
24 40,000 square foot of hangar with approximately
25 10,000 square foot of office-related facilities.

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1 MR. CIRIELLO: But it is doable, we can do
2 it.

3 MR. WUELLNER: Yes.

4 MR. CIRIELLO: Okay.

5 MR. WUELLNER: And those of you worried about
6 it, it is not an FBO operation.

7 MR. COX: Now, just to go back to the point
8 about the buildout that we're talking about on
9 that second floor is that we would design it or we
10 would take input from their design?

11 MR. WUELLNER: I think they would like a
12 little input at -- they've seen the sketches that
13 were done.

14 MR. COX: The sketches that we went over the
15 other --

16 MR. WUELLNER: They have no issues with
17 the --

18 MR. COX: -- last month?

19 MR. WUELLNER: -- B and C option.

20 MR. COX: Yeah, right.

21 MR. WUELLNER: They can make either one of
22 those work.

23 MR. COX: That's good.

24 MR. WUELLNER: So --

25 MR. COX: All right.

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1 MR. WUELLNER: And I -- and I went ahead and
2 stuck those back on there just so everybody had
3 exhibit-wise.

4 MR. COX: So, it basically is a -- like a
5 turnkey deal for new tenants to go in after they

6 vacate.

7 MR. WUELLNER: Exactly.

8 MR. COX: Okay.

9 MR. WUELLNER: Exactly.

10 MR. COX: Great.

11 MR. WUELLNER: The sizes may get tweaked a

12 little bit and, you know, and -- with a little

13 input from them, but basically it would be

14 these -- one of these two layouts or something, a

15 hybrid of the two.

16 And then refreshing the cost, you know, I

17 threw the slide up again for you, but I -- my

18 guess is you're going to be between \$140- and

19 \$147,000, is where the buildout would be.

20 CHAIRMAN GREEN: Any further board

21 discussion?

22 (No further board discussion.)

23 CHAIRMAN GREEN: Hear a motion?

24 MR. COX: I'll move to accept Staff

25 recommendation to move into a lease, you know,

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1 agreement with this group and get this built out

2 so that we can --

3 MR. WUELLNER: Well, more importantly than

4 the lease agreement is we need to get --

5 CHAIRMAN GREEN: Start the building --

6 MR. WUELLNER: -- this part going, because
7 this has got some lead time with it.

8 MR. COX: I just assumed that was --

9 MR. WUELLNER: Well, I would like to wrap the
10 entirety of the project together and bring it to
11 you, because it likely will include some temporary
12 hangar space on the airport if that matures and
13 we'll have that dis -- you know, I'll detail that
14 to you probably in August.

15 CHAIRMAN GREEN: Okay. Do you want to reword
16 your motion, or just going to accept Staff's
17 recommendation?

18 MR. COX: Yeah, just accept Staff's
19 recommendation because I'm not -- I don't know how
20 to reword it to make it so that it works to --

21 MR. WUELLNER: Well, I -- the only reason
22 I'm -- I'm trying to avoid you committing to the
23 tenant is that ordin -- you know, your policy says
24 we're going to -- we're going to present that
25 information. I am not doing that today. I'm

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1 identifying the tenant and the commitment, but I'm
2 not -- you know, we're not at a negotiated lease

3 agreement to hand you today.

4 MR. COX: You're looking for --

5 MR. WUELLNER: What I am trying to do is get

6 the --

7 MR. COX: -- direction for the buildout.

8 MR. WUELLNER: -- construction on -- correct.

9 MR. COX: I got you.

10 MR. WUELLNER: That was -- that was --

11 MR. COX: Revise the motion to accept Staff's
12 recommendation to move forward with the buildout
13 of the --

14 CHAIRMAN GREEN: Is there a second?

15 MR. COX: -- second floor.

16 MR. CIRIELLO: (Indicates.)

17 CHAIRMAN GREEN: Joe -- Mr. Ciriello seconds
18 the motion. Any further discussion?

19 (No further discussion.)

20 CHAIRMAN GREEN: All in favor of Staff's
21 recommendation in the motion, say aye.

22 MR. CIRIELLO: Aye.

23 MR. COX: Aye.

24 MR. GORMAN: Aye.

25 CHAIRMAN GREEN: Aye. All opposed?

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1 (No opposition.)

2 CHAIRMAN GREEN: Hearing none opposed, motion
3 for Staff's recommendation is accepted.

4 MR. WUELLNER: Okay.

5 CHAIRMAN GREEN: Next is T-hangar rates.

6 7.E. - T-HANGAR RATES

7 MR. WUELLNER: Right. I've -- we -- we
8 provided, I believe it was a part of your package
9 or -- the ROI calculation y'all requested at the
10 last meeting, but basically the -- when you --
11 when you do the ROIs on it, strictly on ROI using
12 the 7 percent identified in your lease policy, in
13 order to get there, you would need to identify the
14 next five years for rate increases,
15 approximating -- you know, we used a model that
16 just put it in at \$10 a month for the next five
17 years and then reverting to kind of a CPI
18 approach, but I would really like to refocus the
19 board's attention.

20 What our original question was, was not
21 whether we were increasing hangar rates. It was
22 whether you wished us to develop a policy
23 pertaining to hangar rates in the future.

24 So, putting that back together, we've --
25 we've talked a lot about the disparity or where

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1 market is and the like in ROI calculations. That
2 really wasn't what we were asking to do. It was:
3 What do you -- what if anything do you want us to
4 do relative to handling hangar -- T-hangar rental
5 increases moving forward?

6 Do you wish to see that -- and there's
7 nothing -- I have no problems with doing this, see
8 it annually in the time line as required to react
9 to the lease expirations as they happen annually?
10 Do you want to establish something that we just
11 simply implement each year without additional
12 input from the Authority? We don't care. That --
13 that was really all the question was originally.
14 We've kind of gotten left of center on the
15 discussion, but...

16 CHAIRMAN GREEN: Okay. Any -- yeah, public
17 discussion. Mr. Martinelli? Uh-oh, they moved.

18 MR. MARTINELLI: Boy, my arthritis is getting
19 to me.

20 I first have to say that I am a hangar
21 renter, a T-hangar renter, so just to put that on
22 the table. But I think what -- if I may, Ed, just
23 to kind of paraphrase what you're saying, I think
24 what Ed is saying is, do you want to do something
25 now which precludes further options, or do you

1 want to keep your options open down the road
2 and -- and react at that time to the conditions
3 that exist at that time, rather than doing
4 something now predicated upon assumptions of
5 what's going to be down the road?

6 And so, you know, if that's not clear, I'll
7 be happy to explain what's in my mind here. But
8 basically I think what Ed has proposed is that
9 choice. And from where I sit, just as a
10 businessman, forget that I'm a hangar renter, I
11 think I'd like to keep my options open and take a
12 look at it at the time that the lease expires and
13 at that time see what the economic conditions and
14 everything else are at that time.

15 CHAIRMAN GREEN: Thank you. Any other public
16 comment?

17 (No further public comment.)

18 CHAIRMAN GREEN: Seeing none, board comment.
19 Mr. Cox?

20 MR. COX: I -- I'd like to just put a motion
21 on the table and then we can discuss it if we want
22 to.

23 CHAIRMAN GREEN: Have to be seconded to
24 discuss it.

25 MR. COX: Oh. Go ahead.

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1 CHAIRMAN GREEN: Why don't you just discuss
2 what your motion is.

3 MR. COX: I think we ought to just sit back
4 for a while, let the airport stabilize -- with all
5 the new construction and any expansion that we
6 have moving forward, let's stabilize for a little
7 while, then come back and revisit this issue -- my
8 proposal would be for a year.

9 Table it for a year or -- or just hold off
10 for a year, bring this discussion up in a year and
11 look at it again. We'll have a better valuation
12 of what the whole area's going to be worth
13 value-wise and be able to better look -- look at
14 what hangar rentals are going to be.

15 CHAIRMAN GREEN: Joe?

16 MR. CIRIELLO: I'm not sure if I understand
17 what you've -- Mr. Ed is thinking or saying, but I
18 don't think it's such a big issue that every year,
19 the board sits down and discuss it and say, let's
20 keep the rates where they are, let's raise them or
21 let's lower them.

22 But if you go and make a commitment for a
23 block time in years to keep raising them, and I

24 don't know why or how it would ever happen -- it
25 doesn't seem to be in this day and age, every

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1 year, everything goes up. But if for some reason
2 or other, maybe like Mr. Vic said, that the
3 economy goes down and then you maybe have a hassle
4 trying to lower the rates.

5 So, I don't think it's any big deal to just
6 do it on a year-to-year basis and every time it
7 comes up, that the board can sit down, take a few
8 minutes and say, well, we'll raise the rates this
9 year for the next year, you know, or we'll lower
10 them or we'll keep them where they're at. I don't
11 particularly like the idea of getting a block of
12 years done today, not knowing what tomorrow will
13 bring.

14 CHAIRMAN GREEN: Ed, I have a question. Are
15 most of our T-hangar leases for one year?

16 MR. WUELLNER: They are automatically
17 renewing one-year lease agreements, yes. All on
18 the same date.

19 CHAIRMAN GREEN: My thought is similar to the
20 board in the sense that let's wait a year, let's
21 have our leases go through, but then when we get

22 all this construction and buildout done, do we
23 have the option of doing, like we do on
24 commercial, three-year lease, but each year it's a
25 small incremental increase, but then we have a

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1 three-year commitment on a T-hangar? But that's
2 for down the future when things are more --

3 MR. WUELLNER: Uh-huh.

4 CHAIRMAN GREEN: Okay.

5 MR. WUELLNER: Yeah. And your automatic
6 provision allows you to adjust the rate at the --

7 MR. COX: At the lease end.

8 MR. WUELLNER: -- at the beginning of the
9 next term.

10 MR. COX: At the beginning of the next term.

11 MR. WUELLNER: Or effective the beginning of
12 next term, which always puts it and it kind of
13 squares it right with the budget process that the
14 timing of the lease expiration and -- is exactly
15 with our fiscal year. It allows discussion about
16 hangar rates this time every year, so that it's
17 communicated, you know, promptly so that it's
18 effective October 1st, when rates are usually --
19 or are increased.

