

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, December 8, 2008

6 from 4:02 p.m. to 7:05 p.m.

7 \* \* \* \* \*

8 BOARD MEMBERS PRESENT:

9 WAYNE GEORGE

RANDY BRUNSON

10 JOHN "JACK" GORMAN, Secretary-Treasurer

SUZANNE GREEN, Chairman

11 KELLY BARRERA

12 JAMES WERTER, Incoming Board Member

13 \* \* \* \* \*

14 ALSO PRESENT:

15 DOUGLAS N. BURNETT, Esquire, Rogers, Towers, Bailey,

Jones & Gay, P.A., 170 Malaga Street, St. Augustine,

16 FL, 32084, Attorney for Airport Authority.

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

18 BRYAN COOPER, Assistant Airport Director.

19 \* \* \* \* \*

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

22

St. Augustine Court Reporters

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1           P R O C E E D I N G S

2           CHAIRMAN GREEN: We'll call to order the  
3 meeting of the St. Johns County-St. Augustine  
4 Airport Authority board. Stand for the pledge,  
5 please.

6           (Pledge of Allegiance.)

7           A P P R O V A L   O F   M I N U T E S

8           CHAIRMAN GREEN: Okay. Everyone should have  
9 received a copy of the minutes. I'm looking for  
10 approval of the minutes. Are there any  
11 exceptions, additions, deletions to the minutes?

12          MR. GEORGE: Move they be approved.

13          CHAIRMAN GREEN: Hearing none, they'll be  
14 approved as presented.

15          F I N A N C I A L   R E P O R T   A C C E P T A N C E

16          THE WITNESS: Financial reports?

17          MR. GORMAN: On the financial reports, I have  
18 talked to Mr. Wuellner, and there is no problem  
19 with deferring those. I have a couple of

20 problems -- a couple of instances I want to talk

21 to Mr. Wuellner about.

22 As the treasurer, I'm going to defer them to

23 next month. I can assure you there is no problem.

24 Historically, the -- Donna and Mr. Wuellner have

25 done a wonderful job. So, we're going to defer

1       them till next month.

2           CHAIRMAN GREEN: Can you give us a hint as to  
3       why? I mean, just questions or --

4           MR. GORMAN: Because I need -- I would like  
5       to be able to study it a little bit further. I  
6       need the time to be able to talk to Mr. Wuellner  
7       about a couple of -- just a couple of  
8       expenditures, that's all. I -- they're in order.  
9       There's nothing out of order with them. That's  
10      why.

11          CHAIRMAN GREEN: Is that just for -- what  
12      time period? Last -- December, November?

13          MR. GORMAN: Right.

14          CHAIRMAN GREEN: Is it a quarter?

15          MR. WUELLNER: It would have to be November.

16          MR. GEORGE: October.

17          MR. GORMAN: Yeah, we'll -- we'll defer them  
18      and there's no problem.

19          CHAIRMAN GREEN: Okay. All right. Any other

20 comments from the board?

21 MS. BARRERA: No.

22 CHAIRMAN GREEN: No? Okay. Then we'll defer

23 it.

24 AGENDA APPROVAL

25 CHAIRMAN GREEN: Agenda approval. The



1 agenda's in front of you. Any exceptions or we'll  
2 admit the agenda as presented?

3 MR. GEORGE: It -- did we complete our  
4 discussions we had on changing the lease rates on  
5 those other hangars? The three that we hadn't  
6 rented yet, we were talking about changing the  
7 list rates.

8 MR. WUELLNER: No. I had solicited comments.

9 MR. GORMAN: No, we haven't.

10 MR. GEORGE: Okay. Is that part of today?

11 MR. WUELLNER: It is not a stand-alone item,  
12 but it can be if it's allowed.

13 MR. GEORGE: Well, you don't have to be so  
14 loud about it.

15 MR. WUELLNER: I don't know how not to be.

16 MR. GEORGE: I'd like to add that as a --

17 MR. WUELLNER: That's fine.

18 MR. GEORGE: -- as an agenda item.

19 CHAIRMAN GREEN: Do you have enough

20 information, Ed, to --

21 MR. WUELLNER: We have some input and we made

22 a recommendation outbound to y'all a few weeks

23 back.

24 CHAIRMAN GREEN: Right.

25 MR. WUELLNER: So --

1 MR. GEORGE: Okay.

2 CHAIRMAN GREEN: So you want to add that as a  
3 brief stand-alone?

4 MR. GEORGE: Please.

5 CHAIRMAN GREEN: Okay. Not hearing any other  
6 objections, we'll just add that one item.

7 COMMITTEE REPORTS

8 CHAIRMAN GREEN: Okay. Committee reports.  
9 TPO.

10 MR. BRUNSON: Jack, did you --

11 MR. GORMAN: Yes, I have been with Bunnewith  
12 many -- many many conversations so far, and I'm  
13 going to boil it down to what we kind of need to  
14 do.

15 During the December meeting there was --  
16 we -- they have a commuter rail study that has  
17 been -- the JTA steering committee is -- has had  
18 an intermodal study. And during that commuter --  
19 during that intermodal study, of course we've got

20 AMTRAK looking for possible rail stops, and  
21 that -- that's something that's going to have to  
22 be addressed. In other words, if in fact we are  
23 going to put a place marker or have anything to do  
24 with an intermodal transportation site, we  
25 probably need to discuss where it would be.

1       We have a patchwork quilt of land. You know,  
2       not all complete, but a lot of it's along the area  
3       of the rail, and that would probably need to be  
4       discussed as to whether or not you want to kind of  
5       reserve an area there and then tell the TPO that,  
6       well, we have a tentative reservation for that.  
7       And that would allow them to continue their  
8       plans -- I can see Ed thinking over here. That  
9       would let them continue their plans as to whether  
10      or not to make a possible AMTRAK rail stop.

11      My own thoughts if you'd like them is; one, a  
12      rail stop's premature. I don't see AMTRAK as  
13      being a real viable company right now, but the  
14      other half of the thought is you've got to start  
15      somewhere. I mean, if we're going to have rail  
16      service in Florida, when do we start? And is  
17      St. Augustine a good stop? And if so, well, the  
18      time is probably now to think about reserving that  
19      spot.

20           Again, with the TIP program, the  
21           transportation improvement program, there's many  
22           projects have been delayed due to funding. And  
23           that's due to the tax base and due to many  
24           other -- other aspects of -- there's a bridge  
25           crossing near Shands. There's an outer beltway.

1           The one that's the most poignant to us of  
2           course is the 312/313. That's moving very slowly.  
3           And as far as the -- maybe Doug has some --  
4           Mr. Burnett has some idea as to when in the world  
5           they're going to have an idea as to whether  
6           they're really going to draw that squiggly line  
7           over our 10-year plan for our runway or whether  
8           they're going to leave it where it is. So that  
9           problem still exists.

10          But the most imminent one is the AMTRAK,  
11          which is interesting. We -- you know, it's an  
12          interesting -- really an opportunity, probably.  
13          So that's -- that would sum up the TPO. But the  
14          highlights we need to know.

15          CHAIRMAN GREEN: Okay.

16          MR. GEORGE: Jack, are they asking us for an  
17          input?

18          MR. GORMAN: Probably. Yes, probably. In  
19          other words, if -- if -- we've certainly got land

20 that -- we don't have a continuous piece of land  
21 that's very large along the rail, but we do have  
22 some land there, and they probably would like to  
23 know, well, whether we're thinking along those  
24 terms or not, because we -- they've got to have  
25 some direction as to whether to try to push or



1 look somewhere else that has some land that is a  
2 municipal entity along the railroad tracks.  
3 Simple as that.

4 MR. GEORGE: Okay. I -- I was under the  
5 impression that they were pressing forward with  
6 the idea that, yes, St. Augustine Airport would be  
7 a -- a place, and only when they get through the  
8 feasibility of saying, okay, yeah, it looks like  
9 it's a go, then they would say, okay,  
10 St. Augustine, where are you going to put it?

11 Then we would have to come --

12 MR. GORMAN: Well, we're kind of between  
13 the -- between the points of -- in other words,  
14 they keep asking, well, yes, no, yes, no, are you  
15 discussing it? And that's what the director of  
16 the TPO would like to know, is if the discussions  
17 are ongoing and if that seems to be a feasible bit  
18 for us to do. And then they've got to do a real  
19 feasibility study and nail it down. So you're

20 right.

21 MR. GEORGE: Okay. Would you -- would you  
22 like for us to have something on the agenda, then,  
23 for January?

24 MR. GORMAN: We probably should start talking  
25 about it. We're going to have to do something,

1 either put it to bed or, you know --

2 CHAIRMAN GREEN: To give feedback.

3 MR. GORMAN: Right, to give some feedback to  
4 TPO.

5 MR. WUELLNER: I would remind you you already  
6 are carrying a space reservation for --

7 MS. BARRERA: Right.

8 MR. WUELLNER: -- that facility in the master  
9 plan.

10 MR. GORMAN: Yeah. We -- then in other words  
11 the one that is just to the south of what the  
12 area --

13 MR. WUELLNER: It's essentially directly  
14 across the street from the terminal up here.

15 MR. GORMAN: Do you feel that you want --

16 MR. WUELLNER: It's not enough property to do  
17 the full thing --

18 MR. GORMAN: Right.

19 MR. WUELLNER: -- but there's a get-started

20 piece available.

21 MR. GORMAN: That's why I said the patchwork

22 quilt. It's not a complete --

23 MR. WUELLNER: Correct.

24 MR. GORMAN: Do you feel that that's enough?

25 Well, we need to start the discussion. Do you

1 feel it's enough to --

2 MR. WUELLNER: It would start the project.

3 It -- it certainly -- in that it would start an

4 early phase of it. But if -- if it were to expand

5 to the full vision of that, that our feasibility

6 did a few years back --

7 MR. GORMAN: Then it wouldn't be enough land.

8 MR. WUELLNER: -- then it would certainly

9 need additional land.

10 MR. GORMAN: Right. Well, see, that's why I

11 said I could see you think --

12 MR. WUELLNER: Not a comprehensive --

13 MR. GORMAN: I could see you thinking over

14 there and that's -- you know, I'm glad you brought

15 that up. We have to discuss it further, then.

16 MR. WUELLNER: Fine.

17 MR. GORMAN: Okay.

18 MR. BRUNSON: Jack, I might suggest that what

19 would be real helpful on that, and you might have

20 already started --

21 MR. GORMAN: Go ahead.

22 MR. BRUNSON: -- is getting Charles Baldwin

23 involved in your discussions and he would -- he

24 would help out tremendously.

25 MR. GORMAN: Don't you think he -- we almost

1 have him here, huh?

2 MR. BRUNSON: Pardon me?

3 MR. GORMAN: Do you think we almost should  
4 have him here for the discussion or --

5 MR. BRUNSON: And he's offered to do that.

6 MR. GORMAN: That's a good idea. Thank you.

7 MR. BRUNSON: Uh-huh.

8 MR. GEORGE: So we're looking at having it in  
9 January?

10 CHAIRMAN GREEN: Ed? Brief discussion of  
11 that in January?

12 MR. WUELLNER: That's fine. That's fine.

13 We'll pull out the feasibility, get some copies

14 out to everybody again so that they can

15 refamiliarize themselves with that and we'll

16 resurrect the master plan drawing and we'll go

17 from there.

18 CHAIRMAN GREEN: When's the next meeting,

19 Jack?

20 MR. WUELLNER: I think it's the 12th.

21 CHAIRMAN GREEN: No, I don't mean ours. I

22 mean --

23 MR. GEORGE: When is their next? When is the

24 next TPO meeting, Jack?

25 MR. GORMAN: I don't have that on the top of



1 my head.