20 I don't -- I don't see any problem with

21 reviewing it annually. We -- we threw it out
22 because it is one of the areas that, you know, is
23 always, well, what do we do? We begin this
24 discussion or start staff development of budget in
25 April and May. Really, it's earlier than you

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1 normally react to it or want to talk about rate
2 increases. That normally happens after we've
3 built a staff budget.

4 I mean, there's -- you know, it just saves
5 iteration of the budget if you decide to do
6 something in July or August, if you want to
7 account for the revenue into the next year. Not a
8 big deal.

9 CHAIRMAN GREEN: Okay. Then a motion from
10 the board?

11 MR. CIRIELLO: Has there not been one made?

12 CHAIRMAN GREEN: No. Well --

13 MR. CIRIELLO: Well, I'll make a motion that
14 we continue with our hangar policy for one more
15 year as it is, and if by next year Staff feels
16 that it should be brought up for a block
17 contingency, we can do it then. So the motion is
18 to go for one more year in our present --

19 CHAIRMAN GREEN: And then revisit it.
20 MR. CIRIELLO: -- policy.
21 CHAIRMAN GREEN: And then revisit it.
22 MR. CIRIELLO: Yeah.
23 MR. COX: Revisit the issue.
24 CHAIRMAN GREEN: Okay. Is there a second?
25 MR. COX: Second.

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1 CHAIRMAN GREEN: Any further discussion from
2 the board?
3 (No further discussion.)
4 CHAIRMAN GREEN: All in favor, say aye.
5 MR. CIRIELLO: Aye.
6 MR. COX: Aye.
7 MR. GORMAN: Aye.
8 CHAIRMAN GREEN: Aye. All opposed?
9 (No opposition.)
10 CHAIRMAN GREEN: Hearing none opposed, the
11 motion passes.
12 Next is terminal parking.
13 7.E. - TERMINAL PARKING PLAN & POLICY
14 MR. WUELLNER: A lot of good it did to me to
15 put these in order today. 27? Thank you.
16 Okay. We -- we communicated a first draft of
17 the parking policy. That came in your agendas,

18 but it was absent the proposed, if you will,
19 designation of the parking, is the Exhibit (sic) 1
20 that's referred to throughout it, and due to some
21 snafus we had with e-mail, we -- we just didn't
22 get the exhibit. Passero was kind enough to help
23 us out with putting the exhibit together, as they
24 were doing the other drawings for us.

25 This is basically the exhibit that would

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1 exist in the policy and be referred to as Addendum
2 (sic) 1, I believe it is, as it's referred
3 throughout the agreement -- or throughout the
4 proposed policy (indicating).

5 The policy itself, if I can find my copy
6 here -- the policy itself's fairly
7 straightforward. We tried to address all of the
8 issues we've been hearing over the last -- last
9 number of months, anyway, as we've been
10 considering what to do and how to -- how to
11 maximize the number of spots in the terminal area.

12 Primarily, we start off with a brief
13 discussion of the purpose, scope and, you know,
14 definitions that might be applicable in the
15 policy; kind of standard discussion there. Would

16 call your attention to delegation. It basically,
17 like most -- in fact every other policy you have
18 delegates the Executive Director's position to
19 implementation of that policy.

20 Moving on down, we establish some parking
21 areas such as regular parking, which as you look
22 at the exhibit up there, is all of the -- all of
23 the areas in brown, for the most part, as they're
24 shown up here are just what we would consider
25 regular parking. We've in the past discussed

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1 these as long-term parking. We've just -- for
2 purposes of clarification, have no longer call
3 anything long term; it's just simply regular
4 parking. We've identified short term.

5 Special designation areas are declared within
6 the policy, and those include disabled parking,
7 which are the light-blue spaces. There are a
8 number of those around the terminal and the new
9 office building along the side there.

10 There's a designated delivery area, which is
11 basically in front of the terminal. Extends about
12 half of that apron length, comes around the curve
13 in front of the terminal, allows for easy access
14 for deliveries to the restaurant and the terminal

15 area and even the office building there associated

16 with it.

17 Fire lanes would be established. They're the

18 red areas. Be immediately in front of the

19 terminal entrance. Would be preserved. And

20 parking -- unattended parking would be prohibited

21 in that area completely. Delivery areas have a

22 time line associated with how long a vehicle could

23 be there. For the most part, it's limited to bona

24 fide delivery services, food service materials,

25 you name it, FedEx, UPS, those kind of things,

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1 actual deliveries.

2 The gray area to the right-hand side of the

3 slide down there would be what we're calling

4 employee parking. Now, employee parking is

5 largely the spaces that were originally identified

6 in the Aero Sport FBO lease. There were, if my

7 memory's correct, ten spaces that were identified

8 as employee, which was the original old lot

9 layout.

10 We have expanded the number of spaces there

11 to call it that with the hopes that, in our

12 discussions with Aero Sport, that we would be able

13 to broaden the number of employee vehicles that
14 use that lot in deference to the regular parking
15 and short-term lots out there. In other words,
16 move a number of vehicles over to that side of the
17 terminal building into short term or into the --
18 excuse me, employee lot versus stand -- the
19 regular parking area.

20 Then we've created a section called permit
21 only, and it's really not -- it's a -- it's a
22 little more loosely identified. It's the green
23 area that's in the middle of the large brown area
24 on the left. There are -- I don't know what.
25 There are 15, 18 spots there that we're calling

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1 permit parking, and basically those are spots that
2 would be utilized by the businesses in the
3 terminal area who have identified customers who
4 need more than 72 hours' worth of parking. A
5 customer that's here, you know, weekly, in case of
6 rental car customers, we do have some that, you
7 know, want to leave their vehicle, they rent a
8 car, come back and pick up their vehicle.

9 While they are legitimate customers of the
10 airport, the problem we've had in the past is
11 identifying them as customers of the airport.

12 By -- we would be allowing them to use that by
13 arrangement, basically.

14 Those tenants would be given ability to issue
15 permits, if you will, or periods of time where
16 they're allowed to -- allow customers to park in
17 those areas. However, we would reserve the right
18 to assess a fee beyond 72 hours. If your
19 vehicle's parked there continuously for more than
20 72 hours, then you'd be allowed to assess a \$3 per
21 day fee to park there.

22 And the last -- I think the last issue in the
23 terminal area is the rental car pro -- or rental
24 car parking. And the thinking here is we've
25 identified some spots. I'm trying to -- the color

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1 is a little -- fades up there, but the -- in the
2 large brown parking lot area, the upper right-hand
3 green -- I keep forgetting I have this thing; I
4 can point.

5 This area here (indicating), there are some
6 spaces identified as rental car ready spaces,
7 basically where cars who -- that are ready to
8 rent, ready to be picked up for delivery are
9 located. They have some space -- there are spaces

10 identified in the Aero Sport original lease that
11 require us to provide those spaces. That is the
12 number of spaces that is required by the lease.
13 That's where those vehicles would be required to
14 be placed.

15 Now, in addition to that, there are some
16 rental car return spaces that we negotiated in the
17 orig -- I knew I'd do that. If I can just figure
18 out how to do it from here. There are some
19 spaces, right in here (indicating), that were in
20 the original terminal rental car lease that would
21 be return spaces. They would be marked and
22 identified for spaces for people returning
23 vehicles to the terminal area.

24 Overflow from those spaces, should it be
25 necessary, would be accomplished in short term

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1 with the restriction that any vehicle remaining,
2 whether it's from a rental car or whatever, that
3 remains there for more than the three hours, are
4 subject to the enforcement provision, including us
5 towing a rental car, and it's the rental car's --
6 company's problem to retrieve their vehicle. The
7 lot -- the three spaces there would basically
8 allow them to park there as -- you know, it's

9 basically a short-term parking space. I think
10 there are three spaces in total identified there.
11 It's a pretty straightforward policy
12 development. Basically, the fines and
13 implementation, where appropriate, are warnings
14 and notices initially, with the exception of like
15 handicap, tow-away and fire zone parking, wherein
16 vehicles are ticketed by, in some cases, local law
17 enforcement and the vehicles removed.

18 But that's consistent with Florida Statutes
19 for those types of spaces. It's not something we
20 can generically waive. It's really just up to us
21 to -- or would be basically us letting the Sheriff
22 know that those vehicles are parked illegally and
23 they would take care of it from there. Otherwise,
24 we'd start with an escalating scale of notices,
25 fines, and eventually vehicle tow, and in -- in

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1 extreme cases, revocation of parking privileges in
2 the terminal area for frequent violators.
3 Pretty -- that would be on the extreme side. I
4 would hope that, you know, most people after
5 retrieving their vehicle from someplace other than
6 the airport would probably have their attention.

7 And -- and I really don't expect we'll be in a
8 position to do that.

9 Three-hour parking, the same deal, it will be
10 posted as per Florida Statutes with the tow-away
11 provision and language as appropriate in that area
12 so that anyone parking there will be without
13 excuse as to where their vehicle is and the
14 information.

15 That's in a nutshell the policy. There's a
16 matrix that we did that just kind of deals with
17 the enforcement, tries to give you a quick and
18 dirty as to how we were thinking in terms of fines
19 and towing and warnings and -- and the like. We
20 could -- we could review that, if you want to.
21 Again, it's pretty straightforward. Or provide us
22 input.

23 And that again would basically be the
24 exhibit -- or Appendix 1, as referred to in the
25 policy. So that was a good -- good place to start

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1 and let's see what y'all think and where we need
2 to change it or adopt it or whatever you see fit.

3 CHAIRMAN GREEN: Public comment?

4 Mr. Martinelli?

5 MR. MARTINELLI: This is a question that

6 perhaps you've already answered, Ed. Is any of
7 this property a part of existing leases?

8 MR. WUELLNER: The -- technically, yes.
9 However, by discussion with Aero Sport, we are
10 essentially trading them one for one locations or
11 the number of spots that were originally carved
12 out as -- it predates me. Actually, it goes back
13 to your tenure on the Authority, in fact.

14 But there were some -- some areas that were
15 specifically carved out of the parking area or,
16 probably more appropriately stated, were left in
17 the original FBO lease that included a number of
18 parking places, including the rental car return
19 and the employee parking.

20 MR. MARTINELLI: But as of this point, if the
21 Airport Authority should move ahead with this
22 plan, every part of that space is now not or will
23 not be encumbered by any existing lease; is that
24 correct?

25 MR. WUELLNER: Actually, that hadn't been

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1 decided, the formality of whether it -- the lease
2 gets adjusted or they come out of the lease and
3 just become subject to the policy. I think that's

4 something we need to, from a Staff level, talk to
5 Aero Sport about --

6 MR. MARTINELLI: Okay.

7 MR. WUELLNER: -- and see which -- which way
8 they're more comfortable. Either way, the
9 worst-case scenario is the same intention that was
10 in the lease document; the same number of places
11 and spaces that were identified in the original
12 FBO lease would be preserved.

13 MR. MARTINELLI: Okay. I understand --

14 MR. WUELLNER: We're not enhancing those
15 numbers and nor would we include more in their
16 lease.

17 MR. MARTINELLI: Okay. I just would think
18 that before the Airport Authority spent any money
19 to improve the parking situation, that whatever
20 monies were spent, were spent on airport-owned and
21 operated property, not on a lessor's -- or, I'm
22 sorry, a lessee's property, unless the lessee
23 was -- somehow or other it was incorporated into
24 their lease that they would pay a certain amount
25 of whatever.

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1 MR. WUELLNER: Well --

2 MR. MARTINELLI: It just would make good

3 business sense.

4 MR. WUELLNER: -- they effectively are
5 already. I mean, it's included in their exist --
6 you know, if -- the places the original spots
7 were, that does not exist any longer. They --
8 they were demolished as a part of the construction
9 project over in the terminal. So, we -- we owe
10 them some replacement spaces as a part of the
11 existing lease, if nothing else happened.

12 As a part of our discussions with the FBO, we
13 will make every attempt to negate the need to have
14 lease-identified places in the terminal area.
15 Rather, gain -- hopefully get their support in
16 just identifying the areas that meet their --

17 MR. MARTINELLI: And reserving them.

18 MR. WUELLNER: Correct.

19 MR. MARTINELLI: Yeah, I understand that.

20 MR. WUELLNER: Versus leasing.

21 MR. MARTINELLI: Okay. And if you move ahead
22 with -- with that kind of a situation, I'd have no
23 problem.

24 CHAIRMAN GREEN: Mike?

25 MR. SLINGLUFF: Well, Aero Sport is not

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1 really interested in collecting parking spaces.
2 We really want the parking spaces out there for
3 the public use. We're trying to increase the
4 total number of parking spaces out there. I think
5 we're in full agreement with the Staff -- Staff's
6 recommendations here.

7 I have been for several months asking the
8 question, though, what can be done with the safety
9 area off of Runway 6/24, because this -- this is
10 going to solve a current problem, but if we're
11 going to rent out the second floor 10,000 -- they
12 need 10,000 square feet of office space, you can
13 imagine the parking impact that's going to create,
14 at least for the next 18 months in that parking
15 lot there.

16 Is there any way of having either parallel
17 parking or diagonal parking down the service road,
18 which would probably pick up another 20 spaces
19 down there, which would give us some growth
20 factor?

21 Plus, then again, on the ramp side, we can
22 alleviate a lot of the pressure on the main
23 parking lot by ramp side being able to access some
24 of the safety area, the very outside safety area
25 where Runway 6/24, the grass area, which we could

1 position rental cars in.

2 MR. WUELLNER: Well, I'd be extremely
3 hesitant to in any way open the door for
4 discussion inside the fence in the safety area
5 because it -- the fence itself is already in the
6 RPZ there. We have a waiver with FAA to even have
7 the fence at that location, because it technically
8 is in the clear -- the old clear zone designation.

9 Outside the fence, we could bounce it off FAA
10 and see what they think, but they're -- you've got
11 two runways there that broaden that length,
12 unfortunately. The way 2/20 crosses and 6/24,
13 you -- most of the length of that road is in the
14 old safety area, the RPZ area. In fact, it
15 extends across U.S. 1, to be technical about it.
16 I don't know how they -- if they don't have a
17 problem with it, I sure don't have a problem with
18 it.

19 MR. SLINGLUFF: You just -- you go to a lot
20 of airports, I mean, if you fly commercially on
21 short approach --

22 MR. WUELLNER: Yeah.

23 MR. SLINGLUFF: -- you go over seas of cars
24 on the end of the runways.

25 MR. WUELLNER: Right. But they're out a

1 little further, unfortunately.

2 MR. SLINGLUFF: They are out a little bit
3 further, but I think the safety zone is a wedge
4 shape, and I think maybe there's some encroachment
5 on the side. Again, if we can pick up five
6 spaces, it's -- it's a tremendous boom for
7 everyone and it eliminates a problem further down
8 the road here.

9 We've -- you know, we've got new tenants
10 going into the restaurant. We've got new tenants
11 going into the office space there. This -- this
12 is only going to bring us up to where we should be
13 now. And we don't really have anything for next
14 year or the year after, and I think we really need
15 to be addressing that now. And again, we're not
16 trying to get parking spaces, we just want to make
17 it convenient for everyone who uses the terminal
18 and the ramp area. Thank you.

19 CHAIRMAN GREEN: Thanks, Mike. Any further
20 public comment?

21 (No further public comment.)

22 CHAIRMAN GREEN: Seeing none, board
23 discussion. Joe?

24 MR. CIRIELLO: Yes. I think this is a pretty

25 good packet. I think Mr. Cooper had most to do

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1 with it, didn't you, drawing this up?

2 MR. COOPER: Mr. Wuellner did it.

3 MR. CIRIELLO: Hmm?

4 MR. COOPER: Mr. Wuellner drew that.

5 MR. CIRIELLO: Oh, yeah? Well, whoever I

6 think did a nice job, but I only have one

7 question. With this nice document, who is going

8 to be the designated parking lot enforcer?

9 I mean, if we don't have somebody monitoring

10 whether people are parking three hours or over 72

11 or watching what's going on over there, this thing

12 is useless. So I -- I want to know how we're

13 going to implement these good -- good --

14 MR. WUELLNER: Well, he didn't --

15 MR. CIRIELLO: -- plan.

16 MR. WUELLNER: He didn't draw it, but he's

17 going to enforce it.

18 MR. CIRIELLO: What size gun is he going to

19 have?

20 MR. COOPER: It's my understanding one of the

21 board members was going to.

22 MR. CIRIELLO: I've got a -- I've got a .357

23 at home. I can do it.

24 MR. WUELLNER: Done.

25 MR. COX: You just signed on the dotted line,

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1 Joe.

2 MR. CIRIELLO: I'm just concerned with how

3 it's going to be enforced. I like the document.

4 I just want to be sure that it will be enforced,

5 that's all.

6 CHAIRMAN GREEN: Any other board comment?

7 MR. GORMAN: This drawing here (indicating),

8 what is this going to cost?

9 CHAIRMAN GREEN: I don't think we know that

10 yet.

11 MR. WUELLNER: That's next.

12 CHAIRMAN GREEN: Right. That's not -- we

13 don't know that yet. That's in our budget.

14 MR. WUELLNER: You're going to know in a

15 minute.

16 CHAIRMAN GREEN: Okay.

17 MR. GORMAN: We're going to discuss what it's

18 going to --

19 CHAIRMAN GREEN: Yes. Because I think last

20 time, we gave Passero different scenarios to look

21 at what would this cost. Remember, A, B, C?

22 MR. CIRIELLO: So what we're looking for,
23 then, is a motion to accept this policy.

24 CHAIRMAN GREEN: A policy for direction to go
25 by, I think.

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1 MR. CIRIELLO: I'll make that motion.

2 CHAIRMAN GREEN: There's a motion to accept
3 the policy for direction. Is there a second?

4 MR. COX: Second.

5 CHAIRMAN GREEN: Any further board
6 discussion?

7 (No further board discussion.)

8 CHAIRMAN GREEN: All in favor, say aye.

9 MR. CIRIELLO: Aye.

10 MR. COX: Aye.

11 MR. GORMAN: Aye.

12 CHAIRMAN GREEN: Aye. All opposed?

13 (No opposition.)