2 MR. GEORGE: Okay.

3 MR. BRUNSON: Some time in December, though.

4 MR. WUELLNER: It's the 11th.

5 CHAIRMAN GREEN: Of December?

6 MS. BARRERA: That's Thursday.

7 MR. WUELLNER: Yeah.

8 CHAIRMAN GREEN: Okay. So I'm assuming the

9 January meeting then will be after ours. So you

10 couldn't get back to them on December 11th, but --

11 MR. GORMAN: Yeah, I'm going to have to

12 look -- I look at my calendar to do anything, so

13 sorry, I don't have that on the tip of my head.

14 CHAIRMAN GREEN: Do they meet monthly,

15 though?

16 MR. GORMAN: Yes.

17 CHAIRMAN GREEN: Okay.

18 MR. GEORGE: I think what he's saying is on

19 December the 11th, he'll tell them, yes, the board

20 discussed it and we're putting him on our agenda

21 for next --

22 MR. WUELLNER: Exactly. Thank you.

23 MR. GEORGE: And maybe you could ask them

24 specifically, what do you want out of us?

25 MR. GORMAN: I hate to ask them acreage or

1 things like that. I just -- I think they just  
2 wanted a kind of a consensus as to whether we were  
3 going to continue discuss it.

4 MR. GEORGE: Okay.

5 MR. GORMAN: And that was it.

6 MS. BARRERA: Well, be sure to let them know  
7 that it is one of the options of the master plan  
8 and that there is some space set aside to start.

9 MR. GORMAN: Yeah. I'll have to look at my  
10 calendar again. The 11th is running at us rather  
11 quickly.

12 CHAIRMAN GREEN: Yeah, Thursday.

13 MR. GORMAN: Sure is.

14 CHAIRMAN GREEN: Maybe you can have -- staff  
15 could Xerox just for you something to take with  
16 you to the meeting.

17 MR. GORMAN: We probably something --

18 MS. BARRERA: Or have maybe Ed accompany you  
19 to be able to discuss it.

20 MR. GORMAN: It wouldn't be a bad idea for Ed

21 to go.

22 MS. BARRERA: No, I wouldn't. For this

23 situation, I would do it.

24 MR. GORMAN: It just instantly clarifies lots

25 of things. I don't know about, Ed, if you want to

1 commit to that, but we'll think about it.

2 MR. WUELLNER: The 11th? That's next  
3 Thursday?

4 CHAIRMAN GREEN: It's this Thursday.

5 MR. WUELLNER: This Thursday. Yes, it is.

6 MR. GORMAN: Well, we'll discuss it, you and  
7 I --

8 MR. WUELLNER: Should be fine.

9 MR. GORMAN: -- after the meeting.

10 CHAIRMAN GREEN: Okay. Next, EDC. Our  
11 meeting is Wednesday, so --

12 MR. BRUNSON: Are you sure?

13 CHAIRMAN GREEN: I think so. Thursday -- no,  
14 it's Thursday. December 11th.

15 MR. BRUNSON: Yeah.

16 CHAIRMAN GREEN: So that's our next meeting.  
17 Yeah.

18 MS. BARRERA: At the last meeting, they  
19 did -- Nick Sacia did speak to the fact that the

20 aviation sector was the one area of the county  
21 that was a growing sector and spoke specifically  
22 to that. So that was -- he spent some time on  
23 that.

24 CHAIRMAN GREEN: And who's our speaker this  
25 Thursday? I forgot.

1 MR. BRUNSON: I don't remember.

2 MR. BURNETT: I'm not sure. I don't recall.

3 CHAIRMAN GREEN: I know I read it and I can't

4 remember. It was supposed to be interesting, if I

5 remember, how it related to aviation. Okay. Well

6 anyway, that will be this Thursday.

7 Intergovernmental?

8 MR. GORMAN: Intergovernmental. Had a

9 meeting in intergovernmental, and I'll give you

10 just the highlights of that, too.

11 We had Jerry Dixon of the port and waterway

12 said there's a new dock facility shortly, and the

13 permitting for Salt Run for the dredging is going

14 on. That's interesting in the fact that they're

15 being able to dredge Salt Run.

16 The funding for that is kind of interesting

17 to me only because it's really not a navigable

18 waterway, but my assumption of course is that it's

19 partially federally funded. It would have to be

20 or you could never afford it.

21 Just as a highlight, Salt Run, which used to  
22 be actually part of -- the inlet was further down,  
23 so the Salt Run was actually part of the actual  
24 inlet, and then it's closed off naturally, so  
25 they're dredging it now. It will allow more



1 access to the park area that is over by the  
2 lighthouse. And I find it interesting that they  
3 found the funding for that.

4 The city is building mooring fields again,  
5 and the mooring fields will be for sailboats, so  
6 that will be a revenue-producing situation. And  
7 it seems that another point that Jerry Dixon has,  
8 the port and waterway, was derelict boats.

9 There seems to be -- St. Augustine seems to  
10 collect derelict boats. It's a graveyard, an  
11 elephant's graveyard for boats, and they've had  
12 some problems with trying to figure out what to do  
13 with them all and who's paying. So that was from  
14 port and waterway.

15 See if I can move on here just a moment. My  
16 notes are a bit scattered. Let's see. So, the  
17 St. Johns County Water Management District, they  
18 have an interesting fact that by 2030 -- I'm just  
19 spitting these -- these facts out. I mean, I

20 don't know whether they're facts or how deep the  
21 study was. But by 2030, they're not going to have  
22 an adequate supply of fresh water.

23 And they're still asking or still having a  
24 lot of problems with drawing fresh water from the  
25 St. Johns River. In other words, where there's a

1 lot of environmental concerns with that, and there  
2 seems to be no, you know, definitive solution to  
3 this. Nobody can just say yes or no. It's  
4 just -- you know, for whatever reason. Let's see.

5 The -- I asked on aquifer pressure levels,  
6 and the aquifer pressure levels have gone down in  
7 certain areas. In other words, in this area,  
8 because of the topography, the natural wells -- in  
9 other words, I have a -- for instance, a well at  
10 300 feet. It used to produce 17 pounds of  
11 pressure; it produces 11 now. You can already  
12 notice the -- I had asked that at the meeting.

13 You can already notice the pressure on the  
14 aquifers from simply the drawdown of the water.

15 And -- but that's the -- the poignant part of  
16 that is the fact by 2030, the St. Johns County --  
17 the water river -- what am I trying to say? The  
18 river management district says we are going to  
19 have water problems.

20           Oh, and as far as the -- let's see. My notes  
21           are a bit eclectic here, so you're going to have  
22           to bear with me for a moment. Oh, an additional  
23           point that Mr. Dixon had said, there's no fire  
24           boat in the county.  
25           And so we had -- they had an interesting -- a

1 bunch of volunteers, one of the firms down here,  
2 right down the road on U.S. 1 donated a boat. You  
3 know it's one of the confiscated boats, I  
4 understand. It's the -- part of the Customs  
5 facility. And lots of firms volunteered time,  
6 energy and effort and they built a fire boat, and  
7 this is a community effort. And we have a fire  
8 boat now.

9 And they were dis -- I'll say this, why not?  
10 I get myself in trouble. They were disappointed  
11 the paper didn't even say anything about it  
12 because it was truly a community effort and truly  
13 a lot of different people volunteered to do that.

14 I'll have to ad-lib the rest of it. As far  
15 as the tax collectors, they're all -- the tax  
16 collector office is interested in the fact that  
17 driver's licenses are going to have to not be  
18 renewed by your own driver's license. I'm just  
19 going to skip over. Here's a highlight.

20           When you renew your driver's license next  
21   year, you can't just use the old one. You're  
22   going to have to have an original birth  
23   certificate, a passport or something else. Just  
24   grist for the mill. But can you imagine the angst  
25   that creates in the tax collector's office?

1 There's lots of changes due to the Homeland  
2 Security Act, as far as what goes on as far as  
3 documents.

4 The City of St. Augustine Beach has -- they  
5 have purchased a small area of park and they are  
6 building a park which will have beach access. And  
7 that seems to be very popular with the residents  
8 of -- on the beach area, only because beach access  
9 has become such a contentious issue. So they are  
10 on -- well on their way to producing their own  
11 park. And that's -- I'll leave that alone.

12 That's probably the highlights of that meeting.

13 CHAIRMAN GREEN: Okay. Aerospace?

14 MS. BARRERA: They're looking for some items,  
15 flights or items to raffle for the academy open  
16 house in January. That was one of the key things.  
17 And another, we discussed the internship program  
18 and its continuance this year. So that's  
19 something exciting to be looking forward to out

20 here at the airport from the academy.

21 CHAIRMAN GREEN: We usually have what, at

22 least three, four?

23 MR. WUELLNER: We had six last year.

24 CHAIRMAN GREEN: Yeah. Okay. Reports. Ron,

25 anything?



1                   REPORTS

2           COMMISSIONER SANCHEZ: The liaison officers  
3 have been appointed. I will remain with the  
4 airport for one more year. I don't know if that's  
5 good news or bad news to you, but anyway --

6           MR. GEORGE: That's good news.

7           COMMISSIONER SANCHEZ: -- that's the way it  
8 is.

9           The county has entered into the desalination  
10 study off of Palm Coast area to try to offset some  
11 of the water problems. The water district's  
12 responsibility is to keep us furnished with safe  
13 water. That's why they're working on all this.

14           And it's not that we're going to run out of  
15 water in 2030, but we're going to be getting it  
16 from a different area or a different source and  
17 maybe even paying a little more for it. But  
18 anyway, I just wanted to cover that story.

19           We are moving along very nicely at the

20 county. The Governor has still not appointed  
21 anyone, and I imagine -- well, I don't know. Of  
22 course he's going to be honeymooning the next  
23 couple of weeks, but if -- if they do move the  
24 trial for another six months out, I -- I don't  
25 know if he will appoint someone or not, but that

1 is totally up to the Governor. We really have no  
2 say-so on that.

3 There's lot of people in the county trying to  
4 control that right now with letters to everybody  
5 and, you know, trying their best to control who  
6 gets in there. I hope they abide by their old  
7 rules. The last appointee by a governor was Karen  
8 Taylor, and I think she was an excellent  
9 commissioner, I really do. So I hope they do it  
10 the same way.

11 The amphitheatre, in case some of you didn't  
12 see the newspaper, we won the national award for  
13 under 5,000 seating capacity, and Pollstar  
14 magazine has elected to nominate our amphitheatre  
15 for the under 10,000 capacity.

16 They are very impressed with the operations.  
17 That puts us in direct competition with Chastain  
18 in Atlanta, which happens to be one of them we  
19 went and studied while we were trying to make this

20 decision on the amphitheatre.

21 That park gets a thousand -- or, excuse me, a

22 million dollars a year from the city of Atlanta.

23 And that's some of what we will be competing with.

24 And I think we stand a pretty good chance of

25 winning this award. It's going to be real nice if

1 we do.

2 The winter wonderland is, you know, moving  
3 along real good. They've added some features to  
4 it. I don't know if Doug's been down the water --  
5 the ice slide or not yet, but I heard it's real  
6 interesting. I haven't been, so I'm not going  
7 anywhere near the place. I had trouble walking on  
8 ice when I was up north playing music, so I'm not  
9 about to try to skate on it.

10 If there's any questions, I'll be glad to  
11 answer them. But moving along, we have a very  
12 lengthy meeting a week from Tuesday the 16th. Our  
13 two new commissioners have gotten their feet wet  
14 and they'll certainly understand what it's all  
15 about after that meeting, I'm sure. So, any  
16 questions?

17 MR. GEORGE: Ron, have the commissioners made  
18 any joint statements or individual statements as  
19 to whether they would like to have a replacement

20 for Commissioner Manuel?

21 COMMISSIONER SANCHEZ: I can't speak for all

22 of them. I don't think there has been. I think

23 maybe our chairperson, Cindy Stephenson, may have

24 written a letter early on. I'm not sure. Someone

25 told me she did. I didn't go looking for it or

1 nothing. I mean, I didn't.

2 MR. GEORGE: Hasn't been anything --

3 COMMISSIONER SANCHEZ: Normally those kind of  
4 things are instantly thrown out, anyway. That's  
5 the way they used to appoint people.

6 MR. GEORGE: Yeah, okay.

7 COMMISSIONER SANCHEZ: They would not appoint  
8 anyone that has run and lost. They would not  
9 appoint anyone that had served. And then they had  
10 other criteria, too.

11 And I thought it was real good. I mean, by  
12 the time they got through, they got a good -- good  
13 selection of people. So, if they're using that  
14 same criteria, who knows? But that person could  
15 tend to change the entire complexion of the board.  
16 So it would be a very important appointment, and  
17 I -- I'm told by one source in Tallahassee that  
18 the Governor really wants to stay away from it --

19 CHAIRMAN GREEN: Uh-huh.

20 COMMISSIONER SANCHEZ: -- because there's

21 heavyweights all over both sides of it, and

22 there's no way he can come out a winner. So if

23 that's true, I hope he has a good honeymoon.

24 But we're not going to have any trouble

25 surviving. We will -- we'll get through. Ponte



1 Vedra will be served. You see a lot of that in  
2 the newspapers. That's not a problem.

3 As a matter of fact, I think there's going to  
4 be three of us up there tonight at a meeting that  
5 I may even have to leave here a little early for.

6 But, you know, they've got plenty of  
7 representation. That's not a problem at all. All  
8 right. Thanks.

9 CHAIRMAN GREEN: Thanks, Ron.

10 MR. GORMAN: Thanks for the clarification on  
11 the water. I know that cost was an issue. That's  
12 something I didn't bring up, but that was a big  
13 issue.

14 MR. BRUNSON: Jack, let me ask you, who gave  
15 the report at the intergovernmental on the water  
16 situation? Who was in attendance?

17 MR. GORMAN: On the -- oh, gee. No, I have  
18 his card right here, I believe.

19 MR. BRUNSON: That's all right.

20 MR. GORMAN: Let me see if I can get these

21 spectacles on.

22 COMMISSIONER SANCHEZ: I can't remember his

23 name, either. He was with the water district.

24 MR. GORMAN: Geoffrey Sample.

25 MR. BRUNSON: Okay.

1 MR. GORMAN: Geoffrey, sorry. It's just  
2 pronunciation. Geoffrey Sample. He was the man  
3 that did that. And -- yeah, and his  
4 clarification's correct, we're not out of water,  
5 but certainly the cost is going to go up. I mean,  
6 that was -- that's probably the bottom line we  
7 need to talk about.

8 CHAIRMAN GREEN: Okay. I didn't see Michael.  
9 Galaxy?

10 (Not present.)

11 CHAIRMAN GREEN: No. Okay. Northrop?

12 MR. NEHRING: Nothing.

13 CHAIRMAN GREEN: No report? SAAPA? I didn't  
14 see Reba, either. Anyone from SAAPA? Oh, you  
15 want to do something?

16 MR. MARTINELLI: Well, I just wanted to tell  
17 you that I believe that -- okay.

18 CHAIRMAN GREEN: Sorry. It's just the  
19 recording won't pick you up.

20 MR. MARTINELLI: Okay. I have that same  
21 question, Randy. There will be a new liaison to  
22 the Airport Authority. The SAAPA group has kind  
23 of reorganized now for its new year, and it will  
24 be John Roderick, will be the liaison.

25 So, I don't know where he is today, and I

1 have nothing to report, other than there will be  
2 new officers and so on. Oh, also, this Thursday  
3 is the Christmas party, and it's over at the  
4 hangar where --

5 MR. GEORGE: Skybus.

6 MR. MARTINELLI: -- Skybus was. And  
7 everybody's welcome. So, other than that, I don't  
8 know anything else to tell you.

9 CHAIRMAN GREEN: Is that after -- after 5  
10 o'clock, 6 o'clock?

11 MR. MARTINELLI: Yeah. 6 o'clock, and dinner  
12 will be served about 7:00.

13 CHAIRMAN GREEN: Doug?

14 MR. BURNETT: Nothing to report.

15 MR. WUELLNER: I don't think Mark's here, is  
16 he?

17 CHAIRMAN GREEN: Mark? I didn't see him. Do  
18 you have the chart?

19 MR. WUELLNER: I do have the chart. We're

20 still plus about 330 operations over the same  
21 period last year. It did diminish a little bit.  
22 Primarily weather-related issues in the last  
23 month. So that's good news so far. Ops are up  
24 over previous year.

25 MR. GORMAN: That's surprising.

1 MR. WUELLNER: Yeah. It's not a lot, but  
2 it's up. About a good day's worth.

3 CHAIRMAN GREEN: Uh-huh. Okay.

4 PROJECT UPDATES

5 MR. WUELLNER: Project updates.

6 CHAIRMAN GREEN: Updates, yeah.

7 MR. WUELLNER: First item I have is  
8 T-hangars. There's some new aerial photography  
9 that we're incorporating in some of the PowerPoint  
10 today, and our thanks to -- to Old City Helicopter  
11 Tours for providing those pictures to us.

12 But there's a nice aerial view of that area  
13 back there. You can see how that should -- should  
14 generally resemble what the approved plan looked  
15 like, considering it's now built and it looks real  
16 good back there. And again, thanks for the photos  
17 there.

18 The project is now complete in terms of the  
19 T-hangar project back there, and we'll be

20 discussing additional phases at a later point in  
21 this meeting as a regular agenda item. But it's a  
22 good-looking -- good-looking project from the air.  
23 Box hangars. We continue to have some issues  
24 relative to the pricing. I don't know whether you  
25 want to handle that, the agenda item part as a



1 part of this or do it a little later. It's up to  
2 you.

3 CHAIRMAN GREEN: We can do it now. Is that  
4 okay? Because we're visual and --

5 MR. WUELLNER: We did send out -- by way of  
6 update, we sent it out the 11th or 12th of  
7 November, an e-mail out with a flier bringing  
8 attention to the fact that those units were  
9 available and the rental rate and the like.

10 We didn't get much in the way of response.  
11 What little response we got was in the last --  
12 actually, believe it or not, in the last 24 hours  
13 from a few people. Generally they were upset over  
14 how expensive it was and they were declining to  
15 rent, which would -- which was fine. It was sent  
16 out in general; it wasn't sent -- but it was a  
17 response, so...

18 You have -- I didn't bring them in because I  
19 didn't know we were going to talk about it, but we

20 made a -- an overture e-mail out to y'all about --

21 I guess it's been close to a month now, related to

22 the concerns we had over the pricing and that we

23 perhaps need to look seriously at reducing the

24 per-month rental rates on those hangars.

25 I did also attach the information related to

1 the ROI calculations and the fact that the ROI  
2 situation for that whole project had improved  
3 dramatically with the T-hangar rates that were  
4 set.

5 Based -- since we had a square -- a cost per  
6 square foot rate that was implemented on those  
7 hangars, our net on the T-hangar units themselves  
8 increased dramatically. As a result and the fact  
9 there are so many fewer of these large hangar  
10 units, we could reduce the cost per square foot or  
11 the rental rate, if you will, of the -- of the  
12 50 x 50s and the 50 x 60s dramatically, and I  
13 think that will get us the occupancy on it.

14 The single biggest issue we had in trying to  
15 rent off the, at the time was about a 30-name  
16 list, was the cost of the units was exceeding what  
17 most people were willing to pay for those units.  
18 And as a result, we still have -- four units? How  
19 many --

20 MS. HOLLINGSWORTH: We've got --

21 MR. WUELLNER: Five out of six are still --

22 still unleased. So -- yes, sir?

23 MR. GORMAN: Well, what -- just -- just

24 for -- what cost per square foot would be --

25 MR. WUELLNER: Well, we had -- I think we

1 made an ovation to the -- about the thousand  
2 dollar a month type rental rate down from as high  
3 as 1800 square feet, and that -- excuse me, \$1800.  
4 And that's -- that's very close to what we're  
5 offering G and -- G row currently. Those are  
6 physically the same size hangars in terms of  
7 square footage.

8 Now that G row's been retrofitted with the  
9 HydroSwing doors, they're essentially the same  
10 units now. And those are going for, I believe,  
11 \$8.50 a month, is what the -- what the rate will  
12 be. We are in the last phase of adjustment for  
13 the few that remained in there. But all new  
14 rentals were at \$8.50 a square foot.

15 That's the 50 x 50 size. And the thought  
16 being we take -- you know, keep about a \$200  
17 disparity between the 50 x 50s and the 50 x 60  
18 size.

19 And I feel fairly confident we can lease

20 these things pretty quickly if we get them down to  
21 where the G row hangars are, or in that  
22 neighborhood anyway in terms of rental. They're  
23 currently like double what, you know, we were  
24 getting -- we were asking, \$1600 and \$1800. So it  
25 was significant.

1 MR. GEORGE: If you lower these, you would  
2 expect them to lower the rent you're charging the  
3 sixth one, also?

4 MR. WUELLNER: Yeah, I would -- I would think  
5 it would be --

6 MR. GEORGE: You've got to be consistent.

7 MR. WUELLNER: To be fair, yes.

8 CHAIRMAN GREEN: Okay. Since this was an  
9 added item, is there any public comment? Because  
10 I wouldn't have had it on the list? Vic?

11 MR. MARTINELLI: Yeah.

12 MR. WUELLNER: The other negative, while he's  
13 coming up, as you recall, we were trying -- one of  
14 the things I made a point of in my communication  
15 outbound to you folks was that you have -- there  
16 are significant restrictions in place relative to  
17 those six hangars in terms of we're not -- we have  
18 not leased them to jets, to turbine aircraft back  
19 there in their proximity to the neighborhood, and

20 we're trying to keep with the character of that

21 being a light general aviation area.

22 So we're -- we're trying to keep that

23 disparity, but that is probably working to hold

24 the rates down rather than prop them up in that

25 area, even though they're brand new units.



1 MR. MARTINELLI: Ed, further to what you just  
2 said, and that was my question, the reason I'm up  
3 here, are these restricted to single occupant or  
4 is there a possibility of putting multi -- making  
5 bulk hangars for GA aircraft out of them?

6 MR. WUELLNER: Well, the current -- current  
7 policy would limit it to single users.

8 MR. MARTINELLI: Yeah. So, would there be  
9 any thought on perhaps relaxing that policy?  
10 Because that might give you an opportunity to rent  
11 it.

12 MR. WUELLNER: That's -- that's a board  
13 policy decision.

14 CHAIRMAN GREEN: Any more public comment?  
15 Joe?

16 MR. BURNETT: Are these one-year leases?

17 MR. WUELLNER: Yes.

18 MR. LOPINTO: Just add a little texture to  
19 the aviation environment, and maybe you can try to

20 put some numbers up against it.

21 With respect to preowned airplanes in the GA

22 arena, including all the way up to twin-engine

23 airplanes, the market is absolutely dead. It will

24 take anywhere between six to eight months, a year

25 to sell certain airplanes.

1       Most of the airplanes that are being sold  
2       today are in excellent condition, very primo, top  
3       of the line, and even those are sparse. Financing  
4       is nonexistent. Any deals that go on out there  
5       are all cash today.

6       New airplane inventories are being stocked up  
7       at -- in the dealers. I talked to one dealer out  
8       in the midwest. He has 13 airplanes that the  
9       manufacturer wants to give him. He's not taking  
10      them. And it goes on and on and on and on.

11      So, the market that you'd be looking for to  
12      bring those airplanes into for these bulk hangar  
13      would be existing airplanes in the nexus area, and  
14      therefore your rate should be at least competitive  
15      if not better than nearby airports.