14 CHAIRMAN GREEN: Hearing none opposed, the
15 motion passes.

16 MR. WUELLNER: All right. The preceding
17 drawing reflects this, which Jonathan with Passero
18 is going to review with you, kind of give you an
19 idea of what -- we kind of left last meeting with
20 a lot of -- well, head-spinning. And we sat down

21 with him.
22 One of the issues at the core of this, if you
23 recall, and -- was what could be done in-house
24 versus what was contracted -- could be contracted
25 or necessarily needs to be contracted, versus

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1 preservation of existing parking lot and what
2 amount of money was involved in that, when
3 compared to what does it cost actually to put new
4 spots in.

5 And the statement was made that, well, we
6 were over \$10,000 per parking place, which is not
7 correct. That reflected the total of the new
8 spaces divided into the total cost, which also
9 included a significant amount of preservation
10 work. Jonathan's going to demystify all of that
11 for you right now, right, Jonathan?

12 MR. PAGE: Sure. By the way, I'm Jonathan
13 Page with Passero Associates. Nice to see you
14 guys this afternoon.

15 As we -- as Ed said, we tried to separate
16 things between preservation and expansion, because
17 what you have out there is a facility that's
18 getting older and it needs some preservation

19 dollars spent and, you know, a lot of it was -- a
20 lot of the emphasis was placed on what is -- you
21 know, we're only getting 43 spaces or whatever for
22 \$400,000. That's really not a correct way of
23 looking at it, from our perspective.

24 As you go through Area A, we also did -- we
25 asked the Authority members what could they do

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1 in-house. What -- what can your staff do that we
2 could remove and not have a contractor do? And
3 basically, that's everything except for laying
4 down asphalt or your overlays.

5 As you go through Area A, you'll see the
6 Authority can spend \$11,900 and will contract out
7 \$10,200 for preservation. When you get into
8 expansion dollars -- and in Area A, that includes
9 new roadway, gate relocation, new drop lane --
10 that's \$81,300 and contract out \$36,100, for a
11 total of \$139,500 and -- in Area A.

12 In Area B, just going across there, you've
13 got \$10,700 under preservation the Authority
14 members, the staff will complete. You can
15 contract out \$10,050. Expansion in Area B is
16 obviously very cheap. You're only going to get
17 three more spaces, so the Authority's \$7,200.

18 Contracted out \$225. And that total is \$28,175.
19 Area C, which used to be Areas C, D and E, is
20 now one large area we're calling Area C, and the
21 Authority under preservation will do \$20,820 worth
22 of the work. Will need to contract out \$27,825 of
23 the work. Under the expansion category, that's
24 \$51,720 worth of work that your staff can do.
25 That's dollars you are spending through your

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1 staff, and contracted out only \$5,000 there.
2 Total for that is \$105,365, bringing you up, if
3 you go all the way across, to \$273,040.
4 If you look at the difference between
5 preservation and expansion, it doesn't really -- I
6 thought -- I hoped the slide would jump more out
7 at you, but you're looking at basically a 60/40
8 split between expansion and preservation.
9 So, plugging those numbers in, when you put
10 in the total that your Authority will spend, the
11 staff items to be completed, you're up to
12 \$183,640, and the contractor will -- the
13 contracted amount would be \$89,400. Adding a
14 contingency of 10 percent, \$27,304. Miscellaneous
15 services including inspection, any types of

16 permits that might be required, what have you,
17 brings you to a grand total of \$341,300.

18 And I would like to point out that that
19 represents -- preservative would be Gripflex
20 technology. So you say, hmm, well, what would the
21 rest of them be? Well, the rest of them would be,
22 if you went with a Polycon -- and Polycon's
23 interesting because they won't let any
24 subcontract -- they won't sell you Polycon. They
25 have to come down here and do it themselves, so

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1 they're a little bit more expensive. And they're
2 right at \$380,821.90.

3 And asphalt, if you guys have gone to the gas
4 pumps lately, you know that the asphalt overlay
5 option, as you can see from the -- the little down
6 there, the total, once it was contracted out and
7 the contingencies were applied, would be
8 \$404,439.50.

9 And that is your cost. That's the cost to
10 make the pretty picture up here. And I'm -- I've
11 got detailed numbers. If you want to know what
12 any of these -- how I came to these numbers or
13 whatever, please feel free to ask me any
14 questions.

15 CHAIRMAN GREEN: Any public comment?

16 Mr. Martinelli?

17 MR. MARTINELLI: Sorry I have to keep...

18 The Authority total of \$183,000, that's not
19 an incremental cost, is it? That is part of your
20 salary structure; is that correct, Ed?

21 MR. WUELLNER: Correct. That --

22 MR. MARTINELLI: Okay. So -- so --

23 MR. WUELLNER: That's not real money.

24 MR. MARTINELLI: Right. So that shouldn't
25 even be considered in this proposal. In other

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1 words, you're paying that money whether you do
2 that or not.

3 So, as far as -- you know, in our lingo, we
4 call that a sunk cost, and the Authority is
5 sinking that cost regardless of whether or not you
6 could do this project. So, remove that, and it
7 just leaves you with a contracted total,
8 contingencies and so on, and -- and that's really
9 what the cost of this project is to the Airport
10 Authority.

11 The second question that I have is:

12 Regarding the three different surfaces that you're

13 going to put down, have you or can you give us any
14 idea of the time value of that? For example, the
15 very first one, Gripflex --

16 MR. PAGE: Gripflex?

17 MR. MARTINELLI: -- how long will that last
18 versus how long the second one will last and the
19 third and on up per-hour, per-day, per-year basis,
20 what's the equivalent cost or the comparative
21 cost?

22 MR. PAGE: I -- we would think that all three
23 of the asphalt overlay at one inch, the Gripflex
24 and the Polycon, all three of those products would
25 all give you around a 15-year lifespan.

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1 MR. MARTINELLI: Okay. So then --

2 MR. PAGE: You're talking -- you're talking
3 apples and or -- they're about the same.

4 MR. MARTINELLI: So then what would be the
5 desirability of spending more money --

6 MR. PAGE: Well, a lot of people --

7 MR. MARTINELLI: -- looks or what?

8 MR. PAGE: Well, for asphalt, probably would
9 have been the same price as, say a Gripflex or a
10 Polycon, say two or three years ago. And maybe an
11 asphalt would be easier for someone to put down.

12 MR. MARTINELLI: My question isn't that. My
13 question really is: Given the facts that you've
14 just stated, what's the reason for going to a more
15 expensive one?

16 MR. PAGE: I don't see any, and that's why I
17 didn't put that in my -- my overall estimate.

18 MR. MARTINELLI: So, assume for argument,
19 then, pull out the \$183,000 and go with the lowest
20 Gripflex cost and that's really what the cost of
21 the project would be; is that correct?

22 MR. PAGE: That's correct. But you still
23 have \$183,640 worth of items of work that the
24 Authority members will do.

25 MR. MARTINELLI: But we're going to spend

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1 that money, anyway.

2 MR. PAGE: And they'll still need to get paid
3 their salaries, too.

4 MR. MARTINELLI: We're going to spend that
5 money, anyway.

6 MR. PAGE: So, I don't -- I think -- I don't
7 think that's quite factual, to say that. They
8 still have to get paid their salaries, but they
9 still have \$180,000 -- \$184,000 worth of work

10 items to complete, also. So it's not like they're
11 going to get concrete bumpers for free or make
12 these signs for free.

13 MR. WUELLNER: Yeah, there are material costs
14 involved.

15 MR. PAGE: Right.

16 CHAIRMAN GREEN: Right. That's what --

17 MR. MARTINELLI: Okay. Material costs, I
18 agree.

19 MR. PAGE: Right.

20 CHAIRMAN GREEN: Mike?

21 MR. SLINGLUFF: Well, I -- I understand
22 Mr. Martinelli's thesis on being able to say that
23 the Authority cost is going to be spent anyway,
24 but what's the physical impact if you're going to
25 take our guys? They're busy all year long. Now

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1 we're going to give them a parking lot to do.

2 What else is going to suffer?

3 So there is some -- there are some real
4 material costs and there's some real time costs.

5 Whether you do it at time and a half or whatever,
6 it's going to cost money. And so I would look at
7 the \$183- as a budget number and do you -- do you
8 do it internally or do you hire it out? And what

9 is the cost of hiring it out to allow the other
10 projects on the airport to continue at a steady
11 pace?

12 CHAIRMAN GREEN: Any other public comment?

13 (No further public comment.)

14 CHAIRMAN GREEN: Seeing none, board comment?

15 Mr. Gorman?

16 MR. GORMAN: Real briefly. I remember last
17 time we were presented with this, the numbers were
18 all in different columns and then Mr. Cox ran
19 through and picked out the cheapest ones and said,
20 I want the cheap ones because this is the most
21 spaces, and the most expensive one was
22 straightening the road out. And so, can't we
23 still cherry-pick like that? I mean,
24 straightening the road out was \$160,000, I
25 remember.

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1 CHAIRMAN GREEN: I don't know --

2 MR. GORMAN: And how -- and the second
3 question is, how many total spaces do we
4 acquire --

5 MR. PAGE: You get --

6 MR. GORMAN: -- for this \$300,000?

7 MR. PAGE: You're getting -- you're getting
8 43 new spaces. Not straightening the road out, I
9 doubt you would be able to get any extra spaces in
10 Area A.

11 MR. GORMAN: How many would we get without
12 straightening the road out? Again, back to my
13 original.

14 MR. PAGE: Forty-three minus sixteen.
15 Where's my abacus? Twenty-seven.

16 MR. GORMAN: Twenty-seven without
17 straightening the road. We also have don't have
18 the congestion of straightening the road out.

19 MR. PAGE: You just have the congestion of
20 not straightening the road out.

21 MR. COX: I would agree with that comment.

22 CHAIRMAN GREEN: Any other board comment?

23 MR. COX: Yeah.

24 CHAIRMAN GREEN: Bob?

25 MR. COX: Going to ask Mr. Martinelli, are

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1 you sure you don't want to run for board? No.