16      CHAIRMAN GREEN: Thanks, Joe. Other Joe.

17      MR. JONES: Joe Jones, 4672 Fifth Avenue.

18      If you reduce the rates as low as you're  
19      talking about going, are you going to do a

20 different scenario as far as your -- when you  
21 reevaluate, like if you're doing a one-year lease  
22 or something? Because right now, you limit to how  
23 much you could do -- you raise the rents.  
24 But if the market picks back up, are you  
25 going to be able to pick your rates back up

1 quicker than normal if you lower these things down  
2 as low as you're going, or are you going to keep  
3 it, you know, locked? Is it going to be locked  
4 in? Or, you know, what do you do -- the CPI, you  
5 said, would you -- would be able to jump up  
6 quicker?

7 MR. WUELLNER: Theses are currently one --  
8 would be one-year leases, and normally when they  
9 renew, they'd adjust at a CPI adjustment.

10 However, the board could take action prior to any  
11 lease renewal term and readjust the rates as they  
12 see fit and reissue leases. Again, there are only  
13 six units involved in this particular scenario.

14 MR. JONES: Right. But, I mean, you're  
15 having it sounds like a little bit of trouble  
16 renting all of the units and I know y'all --

17 MR. WUELLNER: No, we didn't have any --

18 MR. JONES: -- did some comparison before you  
19 started. I mean, what fell apart? I know the

20 economy --

21 MR. WUELLNER: We -- we didn't have any

22 issues leasing the T-hangar units themselves. It

23 just was a matter of plowing through the waiting

24 list itself. And we have still have over -- about

25 a hundred names -- I don't know the exact number,

1 but it's very close there.

2 The issue was these were significantly above  
3 what you could get that space at other locations  
4 if it were available. And when you factor in the  
5 general economy and the like, it's made a very  
6 tough sale because of the -- just the cost per  
7 month is significant.

8 MR. JONES: The rent you've got now is placed  
9 at that 7 percent of cost, so you're trying to  
10 drop it down to about 4 --

11 MR. WUELLNER: Well, actually, what we've --  
12 what we've done in order to -- to have a better  
13 discussion about it is that we actually were  
14 receiving a better rate of return on the T-hangars  
15 than we had expected, and what we're doing is  
16 essentially washing the excess revenue of the  
17 T-hangars into these six units.

18 The whole project still generates at least 7  
19 percent ROI. But the individual unit would -- you

20 know, if you look at it strictly as the -- these

21 six units, certainly they would underperform.

22 MR. GORMAN: Joe, if you look at a box hangar

23 and you look at a T-hangar, a T-hangar is kind of

24 configured in an airplane shape. And then if you

25 get a certain cost per square foot, then you get a



1 hangar for X amount of dollars.

2 There's a little bit of -- you know, when you  
3 get a box hangar, you've kind of got -- and the  
4 corners are kind of wasted space, and if you're  
5 still charging -- not wasted, but it's space that  
6 doesn't go -- the airplane's not fitting right  
7 into. So --

8 MR. JONES: I understand. I know --

9 MR. GORMAN: -- that's kind of raising the  
10 whole price of having across-the-board cost per  
11 square foot.

12 MR. JONES: I know that once you do your  
13 lease, and then you do a thing and you say you  
14 only raise it up like 2 percent a year or  
15 something like that.

16 But if you're going to drop it that much and  
17 things pick up next year, are you going to have  
18 the option to jack it back up higher? You know  
19 not to keep that 2 percent locked in for -- you

20 know, forever. That's all I was asking.

21 MR. WUELLNER: Yes.

22 MS. BARRERA: That's a good point, too.

23 MR. WUELLNER: We do because these are

24 short-term leases. They're only annual leases.

25 So they could be adjusted.

1 MS. BARRERA: Good point.

2 CHAIRMAN GREEN: Okay. No more public  
3 comment. Board comment. I think we need to  
4 adjust, just to be competitive in the market.

5 MR. GEORGE: Well, if -- if we're doing  
6 better on the other hangars, my first reaction is,  
7 well, maybe we need to lower the rent on those to  
8 make the whole area, you know, consistent. But if  
9 you're saying the square footage on these is the  
10 same as the G row --

11 MR. WUELLNER: It is.

12 MR. GEORGE: -- then it would be consistent  
13 to do the same as -- I understand the G row is at  
14 a way-back-when construction cost, but --

15 MR. WUELLNER: Yes. I mean, long long since  
16 amortized.

17 MR. GEORGE: Well, do you think that -- is  
18 there anything that is more advantageous about the  
19 new box hangars as opposed to the G row?

20           What I'm thinking of is -- you know, is the G  
21           row is calculated what we paid for them 20 years  
22           ago. And our thought was to get 7 percent of what  
23           we have to replace them for, for what we have to  
24           pay for them now. So would it be appropriate to  
25           pull a specific number, \$8.50 for the G row, but

1 \$9.50 for this row?

2 MR. WUELLNER: You could. I mean, I think  
3 my -- the only concern I have is you don't have  
4 the same limitations in G row in terms of what  
5 aircraft could be placed in there compared to  
6 these -- I don't remember the row numbers, but the  
7 other six here.

8 The other six, you know, we're limiting --  
9 those that are more willing to spend significant  
10 amounts on rent are our turbojet-type customers.  
11 And by not putting those back in that area, you've  
12 limited perhaps a -- a segment of the market that  
13 would normally be rented.

14 MR. GEORGE: Okay.

15 MR. WUELLNER: Now, G row doesn't have that  
16 limitation. You could -- you could put them in  
17 there if someone wanted one. In fact, I think  
18 we've had a jet in there or two over the past few  
19 years for short periods of time.

20 MR. GEORGE: But are there any limitations of  
21 what you can do on the G row that you can't do on  
22 the new ones, on vice versa?

23 MR. WUELLNER: No. Other than G -- the new  
24 ones have the restriction of no jets --

25 MR. GEORGE: Yeah, but there's no difference

1 in door opening or anything like that.

2 MR. WUELLNER: Not significant enough. We  
3 have a couple of units that have a 16-foot door.  
4 The new ones are 13 something. I don't remember  
5 what it is.

6 The original four G row hangars, the oldest  
7 box hangars there are about 12, a little over 12  
8 foot in door height. Other than that, they're --  
9 you know, physically they're -- they're the same  
10 square footage. And they all have the same door  
11 systems now. There -- there's a little cosmetic  
12 difference in some of the old G rows just in terms  
13 of the sheet metal's a little older. But other  
14 than that, they're -- they're the same units.

15 MR. GEORGE: How much is the difference in  
16 the cost of a T-hangar on L and M row versus the  
17 T-hangar same size in the new general aviation  
18 area?

19 MR. WUELLNER: It seemed to me it's about \$60

20 or \$70 difference --

21 MR. GEORGE: Okay, 20 percent.

22 MR. WUELLNER: -- based on square footage.

23 MR. GEORGE: 20 percent.

24 MR. WUELLNER: It's because the rate's

25 different, not because the square footage is that



1 much different.

2 CHAIRMAN GREEN: That's fine.

3 MR. WUELLNER: They're roughly 1100 square  
4 foot units each, and the rate difference was what  
5 we had approved before we raised the K, L and M,  
6 ended up about a net of about \$11 I think a month.

7 MR. GEORGE: Well, all I was getting -- all  
8 I'm trying to get the discussion going on is if  
9 you go from pre K, L and M to K, L and M, there's  
10 a difference even though the space is the same.

11 MR. WUELLNER: Oh, yeah.

12 MR. GEORGE: If you go from K, L and M to the  
13 new area, general aviation area, there is a  
14 difference in the rate even though the space is  
15 the same.

16 MR. WUELLNER: Virtually identical.

17 MR. GEORGE: So rather than taking this one  
18 and making it directly equal to the G row --

19 MR. WUELLNER: Uh-huh.

20 MR. GEORGE: -- are we -- what would the  
21 impact be if we made this one 15 percent, 20  
22 percent more than the G row? You've heard from a  
23 lot of people --

24 MR. WUELLNER: I was going to say, at the end  
25 of the day, it's going to be a function of how the

1 waiting list reacts and/or any advertising we  
2 would have to do. You've got a much better chance  
3 of renting these units when we get down around the  
4 thousand dollar a month --

5 MR. GEORGE: Right.

6 MR. WUELLNER: -- than we do at \$1800. I can  
7 tell you that based on the reaction we've had  
8 from -- I mean, we've gone through 30 names and  
9 it's just -- it's going nowhere at that rate.

10 MR. GEORGE: Right.

11 MR. GORMAN: Just to put a bit of spin on it,  
12 how about -- we had talked before about the cost  
13 of converting these things to commercial hangars  
14 with the fire door and everything else, and the --  
15 are they more marketable as commercial? Could  
16 they be converted to commercial and --

17 MR. WUELLNER: They really don't work. These  
18 particular units do not work commercially because  
19 they're not accessible to the public. They're

20 interior units. There's no road access.

21 There's --

22 MR. GORMAN: I understand.

23 MR. WUELLNER: You would have to up -- I

24 mean, the construction costs are probably in the

25 vicinity of \$20- to \$25,000 per unit to add

1 office, the requirements to make them commercial.

2 MR. GORMAN: You could do it, but without the  
3 access, it's -- it lends itself to being almost  
4 impossible to rent.

5 MR. WUELLNER: Yes, yes. Access is the  
6 single biggest issue.

7 MR. GORMAN: That's fine.

8 MR. WUELLNER: It's just not well suited.  
9 They weren't put in an area for that purpose.

10 CHAIRMAN GREEN: Buzz, I like your idea that,  
11 you know, percentage-wise let's be consistent  
12 across the board. If we've done a 15, 20  
13 percent --

14 MR. GEORGE: Well --

15 CHAIRMAN GREEN: -- construction and --

16 MR. WUELLNER: We can calculate.

17 MR. GEORGE: If it was 20 percent -- if it  
18 was 20 percent, that would be a \$1020 per month as  
19 opposed to what now, \$1500 a month?

20 CHAIRMAN GREEN: Or \$18-.

21 MR. WUELLNER: Exactly. Exactly.

22 MR. GEORGE: So --

23 MR. WUELLNER: We could calculate that

24 difference. I mean, that's easy to come to. I

25 just don't -- wasn't prepared to talk about that.

1 MR. GEORGE: I understand that, yeah.

2 MR. WUELLNER: So we can calculate that  
3 percentage and make that rent adjustment and, you  
4 know, round it to the nearest hundred or something  
5 and go with that as a starting point. I mean,  
6 that's going to put it right where your --

7 MR. GEORGE: That -- that sounds good to me.  
8 I would like the pecking order that you offer  
9 these hangars to be to go back to the old list --

10 MR. WUELLNER: We would. We would start  
11 again.

12 MR. GEORGE: -- because, you know, those  
13 people turned it down and probably had some --  
14 reason they turned it down was because of cost.

15 MR. WUELLNER: Absolutely. This also keeps  
16 up -- when you keep it in the -- in the GA  
17 perspective here, you've got -- you know, it's  
18 roughly the equivalent of two to two and a half  
19 T-hangar units, is what a 2500 square foot hangar

20 is. So, when you -- when you look at the rent  
21 equation of this, the new -- newer ones are at  
22 least \$3.25 depending on the particular end --  
23 square footage you end up with.  
24 But, you know, now you're at a \$700 -- call  
25 it an \$8-, \$900 a month kind of rental rate based



1 on what a T-hangar rental is. So it -- it's in  
2 the game. It's what you would expect, you know,  
3 in terms of square footage you would get as a rate  
4 for the T-hangars, also. So, I think -- I think  
5 it's a good direction to go.

6 We -- as was pointed out, we can always  
7 monitor this on an annual and if that market  
8 recovers and suddenly there's interest for those  
9 types of hangars, it would be -- we make market  
10 adjustments periodically anyway because it just  
11 makes sense to do that.

12 MR. GEORGE: You obviously -- we sprung this  
13 on you, so I don't expect to get an answer, but do  
14 you know in the back of your head what the  
15 equivalent square footage rent rate was for Craig  
16 and -- you know, because we based all of our stuff  
17 on two factors: What are the other airports  
18 charging and what ROI do we want to get on new  
19 construction?