2 MR. MARTINELLI: No way.

3 MR. COX: Ed, Mr. Slingluff brought up a very
4 good point. How -- I mean, is there any plan
5 for --

6 MR. WUELLNER: We -- let me put it this way.
7 We would not have even had a number on that if we
8 didn't feel it could be done within the -- within
9 what we have on staff and expertise we have and
10 the time.

11 MR. COX: Okay.

12 CHAIRMAN GREEN: How much of that, if you
13 know, just roughly, is -- how much of that \$183-
14 is materials versus --

15 MR. WUELLNER: I -- I don't have that. He
16 might -- he might have some idea.

17 MR. PAGE: A lot of it's labor.

18 CHAIRMAN GREEN: Oh, okay.

19 MR. PAGE: You're talking concrete -- oh,
20 yeah. Pouring curb. Majority of it is labor --

21 CHAIRMAN GREEN: Okay.

22 MR. PAGE: -- intensive.

23 MR. WUELLNER: And you -- you own -- I mean,
24 there's some rental equipment in this, but
25 largely, it's material cost, is all it is. You're

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1 already paying these people, whether they work
2 here or --

3 CHAIRMAN GREEN: Well, he said a lot -- most

4 of it's labor. So, actually material would be
5 much less.

6 MR. WUELLNER: Oh, yeah -- oh, the total
7 number will be, yes. This is at market -- at
8 value established by the engineer.

9 CHAIRMAN GREEN: Any other board discussion?
10 What direction are you looking for from us, or is
11 this informative for now, or what?

12 MR. WUELLNER: We'd like to get it done. And
13 it's our belief we can be totally done with this
14 thing by November of this year.

15 CHAIRMAN GREEN: Okay.

16 MR. COX: You don't think we need to hire
17 more help?

18 MR. WUELLNER: You will -- we will use
19 contractual -- if we need some -- some rough labor
20 assistance, we would do just standard day labor
21 type stuff. But that's -- we're not even seeing
22 that need.

23 MR. COX: Okay.

24 MR. WUELLNER: This is not as big a project
25 as the numbers suggest.

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1 MR. COX: Right.

2 CHAIRMAN GREEN: How does it fit within our

3 budget, now that it's broken out as to what's

4 in-house and what's out?

5 MR. WUELLNER: You currently have, I want to

6 say it's \$150,000 in this year's budget that's

7 already identified but not spent for this work.

8 We had augmented into next year's budget using the

9 total -- if you recall, there was another \$200,000

10 that was identified in what we were proposing for

11 next year.

12 CHAIRMAN GREEN: So the \$150- we've

13 identified, just using rough numbers, could cover

14 the contracted, the contingency and

15 miscellaneous --

16 MR. WUELLNER: Right.

17 CHAIRMAN GREEN: -- this year.

18 MR. WUELLNER: And we're -- we're actually,

19 when we get down to needing to do the contract

20 labor part, the Gripflex, Polycon or whatever

21 you -- not necessarily the asphalt in this case,

22 but we're actually trying to expand the scope of

23 the work to be done to include the apron overlay

24 and including looking at Hawkeye View Lane over

25 there and picking up the miscellaneous parking

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1 lots that -- you know, this lot, for instance, and
2 the access road over to the terminal that are not
3 currently in the...

4 But, you'd be simply looking at the material
5 cost in those cases, not engineering, not any
6 additional rework costs that are -- that are
7 involved in the terminal area. But in order to
8 get, perhaps the unit cost down even more on those
9 products, we can expand the areas to be covered.

10 CHAIRMAN GREEN: Bob?

11 MR. COX: Am I understanding you right that
12 your suggestion is Gripflex is what we want to
13 use? It's -- it's going to be the same quality
14 timewise, et cetera?

15 MR. PAGE: From what I've seen, Gripflex and
16 Polycon are about --

17 MR. COX: Three dollars a square yard
18 cheaper.

19 MR. PAGE: Yeah.

20 CHAIRMAN GREEN: Is that right, Ed? From
21 what -- I know you spent some time looking at
22 that.

23 MR. WUELLNER: I mean, I have a preference
24 product-wise from what I've seen of the Polycon,
25 but I'm not sure economically it makes any sense

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1 to jump, you know, \$3 a square.

2 If, by getting enough quantity, Polycon can
3 bring the price down to something closer to
4 Gripflex, then I think it's something we want to
5 look very closely at. But with \$3 a yard
6 disparity as it sits now, it'd be really hard to
7 find a -- find a reason to spend \$3 more.

8 CHAIRMAN GREEN: Joe?

9 MR. CIRIELLO: I can see where it makes a lot
10 of sense to just, yeah, let's jump in there and
11 just do whole thing and like Ed said, in a few
12 months, it'd be -- because it's not really that
13 big of a job, be done with it and be over with.

14 But when you asked about the budget, 150
15 grand is available right now, and I just wondered
16 if it would be a hardship, Ed, if we split this
17 into two years and take the part of the plan that
18 would straighten the road out and everything -- I
19 think that's the most critical part of this, is to
20 do that, say if it's A-B or B-C or whatever, with
21 the \$150,000 and then -- since it's covered in the
22 budget, and then in next year's budget --

23 MR. WUELLNER: Yeah.

24 MR. CIRIELLO: -- cover the rest of it. And
25 then actually, it would be a two-year project

1 instead of a few months, but --

2 MR. WUELLNER: Well, two years from a budget

3 year standpoint, it wouldn't extend any more than

4 November, and then -- and no matter how we do

5 this, it will extend across two budget years.

6 Because unless it's done by October 1st, it's

7 going to -- some of the work's going to extend

8 into next -- next fiscal year. So it's -- you can

9 hold the same time line and accomplish what

10 you're -- you're saying.

11 MR. CIRIELLO: Okay.

12 CHAIRMAN GREEN: Wouldn't that also increase

13 the cost because we have to bring people back

14 down, equipment back down?

15 MR. WUELLNER: If we phase the over -- you

16 know, the contracted portion, yeah, it's likely to

17 cost more.

18 CHAIRMAN GREEN: Further board discussion?

19 MR. WUELLNER: We were going to look at -- I

20 mean, those two products have been used elsewhere

21 in the state, and in some cases, there's some

22 ongoing projects. And the Authority may be able

23 to do what they call piggybacking on the contracts

24 that have been, you know, bid publicly by other

25 entities. And you can extend those unit costs up

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1 here, and assuming there's sufficient quantity,
2 can take -- take advantage of somebody else's
3 legwork and bid work and simply use the product or
4 have the product to use.

5 So, that may -- may result in even a better
6 price on a larger job. And I -- they have not
7 been asked, nor have they calculated what the
8 additional square yardage would be to include the
9 apron area, the balance of the access road, this
10 parking lot, and the -- what Hawkeye View Lane
11 over there, which -- all of which need some
12 attention over the next couple of years.

13 MR. COX: So the volume could drive the price
14 down.

15 MR. WUELLNER: It could very well. I can't
16 make that guarantee, but you're starting to get
17 into significant quantities at that point.

18 CHAIRMAN GREEN: Joe?

19 MR. CIRIELLO: Yes. If we go ahead with
20 this, it's going to be some disruption. So what
21 plans do we have to help the tenants on the field,
22 Aero Sport and the flight school and everybody,
23 with traffic control or parking problems while

24 this is going on?

25 MR. WUELLNER: That's -- that's a significant

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1 concern we have, also. And we're looking at it,
2 attacking this in a phased approach, not tearing
3 the whole thing up at one time. And that's why we
4 want it accomplished by the November time line, is
5 so that there's minimal impact on the busiest time
6 around the airport.

7 MR. COX: Let's just get off top dead center
8 and start moving.

9 CHAIRMAN GREEN: Is there a motion from the
10 board?

11 MR. COX: Move to accept Staff
12 recommendation -- well, once again, I mean, what
13 kind of -- what kind of direction exactly are you
14 looking for that you want from the board, Ed?

15 MR. WUELLNER: Basically, Staff would
16 accomplish the project with the exception of
17 pavement surface treatment costs. And those,
18 we'll determine the best method to do that
19 dollar-wise and product-wise and bring that back
20 to you.

21 There's no pressing urgency that we can't do

22 that research and come back in August or
23 September, because at no place over there will be
24 ready for the product application till then. So
25 it lets these guys do the initial -- the

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1 additional research necessary and investigation
2 into other contracts that have been let by
3 municipalities and see if we can't take advantage
4 of them.

5 MR. GORMAN: So, at this point, you are going
6 to contract it out or not contract it out or --

7 MR. WUELLNER: Not contract out anything but
8 the actual application of either Gripflex, Polycon
9 or asphalt.

10 MR. COX: Because they would have to do that.

11 MR. WUELLNER: If we -- if we run into a --
12 any unknown out there that would require a
13 contractor, we would certainly -- you know, would
14 consider that, but it would be of extremely minor
15 nature.

16 MR. GORMAN: Silly question you've got to
17 ask. Is -- are any of these contractors going to
18 be bound by penalty for completion clauses?

19 MR. WUELLNER: I think the scope of this --
20 this is a whole different scope of type of work

21 here.

22 MR. GORMAN: So that answer is --

23 CHAIRMAN GREEN: I'm sure that's going to be

24 in whatever construction agreement.

25 MR. WUELLNER: These are -- application of

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1 any of these products is very very short burn. I

2 mean, Gripflex or Polycon is matter of two days on

3 the facility. They're not here --

4 MR. GORMAN: Just trying to avoid huge

5 delays.