20 MR. WUELLNER: My recollection was that it  
21 about \$3.24 a square foot, is what the off -- the  
22 other airports' average rate was going.

23 MR. GEORGE: Right.

24 MR. WUELLNER: We put the T-hangars in place  
25 at \$3.66 a square foot. I do know that.

1 MR. GEORGE: Okay.

2 CHAIRMAN GREEN: Randy, you had something?

3 MR. BRUNSON: Yeah, the only thing I had, I

4 think I agree with Buzz and Suzanne of the

5 percentage you're going, but based on what Joe is

6 saying and things I'm hearing, that we need some

7 direction from you on -- to get these things

8 marketable to what -- and to move on. And like

9 you just said, the lease you write can be adjusted

10 and done again, but right now, I think this

11 percentage of 16 to 15 percent --

12 MR. GEORGE: Whatever the percentage is --

13 MR. BRUNSON: Yeah.

14 CHAIRMAN GREEN: It makes it comparable.

15 MR. GEORGE: -- of the L, M and G to the new

16 hangars, yeah. New row.

17 CHAIRMAN GREEN: Kelly, you had something?

18 MR. BRUNSON: It's just a business decision.

19 MS. BARRERA: I would want -- I concur with

20 what Mr. Jones said and I would want this to be

21 reviewed on an annual basis.

22 MR. WUELLNER: Okay.

23 CHAIRMAN GREEN: Yeah, it's in the lease. I

24 mean, it's a one-year --

25 MR. WUELLNER: We write it as a --

1 MS. BARRERA: But as a conscious --

2 MR. WUELLNER: -- T-hangar lease form, so  
3 it's an annually -- automatically renewing, you  
4 have a once-a-year option to adjust the rates  
5 however you see fit.

6 MS. BARRERA: And I want it to be brought  
7 back up to the board.

8 MR. WUELLNER: It would typically be in an  
9 August kind of time line. We usually do the rate  
10 discussions in the context of budget --

11 MS. BARRERA: Okay.

12 MR. WUELLNER: -- that we would make those  
13 adjustments.

14 MR. GEORGE: I'll make a motion if you want  
15 me to.

16 CHAIRMAN GREEN: I -- I don't know if you  
17 need a motion. Probably just direction.

18 MR. WUELLNER: I'm fine. Based on what --  
19 we'll make the percentage rent adjustment based on

20 the disparity --

21 MR. GEORGE: Sounds good.

22 MR. WUELLNER: -- between the units and go

23 with that.

24 CHAIRMAN GREEN: Okay. All right. South

25 area.

1 MR. WUELLNER: Okay. Next -- next project I

2 have is the U.S. Customs.

3 CHAIRMAN GREEN: Yeah.

4 MR. WUELLNER: Customs is well underway.

5 Another nice aerial shot from our Old City

6 Helicopter folks.

7 This is prior to the roof going on, so it's

8 just a few weeks ago. Roof is on and in place at

9 this point. The interior walls are going up right

10 now. They're -- the metal stud work is virtually

11 complete. Trades are in there now. The roof's

12 been in it -- the building's been insulated at

13 this point.

14 All of the paving is complete, and we're on

15 a -- on a pace here -- you'll see a lot of things

16 happen dramatically that I think the exterior goes

17 on in the next couple days and the windows, the

18 storefront glass and all that comes in -- will be

19 installed the first part of next week.

20 Drywall starts going up and all the  
21 electrical and heating and air -- heating and air  
22 is already in there. They started today. So it's  
23 going to rapidly come to a conclusion here by the  
24 end of the month. Everything seems to be on  
25 track. We just reviewed the schedule with them



1 this morning.

2 MR. GEORGE: Can we get the advertising out  
3 of our front yard?

4 MR. WUELLNER: The advertising?

5 MR. GEORGE: There's a big billboard out  
6 there --

7 CHAIRMAN GREEN: We have a sign --

8 MR. WUELLNER: Actually at this point, we  
9 probably can. The sign was placed there because  
10 of the delivery of lime rock and asphalt and those  
11 big trucks typically -- but the sign can probably  
12 come down now because you're down to trades.

13 MR. BRUNSON: Yeah, I'm getting --

14 MR. WUELLNER: I can't say they're any  
15 smarter, but they seem to find streets better.

16 MR. BRUNSON: I'm getting calls on that sign  
17 that want to know where they pull their boat in  
18 for Customs.

19 MR. GEORGE: Is that right?

20 MR. WUELLNER: Well, we're still -- right  
21 now, we're still tracking a February 2nd open date  
22 on it, so...  
23 Just wanted to show the survey as it related  
24 to the fence line back there related to the park.  
25 So, if you want to see a bigger drawing of that,

1 we can certainly hook you up with one of those.

2 But the survey results are in, and they'll be used

3 in detailing or moving the south development area

4 project forward.

5 This gives you an idea as related to the

6 ditch. So it essentially becomes the border of

7 the park as you come around the pavement edge.

8 MR. GORMAN: Do you feel that we can accept

9 that right now?

10 MR. WUELLNER: Yeah.

11 MR. GORMAN: In other words, and you feel to

12 lay to rest, which are good intentions, Mr --

13 Buzz's -- Wayne George's, you know, angst about,

14 you know, using up buildable land.

15 MR. WUELLNER: Right.

16 MR. GORMAN: In other words, that that pretty

17 much is the edge of any buildable land? So I kind

18 of want to lay that to rest.

19 MR. WUELLNER: I -- yeah. We actually have

20 an agenda item a little later to review the  
21 results of the workshop, make sure -- because you  
22 couldn't take any action at that -- at that  
23 workshop environment.

24 I want to make sure that's good and then talk  
25 about where we're going from there. I'll touch on

1 that as a part of that discussion, if that's all  
2 right.

3 MR. GORMAN: Sure. That's fine. That's  
4 where I wanted to go with it.

5 MR. WUELLNER: Community relations. Airport  
6 systems group met on the 20th. Bryan was in  
7 attendance to that.

8 I did want to report that it looks like the  
9 database, the noise complaint or the complaint  
10 database is -- appears to be up and running at  
11 this point and we're entering the data in there  
12 to -- to get it current with previous paper trail  
13 we have on those things, and also that our web  
14 site's "Contact Us" link is available now off the  
15 web site.

16 So, it's another -- another tool available  
17 for the public to make either an inquiry or  
18 actually file a noise-related complaint, if they  
19 desire to do that, or other kind of complaint for

20 that matter.

21 Did want to report that the Airport Authority  
22 was named one of two St. Johns County business  
23 partners of the year by the school board, and that  
24 nomination was sent on to the State of Florida,  
25 and the Airport Authority will be recognized at a

1 statewide banquet in April for its contributions  
2 relative to the Aerospace Academy.

3 So, as details come in on that, I'll be happy  
4 to get them out to -- to board members and find  
5 out who would like to attend that banquet. But  
6 that's a pretty cool honor.

7 MR. GEORGE: Before we get off that, the  
8 database, that's great. I know Bryan's put a lot  
9 of work into learning access, become very well  
10 educated. He's the go-to man now for anybody that  
11 needs to use access. But Bryan had talked about  
12 some monthly reporting, kind of like our tower.

13 MR. WUELLNER: Uh-huh.

14 MR. GEORGE: So if anybody's got any input of  
15 what they'd like to see --

16 MR. WUELLNER: Like to see in that report,  
17 yeah.

18 MR. GEORGE: Yeah.

19 MR. WUELLNER: Another point on that matter

20 is that Bryan and I have been talking internally,  
21 and one of the things we'd like to propose, I  
22 don't know if we'll get it quite to a point where  
23 we present it in January, but certainly by  
24 February, is the development of a policy related  
25 to handling of the noise-related complaints or



1 complaints in general, and how we -- what we  
2 collect related to data, how we distribute that  
3 data to you, and just kind of get on the same page  
4 with y'all as to -- as to what the goals are  
5 related to the -- to that database development.

6 So, we want to write a little bit of a policy  
7 that direction and get it out here, get it talked  
8 through and make sure that everybody's on -- we  
9 have the same expectations for that stuff. And  
10 document some of that. So the public's aware of  
11 exactly what it is we're collecting and how they  
12 go about getting the data and how they go about  
13 making complaints when they do have them. So,  
14 formalize that.

15 MR. GEORGE: I urge all of you to go to our  
16 web site and where it says "Contact Us," just take  
17 a look at it and walk -- go through the motions on  
18 it so you can see what -- what Bryan has done  
19 there and the ease of it or not ease of it, so you

20 can get by.

21 MR. WUELLNER: Okay. Marketing and public

22 relations, we have no -- no new activity this

23 month related to it. No meetings, so...

24 Budget performance. This was based on the

25 October statement only. Appeared revenue for that

1 reporting period, which is only 30 days here, is  
2 up approximately 13 percent and operating  
3 expenditures were down by 1.8 percent for the same  
4 period. So -- for that month based on the budget  
5 expectations.

6 So, we'll have a little more data here as  
7 November and December numbers filter into it. So  
8 we should have better -- better hand -- have a  
9 little more of a time line on data in January.

10 And no airport leasing activities per se this  
11 month, which would brings us to our first action  
12 item.

13 CHAIRMAN GREEN: I was just going to ask.  
14 Mike, we passed over you, did you have any report?

15 MR. SLINGLUFF: Nothing to report.

16 CHAIRMAN GREEN: Okay. Thanks.

17 ANNUAL AUDIT PRESENTATION - DAVIS MONK

18 MR. WUELLNER: So, if -- if you're ready to  
19 go on, I would introduce Harold Monk and Jeff

20 Zeichner from Davis Monk. It sounds like a good

21 jazz band name.

22 MR. MONK: It does. Get you to play the

23 kettle drums.

24 Chairman Green and members of the board,

25 Mr. Wuellner, it's certainly nice to be back with

1 you. It's our pleasure to present the audit  
2 report for the year ended September 30, 2008. Our  
3 report's dated November 20th, and as always, it  
4 has been a real pleasure working with you.

5 I want to thank Mr. Wuellner and all of the  
6 staff for their assistance and cooperation in  
7 working with us, and I'm going to let Jeff go  
8 through the highlights of the report, and we'll  
9 both be here to answer any questions that you have  
10 regarding the details or any other information.

11 MR. ZEICHNER: Thanks, Harold. Good  
12 afternoon. I'm Jeff Zeichner from Davis, Monk &  
13 Company. I was the auditor in charge of this  
14 engagement.

15 It's funny you mention jazz bands. Every  
16 once in a while, I have to kind of look for an  
17 article, something may have come up, meeting  
18 somewhere. Whenever you Google Davis, Monk, the  
19 most common thing to come up is Miles Davis and

20 Theolonious Monk. So there you go.

21 MR. MONK: I only wish.

22 MR. ZEICHNER: I'm pretty happy to be here

23 today. I think really think these financial

24 statements represent a pretty interesting year for

25 the airport, and I'm looking forward to going over

1 these with you. I think you'll be pretty pleased  
2 with the results.

3 Before I do that, I'd just like to go over  
4 the results of our audit. These financial  
5 statements, as you know, are the responsibility of  
6 the airport's management. Our job is to express  
7 an opinion on these financial statements based on  
8 our audit work.

9 After our audit procedures were completed, we  
10 were able to express an unqualified opinion on  
11 these financial statements. That's the highest  
12 level of assurance a CPA can lend to a set of  
13 financial statements. It means that the user of  
14 these financial statements can rely on them to  
15 accurately represent its financial position and  
16 the results of its operations.

17 Also as part of our audit, we are required in  
18 the planning phases to obtain an understanding of  
19 the Authority's internal control. And that's

20 required so that we can accurately plan our  
21 procedures. We're also required to report if we  
22 find any significant deficiencies in internal  
23 control. We found none.