6 MR. WUELLNER: -- for weeks and weeks and

7 weeks. Yeah.

8 MR. GORMAN: Okay.

9 CHAIRMAN GREEN: Bob, did you want to make

10 your motion?

11 MR. COX: Motion to move forward and accept

12 Staff recommendation on the pavement service

13 treatment cost presentation and -- and parking lot

14 construction.

15 CHAIRMAN GREEN: Is there a second?

16 MR. CIRIELLO: Second.

17 CHAIRMAN GREEN: Any further discussion?

18 (No further discussion.)

19 CHAIRMAN GREEN: All in favor, say aye.
20 MR. CIRIELLO: Aye.
21 MR. COX: Aye.
22 CHAIRMAN GREEN: Aye. All opposed?
23 MR. GORMAN: (Indicates.)
24 CHAIRMAN GREEN: One opposed by Mr. Gorman.
25 So we move forward. You'll bring us back numbers

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1 if it drives it down or whatever for the Gripflex?
2 MR. WUELLNER: On the actual part you'd
3 contract, yes.
4 CHAIRMAN GREEN: Next is budget forecast.
5 7.G. - BUDGET FORECAST
6 MR. WUELLNER: I'm a little unsure what's
7 next. Budget forecast, yeah, right.
8 MR. COX: I thought that was it.
9 CHAIRMAN GREEN: No.
10 MR. CIRIELLO: One question before we start.
11 CHAIRMAN GREEN: Yes, sir.
12 MR. CIRIELLO: Ed, would you rather we wait
13 until you complete your discussion before we ask
14 any questions, or would you want us to ask
15 questions page by page as we go?
16 MR. WUELLNER: I'm going to do a very
17 preliminary overview, and if you have questions

18 after that --

19 MR. CIRIELLO: Okay.

20 MR. WUELLNER: -- let's -- let's just take
21 them as we go. I'll just kind of give you the
22 synopsis and talk about the assumptions that were
23 made and the like and we'll go from there.

24 All right. This is the forecasting that
25 we've been kind of talking about and we agreed to

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1 accomplish on -- on your behalf going back a
2 little while.

3 We -- just for clarification, Year 1 in this
4 example is the proposed Staff budget for next
5 year. It builds ten years beyond that or through
6 fiscal year 2014-2015. It takes us -- we've used
7 the same format that we have presented the budget
8 in this year, so it should look very familiar in
9 terms of layout and format. The only difference
10 is there are many many more columns involved.

11 Revenues and expenses, we have developed
12 other, what do you want to call it, documentation,
13 the other support sheets that we used in the
14 budget, so we have how we got to the summarized
15 numbers, if you will, as they run across in the

16 columns.

17 I will try to highlight how we got there, but
18 suffice it to say, if you follow the bottom line
19 of this in the profit and loss items -- and let me
20 summarize this part, too, because I think it's
21 important you need to know, that this model, as
22 it's shown today, assumes that we continue to
23 assess ad valorem tax at the current total amount
24 of tax. So, by taking the rolled-back rate each
25 year, so the rate of taxation continues to

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1 decrease, and would consider in this model through
2 Year 7, at which no further ad valorem taxes would
3 be proposed.

4 It could be accomplished in as early as Year
5 5. However, the concern that I have is in the --
6 the long-term fiscal health of the Authority and
7 adequate reserves to avoid really ever having to
8 consider going back on ad valorem, with the
9 possible exception of dealing with a bond issue
10 should a large something in character change, and
11 that would be voter approved kind of an approach
12 to the project, anyway. And that's not even
13 considered in any of this.

14 But using this, after Year 7 and going out to

15 Year 2- -- well, to Year 11, which is fiscal year
16 14-15, the Airport Authority would have net cash
17 reserves amounting to \$9.9 million.

18 Now, majority of -- or I should say \$6
19 million of that number is effectively the last two
20 years of ad valorem, the difference between Year 5
21 and Year 7, thereby assuring a \$6 million, if you
22 will, financial cushion, in addition to the normal
23 reserve. And the reason we stopped at that point
24 is that's the last forecast year we have related
25 to capital projects as they're currently

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1 programmed with FAA and FDOT.
2 Now, with that said, you've also got to
3 understand that the capital side, which is
4 heretofore about 80 percent of your previous
5 budgets, is what's programmed currently. And the
6 Master Plan, when you adopt it and start looking
7 at the capital projects that need to be
8 accomplished out of that, could have a significant
9 effect on the overall bottom-line health as you
10 move down. We don't see huge projects that have
11 not already been programmed, at least at this
12 point through this window. So we think it's

13 relatively safe.

14 What you might do is reapportion monies that
15 are currently identified for one project under a
16 different project, do some -- some swapping of
17 project identifications. But largely, the dollar
18 side of it should be -- remain relatively
19 consistent through here.

20 Home rentals, just following that line -- I
21 know the numbers get real small on the screen. I
22 apologize; I just don't know how to get them
23 larger without -- and still be able to see the
24 whole picture.

25 But basically, starting next year, the home

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1 revenues, which we already talked about in basic
2 budget, reduces dramatically. It reduces by over
3 \$120,000, if my memory's correct, because we're
4 eliminating a significant number of homes in the
5 Araquay Park subdivision. So, therefore, the
6 revenue associated with it disappears, as does the
7 expense side of it, too, and the ad valorem
8 taxation side of it, too, that we -- that we pay,
9 not collect.

10 Moving out further, you'll see that the home
11 side of this, at least as it relates to Araquay

12 Park, which is the lion's share of home activity,
13 continues to decrease. It gets down to about a
14 \$70-, \$80,000 number. That represents property
15 that is across U.S. 1 that the Authority owns and
16 becomes -- you know, is still there beyond that
17 10- or 11-year horizon. So it doesn't disappear
18 completely, but it gets down to an insignificant
19 revenue item, if you'll allow me that -- that
20 title.

21 Now, T-hangar line items. When you walk it
22 across, you'll see that beginning in Year 2 -- and
23 I'm going to kind of refer to my notes here as I
24 walk through it, assuming I can find it. Okay.
25 But beginning in Year 2, 6 -- Year 6, Year 8 and

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1 Year 11, 36 new T-hangars each period are assumed
2 to come on line. And that's based on currently
3 programmed funds. Again, all of the capital side
4 of this is what's currently programmed with FDOT
5 and FAA.

6 So there's a bunch of new T-hangars that are
7 programmed out there over 11 years. For revenue
8 purposes, we budget the revenue in the year
9 following the capital development project. So we

10 don't immediately add it in the year we show it as
11 a capital project, so it -- it helps to follow
12 that through.

13 We're assuming in the model that port-a-ports
14 will no longer be economically feasible, and that
15 is the maintenance of them, beginning in Year 2 --
16 I'm sorry, Year 5, and would be demolished. Now,
17 that also assumes that port-a-ports coming on line
18 are replacement port-a-ports -- replacements --
19 excuse me. New T-hangars are replacements to old
20 port-a-ports. It's not people just get dumped on
21 the street, it's -- they're accommodated. But the
22 units themselves go away.

23 We show additional small corporate space,
24 which is basically the old Phase II of the
25 terminal, those buildings, beginning to appear on

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1 the scene in Year 2. New corporate space is added
2 in Years 4 through 11. And new commercial hangar
3 space is identified from Years 2 through 11.
4 So -- and that's in various areas.

5 We didn't attempt to identify it as being in
6 Araquay Park or on the east side or wherever.
7 These are -- these are based on just where the --
8 the capital projects exist, not necessarily where

9 on property we would stick it -- stick the
10 individual building, that is. It also looks at
11 fuel flowage revenues as having an annual increase
12 of about 1 1/2 percent, which we feel is somewhat
13 conservative.

14 Going down the expense side, we -- we add
15 employees, increasing employment from 12 1/2, as
16 currently budgeted or budgeted proposed for next
17 year, up to a total of 15 in 11 years. And we
18 use, just for an assumption purposes, an average
19 employee base salary of \$25,000. That may be
20 high, it may be low, depending on the position.
21 But just using a number for modeling. And then
22 used the current workers' comp, retirement and tax
23 ratios as they exist today in modeling those
24 numbers forward.

25 The only number that varies from current

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1 rates is how we treated health insurance coverage,
2 and that was calculated at a 12 percent per year
3 increase. Some years, we've experienced more than
4 that. It's rarely below 10 anymore.

5 Next is operating expenses. The five repair
6 and maintenance line items -- and again, I can

7 show you the detail sheets, we've got all of those
8 available for you to look at -- we used an annual
9 increase of 5 -- excuse me, 5 percent per year in
10 those accounts. All other assumptions were at
11 one-half of a percent higher than what we used on
12 rental property increases.

13 We used a CPI average of 2 percent across all
14 of the revenue line items, rental revenue items,
15 and used a 2 1/2 percent increase annually on
16 expense line items with the exception of repair
17 and maintenance items, which we increased by
18 another one-half of 1 percent, so they're at 3
19 percent.

20 The fuel farm repair and replacement line
21 which you see up there, actually it's a function
22 of the reserves line item, you'll notice that that
23 increases dramatically for three years, then
24 levels off to a very -- a relatively small number
25 increase after that.

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1 The first three years, we're proposing to
2 establish, as we mention in a regular budget, a
3 repair and replacement account for infrastructure
4 or for buildings. That fully funds that at one
5 and a half million dollars, that part of it,

6 meaning the total aggregate reserves are
7 approximately \$3.1 million.