24 We also conducted a review of your compliance  
25 with laws, regulations, contract provisions, which



1 would have a material impact on your financial  
2 statements. Also no items to report. So it's a  
3 clean slate. There's no -- no reporting is good  
4 reporting.

5 There is one item I would like to draw your  
6 attention to in the audited section. On Page 18  
7 of the audit report, we have a -- a statement in  
8 auditing standards that became effective for this  
9 year's audit and it had to do with communications  
10 with those charged with governance.

11 This letter begins on Page 18, and it's  
12 addressed to the board members. It gives a little  
13 more detail on what happened during our audit. If  
14 we had encountered difficulties, if we had any  
15 trouble of any kind, it would be reported in this  
16 page. I encourage you to read it. We had no  
17 difficulty, but this is -- it's geared towards  
18 having better communications with those charged  
19 with governance.

20           We always -- during our audit, we -- most of  
21           our contact is obviously with management, but we  
22           do encourage you -- if you have any questions,  
23           concerns, we do encourage you to contact us,  
24           participate in any way you'd like in the audit  
25           procedures.

1       Having said that, I would like to briefly  
2       just touch upon a couple of items in the financial  
3       statements. The basic financial statements begin  
4       on Page 6, with the Statement of Net Assets.  
5       Commercially, that would be a balance sheet.

6       And as always, the Authority has a very  
7       strong balance sheet. This shows that, again, you  
8       had investments and capital assets of close to \$5  
9       million. This is after last year where you had  
10      almost \$10 million capital additions. It's a very  
11      strong balance sheet.

12      The one thing to note is down in the net  
13      asset section towards the bottom, there are two  
14      classifications of net assets. There's invested  
15      in capital assets, net of related debt and  
16      unrestricted net assets.

17      Because of your relationship with Grumman and  
18      that long-term deferred revenue, the Airport's  
19      always had a deficit balance and on -- on reserve

20 net assets. We've finally gotten to a point in  
21 time where we've recognized enough of that revenue  
22 where the airport is no longer in a deficit  
23 position. And not that it was ever a problem;  
24 it's just nice not to have to explain it anymore.

25 CHAIRMAN GREEN: Buzz?

1 MR. GEORGE: Jeff, I have a -- just a  
2 quickie. Over on Page 5, we talk about -- halfway  
3 down, also pertaining to the lease revenue, we're  
4 talking about this very subject, the noncash  
5 element of Grumman.

6 You state in that -- halfway through that  
7 paragraph, "This action amounted to a non-cash  
8 reduction in lease revenue of \$596,000." Next  
9 sentence says, but it was a \$130,000 increase in  
10 cash revenues going on.

11 Now, I was under the impression that that  
12 amount of their lease every year, when we took  
13 credit for the noncash revenue, that went down.  
14 Not to \$596,000 for last year, because I also  
15 thought, from talking to Mr. Wuellner and getting  
16 involved in this, the \$130,000 that we're picking  
17 up as a land lease --

18 MR. WUELLNER: Yes, it is.

19 MR. GEORGE: -- was more than what they were

20 paying noncash-wise in a calendar year, is -- they

21 weren't paying --

22 MR. WUELLNER: Correct.

23 MR. GEORGE: -- but what we were accounting

24 for. Is that correct?

25 MR. WUELLNER: You may be mixing a couple of

1 things up.

2 MR. GEORGE: Okay.

3 MR. WUELLNER: The -- there were two  
4 components to the deferred rent, which is the  
5 component we're talking about. There was a  
6 component related to the North 40 complex.

7 CHAIRMAN GREEN: Uh-huh.

8 MR. WUELLNER: There was a component related  
9 to Hangar 27 on this side of the field.

10 MR. GEORGE: Oh, okay. All right.

11 MR. WUELLNER: The reason it's -- there are  
12 two components is that Northrop Grumman  
13 essentially absorbed the debt on Hangar 27 that  
14 the Authority had incurred in order to have the  
15 U.S. Coast Guard in here back in about 1989, call  
16 it.

17 MR. GEORGE: Okay.

18 MR. WUELLNER: When Coast Guard left  
19 abruptly, Grumman agreed to lease that building.

20 They essentially bought out the -- the nut, if you  
21 will, and wrapped it in with hangar -- with the  
22 North 40 complex.

23 They had two different lease terms going at  
24 the time. One was a brand new lease for the North  
25 40. One was an old lease that continued related



1 to the -- the Hangar 27 component.

2 The Hangar 27 component remains intact, which  
3 is about a 300 -- and I'm trying to remember the  
4 number. It's about a 300 -- round numbers now,  
5 about a \$300,000 component of the overall \$900,000  
6 round number that was deferred rent.

7 What piece has fallen out is the \$600,000  
8 piece for the North 40 that has retired as of the  
9 conclusion of last fiscal year. So this is our  
10 first full financial year without the North 40's  
11 deferred rent piece being in our statements.

12 The -- the Hangar 27 component hangs around  
13 for a couple of more years at about a \$300,000  
14 number, after which it will disappear also. We  
15 will no longer have any deferred rent item to be  
16 carrying forward, and from that point forward, our  
17 revenue item will literally mean revenue. It will  
18 be real money at that point for everything.

19 The hangar -- the lease component you're

20 referring to was related to the North 40 complex.

21 As you recall, the Authority extended the original

22 lease agreement out a few more years. We also

23 executed a lease agreement for the ground

24 component under the North 40. Prior to that, it

25 was in the original lease.

1           So, we -- we did get a brand new lease that  
2           covers just the ground under the North 40. When  
3           that old agreement that you extended expires in a  
4           couple of years, then the entire facility becomes  
5           a new lease at market value.

6           MR. GEORGE: I just wanted to make sure that  
7           by us extending their lease, we didn't have any  
8           funny revenue numbers in -- you know, in last  
9           year. In other words, that went absolutely to  
10          zero.

11          MR. WUELLNER: Correct.

12          MR. GEORGE: So what we did is we replaced  
13          the lease of the North 40 with \$130,000 worth of  
14          ground lease. And I understand the difference in  
15          noncash and cash. So we're \$130,000 to the good.

16          MR. WUELLNER: Yes.

17          MR. GEORGE: But if anybody from the public  
18          would read this, it looks like, hey, they just  
19          gave up \$460,000.

20 MR. WUELLNER: It was not real money.

21 That's -- in a sense.

22 MR. GEORGE: I understand that. Okay.

23 MR. ZEICHNER: As your auditor, I'd like to

24 point out there was -- there's no funny money in

25 last year's auditor.

1 MR. GEORGE: As your client, I would like to  
2 point out there is.

3 MR. ZEICHNER: Well, what -- what you're  
4 referring to, and I'm glad you bring it up, is  
5 what's referred to as management discussion  
6 analysis.

7 This is -- we do not -- our opinion does not  
8 cover this report. This is -- essentially what it  
9 is is management's discussion of the basic  
10 financial statements, and they try and put it in  
11 layman's terms so that it's understandable. It's  
12 really Ed's plain language, just discussion.

13 We do read it. We look it over to make sure  
14 there's nothing in it that directly conflicts with  
15 the financial statements. But essentially it's  
16 really just management discussing the financial  
17 statements.

18 MR. WUELLNER: Since we're camped here, can  
19 I -- I just -- I wanted to point out, too, that

20 when -- when you net this back out, this -- we're  
21 looking at the same sheet here, the statement of  
22 revenue, expense.

23 When you get down to where we -- we have  
24 separated out now before we get to depreciation.  
25 There's an operating income before depreciation

1 expense, when you see it on this report. Last  
2 year, that was about \$225,000. That number  
3 increased to about 300 and -- call it \$350,000 for  
4 this year. That still -- it looks like a net  
5 increase of about \$124,000 and change.

6 The reality is it's significantly larger than  
7 that, because you now have a real cash  
8 contribution in this mix that's a new revenue  
9 number. I mean, new cash into the Airport  
10 Authority last year of \$720,000 and change.

11 So, you -- you overcame the -- nearly the  
12 entirety of the -- of the fallout of noncash,  
13 replaced it with real cash, and in fact, brought  
14 another \$124,000 of new money into the -- into the  
15 Airport Authority, too.

16 So it -- it's a real positive thing. It  
17 could have been really ugly when you looked at --  
18 had no significant increase in revenue been  
19 realized this year, you would have looked at that

20 lease revenue item and wanted to know what we did  
21 with about 30 percent of the rent, because it  
22 would look like it's missing. And as a result, we  
23 kind of avoid that by having a very good revenue  
24 year.

25 MR. BRUNSON: This is not an accountant



1 question, but it's just something I -- based on  
2 this financial statement, there's no contingent  
3 liabilities we have, anybody suing us.

4 MR. WUELLNER: No, sir.

5 MR. BRUNSON: And also, there's no income  
6 that we're -- should be receiving from anybody and  
7 all this has been settled?

8 MR. WUELLNER: Yes, sir.

9 MR. BRUNSON: And the -- and the Araquay Park  
10 and all this is settled. How about lost assets of  
11 something we might have to dispose of to hurt our  
12 balance sheet?

13 MR. WUELLNER: No, sir.

14 MR. BRUNSON: Good.

15 MR. WUELLNER: Everything's good.

16 MR. BRUNSON: That's great.

17 MR. WUELLNER: I'm sorry.

18 CHAIRMAN GREEN: Go ahead, Jeff.

19 MR. ZEICHNER: Oh, no trouble. A lot was

20 said. I was hoping just to point out one thing.

21 You can actually see on Page 8, towards the

22 bottom, what we recognize in deferred revenue.

23 Down towards the bottom of the page, under the

24 caption Reconciliation Of Operating Loss To Net

25 Cash Provided (Used) By Operating Activities, it

1 shows that deferred rent revenue, which was --  
2 because it's comparative, shows you what we  
3 recognized in 2007 and in 2008.

4 In 2007, the airport recognized \$928,000 of  
5 revenue, which was prepaid a long time ago. And  
6 the current year, this past year, it was \$331,000.  
7 So that's about \$600,000 of revenue which we made  
8 up with -- with actual cash.

9 What -- really what that shows is we've had  
10 so many projects in the works through 2006 and  
11 2007. These are finally coming on line and we're  
12 actually generating revenues from them and it  
13 really shows you're moving in a really good  
14 direction.

15 And since we brought up the statement of  
16 activities on Page 7, I'll just mention one other  
17 thing. These look a little different than they  
18 have in the past. Management had always been  
19 concerned that depreciation expense, the noncash

20 expense, was always included in operating income.

21 The concern was that we generally don't

22 purchase these -- these capital assets with our

23 own money. They're generally paid for by the FDOT

24 or the FAA. The revenue from which is recognized

25 down here under nonoperating revenue and expenses,

1 the depreciation of which is recognized in  
2 operating expenses.

3 Management asked if it would be appropriate  
4 to report an intermediate measure. And we just --  
5 we found that it was appropriate and perfectly  
6 fine to do. So now we do show a line item which  
7 shows operating income before depreciation  
8 expense. It's a surplus of \$349,000 for 2008.  
9 \$225,000 for 2007. Then we add depreciation,  
10 which is nearly \$2 million this year, and then  
11 there is a net operating loss because of that  
12 depreciation expense.

13 I've been here much longer than I thought I  
14 was going to be, but I'll just quickly touch on  
15 Page 8. This is the Statements of Cash Flows.  
16 And this is really interesting to me. As long as  
17 I've been with you, which has been about five  
18 years now, I've never seen this.

19 The statement of cash flows is essentially a

20 statement of activities, your income statement,  
21 adjusted to take out all accrual accounting, all  
22 noncash expenses. If you look under Operating  
23 Activities, the very first column, the bottom --  
24 the subtotal there is Net Cash Provided By  
25 Operating Activities. And there's actually a

1 surplus of \$73,000. Last year, there was a  
2 deficit of \$873,000.

3 As long as I've been here, I've never a seen  
4 a surplus of cash from operating activities. So I  
5 think that's a -- a really good indicator.

6 MR. GEORGE: Correct me if I'm wrong, that's  
7 what we're going to need to get off the tax rolls  
8 so that we can have capital improvements. That's  
9 a good direction.

10 MR. ZEICHNER: That was really all I had  
11 prepared for you. If you have any questions,  
12 Harold or I would be happy to entertain them.

13 CHAIRMAN GREEN: I didn't have any board  
14 comment on that. Some board comment? Do you  
15 have -- I mean, I'm -- after being on this board  
16 for eight years, this is exactly what we've been  
17 fighting for.

18 MR. GEORGE: That's right.

19 CHAIRMAN GREEN: The capital improvements are

20 finally coming to fruition. It's like seeding the  
21 ground and now we're seeing the flowers and the  
22 fruits all coming in, so --

23 MR. WERTER: Note worthy for a media release.

24 CHAIRMAN GREEN: I think so.

25 MR. GEORGE: I have a -- a comment to make to



1 get your concurrence, Ed. This Operating Revenue,  
2 Page 7 at the top, parking and concession fees,  
3 was that totally related to Skybus? The bulk of  
4 it?

5 MR. WUELLNER: Almost all of it, yes.

6 MR. GEORGE: Well, I only want to point out  
7 that while Skybus, we did invest in the hangar,  
8 which we still have those assets, you know,  
9 there's the quantity of dollars that you're  
10 talking about from nonlanding fees, nonfuel. And  
11 this is just from parking and those, you know,  
12 concessions that we have there. So when we get to  
13 the point of looking at another airline coming in,  
14 this is where these numbers are coming from.

15 MR. WUELLNER: Uh-huh.

16 MR. GEORGE: So we need the public to  
17 understand that.

18 MR. WUELLNER: I would also point out that  
19 the concession fee portion, which is largely made

20 up of rental car fees, that's only about --

21 CHAIRMAN GREEN: A few months.

22 MR. WUELLNER: -- ten weeks.

23 MR. GEORGE: Yeah.

24 CHAIRMAN GREEN: Yeah. Any other board

25 comment?

1 MR. GEORGE: Thank you.

2 MR. MONK: Thank you, very much.

3 MR. BRUNSON: Thank you, very much.

4 CHAIRMAN GREEN: Thank you. Jack, did you --

5 are you okay?

6 MR. GORMAN: Yeah. I'm fine. It has nothing

7 do with this audit, so I'll bring that up later

8 on. We're just --

9 CHAIRMAN GREEN: Okay.

10 MR. GORMAN: -- it's a terminal discussion.

11 CHAIRMAN GREEN: Okay.

12 MR. WUELLNER: Thanks, guys. Appreciate it.

13 MR. ZEICHNER: Thanks. See you.

14 EXECUTIVE DIRECTOR'S PERFORMANCE OBJECTIVES

15 MR. WUELLNER: Apparently your next item is

16 the performance objectives, or you can -- if you

17 want to just get through some of the other items

18 and do that at the end, that's fine, too.

19 CHAIRMAN GREEN: It doesn't matter. I mean,

20 it's on here. There was one person that was  
21 particularly interested in it and I tried to get  
22 him, but he had to go. So he left me his -- his  
23 notes.

24 MR. WUELLNER: Oh.

25 CHAIRMAN GREEN: So I think we -- we've

1 continued this and continued this. We need to get  
2 it on the table and get it done.

3 I had asked board members -- I had sent out a  
4 couple of proposals, and people's input,  
5 Mr. Lopinto, and mine, and Wayne George and I.  
6 Did not receive anything from anybody else. So,  
7 this is what we have to work with. I mean, it  
8 doesn't mean we can't put two cents in now, but  
9 this is what we've had to go, to go forward with  
10 to make proposals.

11 So, what we're looking for here is when we  
12 discussed the budget, we had discussed a quote  
13 unquote incentive or bonus structure, but we had  
14 to have a criteria on to which we would measure  
15 those performances.

16 And, Wayne, you put together the airport  
17 executive director objectives, and that was sent  
18 to everybody. And, Wayne, you've done some  
19 accounting information on it. You want to explain

20 what you've gotten?

21 MR. GEORGE: Okay. If you go back to the  
22 meeting where we approved the -- his contract, we  
23 were talking about what types of judgments do we  
24 need to put into place for the award of, you know,  
25 an additional compensation. And some of the

1 correspondence that was generated -- I think Joe  
2 Lopinto brought up some --

3 MR. WUELLNER: Yeah.

4 MR. GEORGE: -- I think we got apples and  
5 oranges mixed up. But we got down to defining  
6 what Mr. Wuellner's job is and how he takes care  
7 of the staff and he takes care of this. And all  
8 of those are considerations and some of the things  
9 that I would hope that all the board members have  
10 been doing nonformally, but doing over the last  
11 few years when we did our ratings and everything.

12 But the -- back to the objective of what do  
13 we do for a bonus, I have always felt that you  
14 can't hold somebody responsible for something you  
15 didn't tell him what -- what it was. And the ones  
16 that I put together are the ones from a -- from a  
17 financial standpoint, that put emphasis on let's  
18 get the revenue up and let's get the expenses  
19 down. Donna was nice enough to put together for

20 another project that we had --

21 CHAIRMAN GREEN: There's some --

22 MR. GEORGE: Are there? Right there? The

23 red line on this chart, Ed, you haven't -- would

24 you like to have one, Ed?

25 MR. WUELLNER: I wouldn't mind.



1 MS. BARRERA: Here I can share. They're not  
2 the same.

3 MR. BRUNSON: Okay. They're not the same.  
4 Which one is yours?

5 MS. BARRERA: You and I are going to have to  
6 share.

7 MR. GEORGE: Anyway, what -- what it shows is  
8 the top line is operating revenue. The next line  
9 is expenses not counting depreciation, and then  
10 the red line is depreciation. Disregard the --  
11 the red line. We have been doing a long time from  
12 an operating revenue to operating expenses a job  
13 that says we are making a profit.

14 CHAIRMAN GREEN: Uh-huh.

15 MR. GEORGE: But when we get off the tax  
16 rolls, the contribution to day-to-day capital  
17 projects has got to be that difference in the blue  
18 line and the yellow line, you know, or the profit,  
19 you know, that we can carry over to the next year.

20           So, I wrote up those objectives to clearly  
21           define to Mr. Wuellner that, hey, this is what we  
22           want you to do. We want you to operate the  
23           airport as you have always done, you know, with  
24           those other criteria, but putting specific  
25           emphasis on let's increase the size, you know, of

1 profit, if you will, between those two lines. And  
2 that was my rationale for putting that together.

3 MR. BRUNSON: Excuse me, Wayne. When you  
4 look at operating income, the blue line --

5 MR. GEORGE: Uh-huh.

6 MR. BRUNSON: -- and you're at \$3 million; is  
7 that right?

8 MR. GEORGE: Donna? Okay. I got it. Go.

9 MR. BRUNSON: Okay. And then you say the  
10 yellow line is expenses.

11 MR. GEORGE: Expenses not counting  
12 depreciation.

13 MR. BRUNSON: Okay.

14 MR. GEORGE: That's that new number on the  
15 audit report.

16 MR. BRUNSON: And the two, the two is the  
17 difference between there now, property tax income  
18 for 2008 or 2007 --

19 MR. GEORGE: That's capital.

20 MR. BRUNSON: Okay. But it's still property.

21 MR. GEORGE: But it's not included in

22 these -- in my chart.

23 MR. BRUNSON: Okay. But -- but when -- so

24 this \$2 million is strictly the operating

25 revenues.

1 MR. GEORGE: From 2007, \$3,024,528, that is  
2 operating revenue. Has nothing to do with the  
3 revenue that we got from capital grants --

4 MR. BRUNSON: Right.

5 MR. GEORGE: -- or from other capital input,  
6 like from taxes. Just from rent.

7 MR. GORMAN: You're just talking about leases  
8 and --

9 MR. GEORGE: Leases. Exactly, right.

10 MR. GORMAN: Exactly.

11 MS. BARRERA: Parking and concession.

12 MR. GORMAN: Parking and concession.

13 MR. GEORGE: So what it's --

14 CHAIRMAN GREEN: I mean, look at -- yeah,  
15 look at the difference between line number --  
16 Number 1, the number operating revenue and then  
17 your bottom number --

18 MR. GEORGE: Right.

19 CHAIRMAN GREEN: -- each year and you see how

20 it's -- the direction it's going. Greater

21 disparity between the two.

22 MR. GEORGE: Exactly. So we've got a little

23 over \$200,000 in operating profit, if you will,

24 less depreciation, which if you go to the audited

25 report, Page 7, for the year 2007, it's \$225,171.

1 MR. BRUNSON: Yeah.

2 MR. GEORGE: And all I'm saying is if we get  
3 off the tax rolls, you've got this capital that  
4 we've been trying to put out at \$4 million a year,  
5 you know, adding this and adding that and adding  
6 on, you know, new items.

7 We've got to have our contribution to that  
8 capital come from somewhere. And that's a part of  
9 the reserve. And I think that one of the things  
10 that we had all said was if we get a major  
11 product -- project in, then you look at other  
12 avenues of finance.

13 One is to borrow the money based on the  
14 strength of the lease. For instance, if we had  
15 Grumman asking for a -- a larger facility, we  
16 could go out and do a bond issue or something like  
17 that. But we still have to have that operating  
18 revenue to -- difference for the capital things  
19 that we're not going to go out and rent on.

20 MR. GORMAN: Also, if this board later on is  
21 going to talk about land acquisition, you're going  
22 to talk about further capital expenses. If you're  
23 going to further capital expense things, then  
24 you're going to have to think about the future,  
25 whether or not you're going to still stay off the



1 tax roll.

2 In other words, whether that -- whether  
3 you're going to be -- like Buzz says, you're going  
4 to be able to afford the finance for the profits  
5 without going back into a revenue stream that is  
6 taxing -- is part of taxation. Just something to  
7 think about when you're going to approve or  
8 disapprove.

9 MR. GEORGE: Anyway, that was one of the  
10 reasons that I thought we ought to define to the  
11 executive director that these are the things that  
12 we'll look at as far as accomplishments to see if  
13 there's going to be additional compensation and to  
14 use that as some judge or some guideline of how  
15 much potential compensation.

16 MR. BRUNSON: Just like a real business.

17 MR. GEORGE: Yeah, kind of, right.

18 CHAIRMAN GREEN: We kind of opened up to  
19 board discussion. I do have some public.

20 MR. GEORGE: Oh, okay. I'm sorry.

21 CHAIRMAN GREEN: Joe?

22 MR. LOPINTO: Thank you. Thank you, Madam

23 Chairman. I made my comments in an e-mail to

24 foster some more discussion in this area, and

25 probably even broadened up the overall aspect of

1 it.

2 I do have some experience in incentive  
3 compensations in the -- in the private sector, and  
4 the basis -- and even as a manager, it was always  
5 that a job description served as the underlying  
6 support for any compensation program, be it either  
7 incentive or on an annualized basis.

8 And in looking at appendix A of the executive  
9 director's contract, it's a very good want ad,  
10 frankly. I know a lot of people may have done a  
11 lot of work on it, but it's just a want ad.

12 There's not too much meat hanging on it. I think  
13 it's a good start. It does provide the good basis  
14 and foundation for coming up with a job  
15 description.

16 Having said that, I'd like to have my  
17 comments move over towards compensation, which can  
18 be anything across a straight annual salary to  
19 incentive. But concentrating more on the

20 incentive programs, I think Mr. George is correct;  
21 you've got to tell somebody what they are being  
22 measured on before you can provide an incentive  
23 compensation for them.

24 And we had that discussion about getting off  
25 the tax rolls and providing a -- a compensation

1 incentive for that. And the question I asked, was  
2 the executive director advised of that two years  
3 or four years ago. And the answer was no. And I  
4 said, well, how can you measure him on something  
5 that he was unaware of. So I think we're all in  
6 agreement on that aspect.