8 That includes carrying forward, for Michael's
9 benefit, is fully funding what we believe to be a
10 pretty good guesstimate of what has previously
11 been paid into the repair and maintenance on the
12 fuel farm. And then use that number to
13 continue -- we continue to augment that by the
14 amount actually collected, and we'd forecast that
15 across the board from that point on.

16 So, it includes all the reserves and the like
17 that we've identified in the past that we need to
18 fund and have available. That number stays
19 consistent through all the budgeting. So, when we
20 talk out in Year 11 where we've got \$10 million or
21 approximately \$10 million in reserves, it is
22 inclusive of that \$3.1 million number.

23 And that annual increase, just for your
24 information on fuel farm, is about a
25 \$30,000-a-year repair and replacement contribution

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1 as it's collected currently. Other than that, the
2 capital development sheets are verbatim off of
3 what is currently programmed with FDOT and FAA and

4 represents our best guess and best likelihood as
5 to fundability and the like.

6 Now, there are project descriptions within
7 that 10-year work program that we'll be free to
8 play with in terms of the identification of
9 specific projects, one of which is we have
10 industrial park infrastructure out there that's
11 programmed. That can be converted to any other
12 title.

13 It could be -- go to corporate hangars, could
14 go to commercial hangars or something like that.
15 The money could be used anywhere, but we assume it
16 goes to a revenue-producing project. So you're
17 not tied by definition to that capital project,
18 however, it does serve as a placeholder for grant
19 money. You can change the title from about two
20 years out.

21 Now, if you -- if you would like, we can walk
22 through or try to walk through any of the
23 subcategories or discussions, but we've tried to
24 be incredibly conservative.

25 And another item I want to point out is --

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1 was the debt service line item. That assumed the
2 Authority borrowed the full \$5 million, paid it

3 back according to the terms of the loan, which
4 takes the debt service out the 13 years, I believe
5 it was, that was -- that was approved by the
6 borrow. We have to date used none of that money.
7 There is no debt service currently owed to
8 anybody. So it serves as a -- as a -- you know,
9 it's, again, a negative placeholder in terms of
10 cash flow.

11 The other thing you need -- need to know is
12 that the capital side, there are some land
13 acquisition revenues identified to the Authority
14 which were the matching share we've talked about
15 for the last couple of years.

16 So, for three or four years, you'll see FDOT
17 contributions in the cap -- coming through the
18 capital side that have no expenditure with it
19 because it's assumed we spent all of that money
20 this year and last year, and as a result, don't
21 have -- you know, don't have an expenditure to go
22 with the revenue. So we're just getting our money
23 back, basically.

24 CHAIRMAN GREEN: I'm going to open up to
25 public comment first, if that's okay. Public

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1 comment? Mr. Hickox?

2 MR. HICKOX: I'd like to hope that the board
3 would certainly, if they adopt this, substantially
4 do one thing -- as a media representative, I think
5 the work that's done on this is so exciting and
6 the step that you're following through on to
7 reduce the ad valorem taxing, which quite frankly
8 I've always thought was a red herring, but since
9 you're doing it for public relations purposes as
10 well as effective lessening dependence, I would
11 hope that the Authority would put out a news
12 release effectively if you adopt it this way and
13 tell your story. I think it would go a long way
14 toward resting an awful lot of argument that's
15 revolved around this board.

16 CHAIRMAN GREEN: Thank you, Mr. Hickox.
17 Mr. Martinelli?

18 MR. MARTINELLI: I agree with that, but I
19 also would like to caution -- you're looking out
20 here 15, 10 years, 12 years. Boy, there's no
21 crystal ball in the world that's going to give you
22 those kind of answers. And so, I would just
23 caution the Authority on adoption of this.

24 My suggestion would be that you don't adopt
25 it as policy, you simply adopt it as a work well

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1 done. And very very conservative, everything that
2 I have seen and heard in this, the assumptions are
3 very conservative, they attempt to take into
4 consideration everything that you can foresee as
5 of now. But we can't foresee everything down the
6 road.

7 And so, again, you know, along your lines, I
8 think it --

9 MR. HICKOX: Oh, sure --

10 MR. MARTINELLI: -- I think it bears
11 publicity, but just be careful you don't say,
12 okay, from now on, this is the way we're going to
13 operate, because you just can't say that.

14 MR. HICKOX: You don't have to put it that
15 way -- not to interrupt you, sir. You don't have
16 to put it that way. You can say that the steps
17 are beginning and that if the economy holds, if
18 everything goes, this is our plan and we have
19 started it effectively. That's a positive.

20 CHAIRMAN GREEN: Any other public comment?

21 (No further public comment.)

22 CHAIRMAN GREEN: Seeing none, board comment?

23 Mr. Gorman?

24 MR. GORMAN: I'd like to ask Mr. Wuellner
25 what percentage of the total labor that you expend

1 in a month goes for the maintenance of the -- of
2 the leased homes, because --

3 MR. WUELLNER: Of our labor?

4 MR. GORMAN: Yes.

5 MR. WUELLNER: Direct labor is relatively
6 small because most of that, we do contractually.

7 MR. GORMAN: You're contracting out for the
8 actual --

9 MR. WUELLNER: We have -- we have several
10 local small contractors that handle just about
11 everything out there on the homes. With the
12 exception of some -- well, actually, if it's
13 rented, it's probably done by a contractor.

14 MR. GORMAN: That's news to me.

15 CHAIRMAN GREEN: Oh, yeah.

16 MR. WUELLNER: Yeah, we've done that for four
17 or five years.

18 CHAIRMAN GREEN: Yeah.

19 MR. GORMAN: Then you're saying all of the
20 staff that you're employing now are directly
21 engaged in --

22 MR. WUELLNER: Primarily engaged in airfield
23 and balance of the airport.

24 MR. GORMAN: Then I'll bring that up later

25 for a discussion item. So, I just noticed that

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1 the actual cost of personnel is going up rather
2 than stabilizing while the houses are going away.
3 That was probably my counter. In other words,
4 you're getting less and less houses to maintain,
5 and yet your personnel costs are rising, you know,
6 steadily. That was my question.

7 MR. WUELLNER: Well, personnel costs are
8 just -- we've programmed, you know, CPI and the
9 standard in -- I say standard increase, but the
10 standard budgeting increase that we've done for
11 years.

12 So, again, it's somewhat pessimistic. It
13 doesn't mean you have to hire those additional
14 positions. It could be evaluated annually. But
15 we just, we said, well, let's assume there's
16 additional maintenance obligations or requirements
17 come out of it.

18 Most of our newer stuff, our actually
19 airfield stuff's been very steady. We have not
20 hired new maintenance staff for, I don't know,
21 three or four years, anyway. Primarily because we
22 divest ourselves of most of the maintenance in --
23 in our lease agreements. New lease agreements,

24 we -- those obligations are the tenants'. The
25 only time we expend labor in buildings is

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1 typically at the move-out of a tenant now. And
2 it's, you know, whatever needs to be done to bring
3 it up to snuff to re-lease it.

4 CHAIRMAN GREEN: From what I understand from
5 your forecast, we're at the crux right now where
6 we're in the middle or hopefully towards the
7 latter middle of all our capital expenditure
8 projects. So, we should be, as you're saying down
9 Year 3, 4, 5 reaping some of those benefits
10 from --

11 MR. WUELLNER: Sure.

12 CHAIRMAN GREEN: -- those expansions.

13 MR. WUELLNER: Yeah. Where we retain -- you
14 know, one of the things that we -- when we were
15 doing the ROI calculation on the T-hangars that
16 struck us was, it's one of the few investments the
17 Authority makes where we retain the maintenance
18 obligations nowadays.

19 And when you looked at -- you couldn't just
20 apply the revenues derived from T-hangars, for an
21 example, directly to the quote unquote repayment

22 of the debt if you -- if you were to borrow, have
23 borrowed that money because you've got an ongoing
24 operating expense that goes with it, not only in
25 the physical structure, but you pay the electric

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1 bill, you pay, you know, insurance on those
2 buildings, you pay a lot of things that doesn't
3 allow a hundred percent reduction of debt
4 immediately on T-hangars or those kinds of
5 buildings.

6 CHAIRMAN GREEN: I know you and I have
7 discussed this, but I would like and I'm sure
8 you're exploring it as a municipal airport,
9 quasi-governmental, can we somehow try to see if
10 the health insurance could be put on a state plan?

11 MR. WUELLNER: We have been -- we have
12 actually been working -- the best deal that's out
13 there is to get tied in with the County's system.
14 We have been working with them for over two years
15 to do that.

16 Unfortunately, we were never contacted when
17 they formed the self-insurance group that does
18 that or covers all of the balance of the county
19 and constitutional officers, and there's --
20 they've been really really slow to react and

21 express interest in including special districts
22 and other governmental, including the City and
23 Mosquito District and everybody else that has
24 employees that are suffering from the health
25 insurance costs that -- and include that in the

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1 larger group picture and allow us to participate.

2 Now, we've made some progress, but it's
3 not -- you know, they're not off dead center in
4 allowing us to do that yet. We would really like
5 to do that, because particularly in the area of
6 dependent cost, it's significantly less.

7 CHAIRMAN GREEN: Any other board comment?

8 (No further board comment.)

9 CHAIRMAN GREEN: Hearing none, do you need a
10 motion from us to use this as a guide or to
11 publish it? I -- I agree with our public comment.
12 I think it should be disseminated out there as to
13 what our projections or what our guide is, as to
14 where we would like to be.

15 MR. WUELLNER: I think it's exciting. I mean
16 it's -- the direction is positive, continues to be
17 positive. You know, whether it -- you know, it
18 happens in five years or seven years or even eight

19 years, you know, the direction's the direction
20 we've been all trying to go and have been -- and
21 have been working hard at for the last seven or
22 eight years, so...

23 CHAIRMAN GREEN: Joe?

24 MR. CIRIELLO: Yeah. This -- this is a
25 pretty -- pretty good budget, but on this page

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1 here where you got \$45,710 in the black, which
2 means we've made that much money more than we've
3 spent on a daily basis -- and that's not
4 considered taxes and capital projects and stuff.
5 So then, one would say, well, if that's the case,
6 you're paying your own way, we shouldn't be paying
7 any taxes.

8 But then if you go -- you made the statement,
9 Madam Chair, I believe, that -- ask you a quick
10 question -- we're about halfway to getting on our
11 own, like you say, four or five years. Is that
12 what you meant when you made that statement?

13 CHAIRMAN GREEN: What I meant was the capital
14 expenditures we had out there, where you have all
15 of this outlay to start out your capital
16 expenditures and the construction, we're getting
17 over the hump now, we'll get them completed and

18 get revenues from them.

19 MR. CIRIELLO: Okay. But -- that may be.

20 But if you look at this master plan we're working

21 on, and if it gets implemented, for 20 years, that

22 master plan is just spend, spend, spend, spend.

23 Whether we extend a runway or buy property

24 over here to put another runway in, you know, or

25 whatever, to acquire all of that property is going

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1 to take a gang of money. So we're never going to

2 get over the hump on laying -- capital outlay to

3 get off the tax rolls or anything. So...

4 CHAIRMAN GREEN: What I was saying is the

5 capital expenditures through Year 11 are pretty

6 well set. You're talking about something --

7 MR. WUELLNER: You would be current --

8 CHAIRMAN GREEN: -- 15 to 20?

9 MR. WUELLNER: Yeah, you'd be currently --

10 you'd have to expend three times what you

11 currently spend in capital to even approach those

12 numbers.

13 I mean, it's -- it's a very healthy -- you

14 know, especially if you elect to stay on -- you

15 know, if future boards elect to stay on the ad

16 valorem number at the current number, until
17 year -- the Year 7 picture, you know, and assuming
18 all of the other variables played out that it's
19 pretty accurate, I mean, you're in an incredibly
20 healthy position --

21 MR. CIRIELLO: Oh, I'm not saying we're not
22 in a healthy position --

23 MR. WUELLNER: -- I mean, to where --

24 MR. CIRIELLO: -- but this, we're not -- if
25 this master plan comes about, we're not waiting

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1 till Year 15 to start doing any of that. There's
2 some items in that master plan we could start
3 doing right now.

4 MR. WUELLNER: That's correct.

5 MR. CIRIELLO: And that means money.

6 MR. WUELLNER: And some of those -- that's
7 why I was talking earlier about being able to
8 be -- the capital program as it exists is flexible
9 to the point where you can --

10 MR. CIRIELLO: Yeah.

11 MR. WUELLNER: -- modify project
12 descriptions, and while the dollars are being
13 held, you changed -- change gears as to exactly
14 what you're funding with the dollars. That --

15 that option's still on the table.

16 As the master plan comes to fruition here and
17 you decide what the specific priorities are, in
18 the first years in particular, you make those
19 description changes here. You may not have any
20 new capital dollars -- excuse me, any new grant
21 dollars coming in, but you can certainly better
22 allocate dollars that are identified now to meet
23 whatever you -- whatever the perceived need is.

24 CHAIRMAN GREEN: Any further board comment?

25 MR. GORMAN: Just one. Can you compress it

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1 any, from 7 to 5? I mean --

2 MR. WUELLNER: Well, frankly, Year 5 is --
3 is -- you're solvent from that point forward. I
4 mean, you're in good shape. You've got \$4 million
5 in the bank.

6 MR. GORMAN: As far as not needing to bank ad
7 valorem in reserves.

8 MR. WUELLNER: Correct. Correct.

9 MR. GORMAN: Year 5 --

10 MR. WUELLNER: Simply -- the last two years
11 are simply banking ad valorem.

12 MR. GORMAN: So --

13 CHAIRMAN GREEN: A cushion.

14 MR. GORMAN: Okay.

15 MR. WUELLNER: This is developing a larger
16 reserve scenario.

17 MR. GORMAN: That's a good answer.

18 CHAIRMAN GREEN: To make sure we stay off and
19 don't have to --

20 MR. WUELLNER: That's my concern. When
21 you -- when you put that capital program on the --
22 on the paper here, you've got some years at like
23 Year 8 and 9, somewhere around there, where in
24 theory, you're back into reserves for half a
25 million dollars here and there, and it gets made

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1 up the following year.

2 You know, and of course you can always adjust
3 the capital program and the like to make sure that
4 none of that actually occurs. It just -- you
5 become -- you have way more flexibility, let's put
6 it that way, by putting more reserves in the bank.
7 But you certainly can get off in five.

8 CHAIRMAN GREEN: Any more board comment?

9 (No further board comment.)

10 CHAIRMAN GREEN: Okay. Hearing none.
11 Authority Members.

12 8.A. - CHAIRMAN GREEN

13 CHAIRMAN GREEN: I just wanted to make a
14 short comment. I had the pleasure and the
15 distinction of being able to go out with
16 Mr. Wuellner and Mr. Cooper to Las Vegas to the
17 AAAE seminar a couple of weeks ago, and if any
18 future board members have an opportunity to do
19 that, I suggest it highly. I learned a great
20 deal, especially from a nonpilot's perspective.

21 There was a huge exhibition hall there, which
22 I'm sure a lot of you know, but I didn't. But we
23 spent a lot of time with Passero Associates and
24 our other consulting group, learning about the
25 Polycon, the Gripflex, all things that were really

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1 important to this board.

2 And also, I attended a small seminar dealing
3 with community relations, brought up a lot of
4 questions about eminent domain and smaller
5 airports, and it was highly informative.

6 And one thing I do have to say is, I think
7 there were about 3- or 4,000 total people at this
8 seminar, and everywhere I turned, and I was close
9 to Mr. Cooper and Mr. Wuellner's side for most of

10 it, they were highly complimentary of Mr. Wuellner
11 and Mr. Cooper, but it was from people that have
12 now taken your old spots in other airports that
13 had said what a great job he had done at other
14 airports.

15 So, I just want to let the board know that
16 being out there and seeing other people comment on
17 our director's capabilities, it made you kind of
18 go stick your chest out and say, "See, now I've
19 got him now. Thank you." So it was very very
20 wonderful.

21 And on top of all that, I got to see the
22 airport from the air today, and that was good for
23 the nonpilot standpoint, too, to see where all of
24 our projects are, what's progressing, because I
25 only see it from a car. Fortunately, these guys

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1 get to see it much more. So, I just commend you.
2 It was really really a good thing to do and I hope
3 other board members get the opportunity. Joe?
4 Any comment?

5 8.B. - MR. CIRIELLO

6 MR. CIRIELLO: No report. No report.

7 CHAIRMAN GREEN: Mr. Cox?

8 8.D. - MR. COX

9 MR. COX: Yeah, I want to -- a tremendous
10 amount of praise for Ed and the staff in this --
11 in this budget summary. It just -- it's a
12 tremendous amount of work and it really -- it --
13 kind of a light at the end of the tunnel, and
14 it's -- I mean, we've been talking about this and
15 talking about it. If you guys could make some
16 more successful trips out to Las Vegas, we could
17 get off in one year. That's all I have.

18 CHAIRMAN GREEN: Those three quarters didn't
19 help.

20 MR. WUELLNER: You could, but I'd be in jail.

21 CHAIRMAN GREEN: Mr. Gorman?

22 8.E. - MR. GORMAN

23 MR. GORMAN: No. That's -- I'm fine.

24 Thanks.

25 CHAIRMAN GREEN: Any last minute public

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1 comment?

2 PUBLIC COMMENT

3 MR. HICKOX: Very promising.

4 CHAIRMAN GREEN: Thanks. Hearing none. Our
5 next regular -- oh, I'm sorry. Yes, Mr. Cooper?

6 MR. COOPER: One thing I would like to do --

7 I haven't had a chance to talk to Ed about this,
8 but before we adjourn the meeting, I'd like to
9 introduce the people we are negotiating with to
10 take over and operate the restaurant.

11 CHAIRMAN GREEN: Oh, yeah.

12 MR. COOPER: This is their first meeting that
13 they've sat through. They told me outside a
14 little while ago they enjoyed it very much.
15 That's Allison and Mike, and we're -- hope we're
16 coming to the end of our negotiations.

17 MR. GORMAN: That's good, because we're
18 hungry.

19 MR. COX: Very nice meeting y'all.

20 MR. MARTINELLI: We look forward to seeing
21 you up there.

22 CHAIRMAN GREEN: Thank you. Good. In some
23 of our marketing things now, I can say we have a
24 restaurant here.

25 MR. OTTESEN: Make sure they give you

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1 parking.

2 CHAIRMAN GREEN: That's right.

3 MR. COX: We're working on it.

4 CHAIRMAN GREEN: All right. Our next board
5 meeting is August 16th at 4:00. And our meeting's

6 adjourned.

7 (Thereupon, the meeting adjourned at 6:04 p.m.)

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1 REPORTER'S CERTIFICATE

2

3 STATE OF FLORIDA)

4 COUNTY OF ST. JOHNS)

5

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

7 that I was authorized to and did stenographically

8 report the foregoing proceedings and that the

9 transcript is a true record of my stenographic

10 notes.

11

12 Dated this 19th day of July, 2004.

13

14

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

15

Notary Public - State of Florida

16

My Commission No.: DD102224

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Expires: April 30, 2006

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