7 But if you get to where you're only looking  
8 at financial items for incentive compensation, I  
9 happen to think that there may be other items that  
10 can't necessarily be measured with a fine pencil  
11 that still produce overall compensation in revenue  
12 and income and profits to the company.

13 For example, an effective noise abatement  
14 program or an effective environmental program.  
15 How do you measure that? But it does produce  
16 revenue. It does produce profits. People will  
17 want to come here with their airplanes.

18 You'll have less, hopefully, legal fees in  
19 that -- defending the airport and airport noise

20 abatement activities. If you put in more capital  
21 projects that allow you to bring in more  
22 airplanes, how do you measure those items?  
23 So, I -- I asked the question, what areas  
24 should be incentivized, financial only or  
25 nonfinancial? But these are all part of the

1 overall job description. As a manager, don't you  
2 want somebody to increase your revenues and  
3 decrease your expenses?

4 The other -- other parts of it are what's an  
5 ongoing objective versus a one-of event? Which  
6 ones are you going to provide the incentive  
7 compensation for? And there are other airports  
8 out there that are doing some of these  
9 incentivized programs, bonus programs, and I  
10 offered some resources there.

11 I asked the question, is the merit bonus  
12 allowed for in the -- in the airport charter, and  
13 the account -- the Authority's attorney advised,  
14 yes, they were.

15 There are some other issues. Can this  
16 program be viewed by future boards as a slippery  
17 slope that they have to continually provide for  
18 it? So I think in any casting of the -- of the  
19 program, I think it has to be thought of in

20 that -- that area. And should the extent -- and  
21 should the incentivized program, and I think this  
22 is key, be extended beyond an individual basis?

23 As we all know, this airport is a makeup, a  
24 compilation of almost 30 employees, all  
25 contributing in each of their individual area, but



1 the sum of those parts produce a greater whole.

2 So my question to the Authority is, can you  
3 look at an incentive program on a pool basis which  
4 then gets factored by the salary amount of each  
5 individual that contributes to that? And then can  
6 even be factored again by the individual's overall  
7 performance appraisal. And there are many  
8 programs out there that -- out there that allow that.

9 I think from a morale standpoint, by  
10 including of casting all the employees in there, I  
11 think you'll foster everybody moving up the  
12 mountain in the same direction.

13 And then I think there's some larger issues,  
14 some overriding issues that really would provide  
15 some -- some understanding. What is the business  
16 of the airport? What widget does the airport  
17 produce, if any at all? Is the airport a  
18 development company? Is it a service company? Do  
19 we just build hangars?

20           So, these are -- these are -- these are  
21           questions I think you have to ask yourself in its  
22           totality before you can start to go down this  
23           incentive program. Personally, also I feel that  
24           many of the incentive programs that are used in  
25           the private sector drive executives, and I'm not

1 saying this to our current executive director, but  
2 drive executives to look at short-term goals,  
3 where as an airport, I believe has a very  
4 long-term horizon with respect to making the  
5 airport work.

6 Thank you. And I'm available for any  
7 questions.

8 CHAIRMAN GREEN: We have a note from  
9 Mr. Peter Voghel, V-o-g-h-e-l, who wanted to speak  
10 on this, and his comments were that he wished that  
11 the board would consider compensation on a growth  
12 basis, pretty much the performance of our real  
13 estate, the performance of our leases.

14 Again, I guess that's towards revenues, but I  
15 don't want to speak for him. But that was his  
16 idea, as you would do in any type of real estate  
17 business that owns property and has  
18 landlord/tenant type of situations. So, I told  
19 him I'd repeat that for him since he was on the

20 way out.

21 All right. I have no more public comment.

22 Board comment. Jack?

23 MR. GORMAN: It's -- one of the things that I

24 had thought about myself, only because it fosters

25 such a team effort -- and I think Mr. Wuellner

1 right now has a good team effort going with this  
2 effort. I think his employees are loyal to him,  
3 and I think he does a pretty good job.

4 But Mr. Lopinto brought up extending beyond  
5 the individual, which I really like that idea. In  
6 other words, if you're going to have a bonus,  
7 let's extend that beyond the individual and beyond  
8 just Mr. Wuellner, because it's not the airport in  
9 total. He is the leader of the airport and the  
10 airport's function.

11 I had often thought about, well, if you're  
12 really going to get this thing on track, it worked  
13 for Federal Express, it worked for a number of  
14 different corporations, profit sharing for  
15 employees. You know, prorate it for -- you know,  
16 according to their -- their responsibility level.  
17 I often liked that. I often thought it worked  
18 well. In other words, so that if you've got a  
19 profit sharing program, Mr. Wuellner profits, his

20 staff profits. I think that in terms of a bonus.

21 I'm just extending it beyond -- because I

22 think Mr. Wuellner's pretty well compensated now,

23 but I don't have a problem if he really drives his

24 team further and really makes more money and

25 really keeps us off the tax rolls, rewarding the

1 whole team for it. Thought, just a thought.

2 CHAIRMAN GREEN: Other board comment?

3 MR. WERTER: Well, if I may. I don't know if  
4 I'm officially --

5 CHAIRMAN GREEN: Can he make comment?

6 MR. WERTER: Where do I -- where do I fall  
7 in? Do I get up at the mic or stick at this mic?

8 MR. BURNETT: It's at the discretion of the  
9 Authority on what y'all want to allow happen. I  
10 think y'all have allowed elected members to speak  
11 plenty of times before. It's entirely up to  
12 y'all. And of course Mr. Werter can certainly  
13 comment, he just won't be able to vote.

14 CHAIRMAN GREEN: Right. That's what I'm  
15 saying. Just as any public comment, I would think  
16 there's no problem with you commenting.

17 MR. WERTER: Well, when you first addressed  
18 this a few months ago as to his contract and  
19 the -- the idea -- not the idea, but the bonus

20 issue came up there, I was at that time concerned  
21 with the lack of parameters on their lack of  
22 basis. So I'm glad to hear that's being addressed  
23 today.

24 The -- yeah, I don't know how it would foster  
25 the subordinates in them not sharing in this



1 program, so maybe the bulk idea of a bulk bonus  
2 that is distributed in some sort of fashion, some  
3 sort of percentage. But the itemization of the  
4 bonus, like what do you base it on, that is a big  
5 issue, and Mr. Lopinto's right on that.

6 Do you itemize it, okay, on land development?  
7 You know, a percentage of this much production.  
8 Increased traffic or if we get another commuter  
9 service. Or is it a judgment call, again, within  
10 some sort of parameters? And that would be an  
11 area that I have thought about months ago when you  
12 first addressed the issue.

13 The product of the airport goes way beyond  
14 aviation. It's aviation. It's land development.  
15 It's service providing. It's all of those. So  
16 it's a very difficult issue. The thing is, how do  
17 you set a parameter and steer clear of itemized  
18 base, which can be quite burdensome?

19 CHAIRMAN GREEN: Doug, on the charter, I

20 mean, I know it authorizes us, because we review  
21 the executive director's contract, so we do not  
22 review other employees.

23 MR. BURNETT: Yeah. I'm -- a couple of  
24 points of clarification. We don't have the  
25 typical, what you would consider the -- we don't

1 have what you would really consider to be the  
2 ability to do profit sharing.

3 CHAIRMAN GREEN: Uh-huh.

4 MR. GORMAN: I knew you were going to say  
5 that. We're going to have to rename that somehow.

6 MR. BURNETT: Yeah. The other thing is,  
7 Mr. Wuellner is your only contract employee you  
8 have, which is how you typically are -- are easily  
9 able to draw a distinction or a local government's  
10 able to draw a distinction between their top  
11 executive and their other employees.

12 Of course, if the organization itself is  
13 doing well and performing well, it's -- it's  
14 natural that its employees have the potential to  
15 be compensated higher. And I -- and I think you  
16 would find that you typically would be  
17 compensating your employees higher because you  
18 have the ability to compensate them higher with a  
19 well-performing organization, rather than through

20 a bonus-type structure.

21 CHAIRMAN GREEN: Doesn't have to be ongoing.

22 MR. BURNETT: Yes.

23 CHAIRMAN GREEN: Yeah.

24 MR. BURNETT: The other thing is once you do

25 it once, folks expect it year to year.

1           So, you might be -- I'm not trying to nix  
2           anybody's opportunity here and get myself  
3           unpopular with staff, but that's the reality of  
4           dealing with those types of situations; once you  
5           do a bonus, folks expect it every year. So --

6           MR. GORMAN: The bonus is based on profit.  
7           If there's no profit, there's no bonus.

8           MR. BURNETT: I understand. Mr. Wuellner's  
9           case again goes back to being a little different  
10          because in most local governments, the highest  
11          executive is a contract employee and has a  
12          different compensation structure than the rest of  
13          the employees.

14          MR. BRUNSON: Doug, I'm having a hard time  
15          hearing you right here.

16          MR. BURNETT: Yes, sir. I'll just repeat  
17          that last part. In most local governments, the  
18          highest executive, whether it's the city manager  
19          or the county administrator or the executive

20 director of the airport, they're compensated  
21 differently than the other employees because  
22 they're contract employees; you actually have an  
23 employment contract with them, rather than typical  
24 at-will employee that signs up and applies and  
25 becomes an employee, that there's actually

1 negotiation that goes on between you and  
2 Mr. Wuellner. That doesn't happen with other  
3 employees.

4 MR. GORMAN: Can I expound just a minute for  
5 this? Let's not call it profit sharing. Let's  
6 call it bonus redistribution throughout staff or  
7 whatever you want to call it.

8 But just think of the dynamic of it. It has  
9 worked in so many different companies. In other  
10 words, every time you're going to save something,  
11 if an employee thinks this will help me, this will  
12 help us all, he will save.

13 He'll save the diesel fuel. He'll save the  
14 equipment from being ruined. He'll do a little  
15 bit better job, hope his other fellow employees --  
16 that team effort does foster much better cohesive,  
17 you know, effort.

18 And whether or not you can, you know, with  
19 the thinking in the box, call it profit sharing or

20 thinking out of the box, call it bonus

21 redistribution or distribution, I don't know. I

22 just think that's -- that's my own thought on it.

23 MR. WERTER: Is there -- is there any other

24 position, chief position in the county; i.e., you

25 know, Sheriff's Office --



1 MR. GORMAN: Good question.

2 MR. WERTER: -- that has this kind of  
3 situation?

4 MR. GORMAN: Good question.

5 MR. WERTER: And then there's always  
6 Mr. Wuellner will just have to throw a hell of a  
7 party for his subordinates.

8 MS. BARRERA: I've done some research on this  
9 as far as employee suggestion programs that save  
10 companies money, and usually they are short-lived.  
11 They carry on for a few years, but they aren't  
12 long-term programs.

13 The state of South Carolina, I believe, is --  
14 does have a program like that where employees are  
15 given a percentage, an amount of money that  
16 they're able to save. But there are a lot of  
17 parameters involved in that.

18 And I think that might be where you're headed  
19 as opposed to a bonus program across the board,

20 which is a whole different -- and that is, you  
21 know, a more quasi-governmental entity, as we are,  
22 which is -- I think that would require a lot of  
23 research and I think that would be a different  
24 topic than what we're looking at right here today  
25 as far as the executive director.

1 I think that that is expansive and we would  
2 want to look at that independently.

3 MR. GORMAN: The vision is beyond the  
4 individual, including the individual, but I  
5 understand yours -- maybe structuring it with an  
6 existing situation would be much easier --

7 MS. BARRERA: Governmental.

8 MR. GORMAN: -- without reinventing the  
9 wheel.

10 MS. BARRERA: And we would want to look at  
11 that separately, I think, than today's discussion  
12 on the executive director. That --

13 MR. GEORGE: You know, you're -- I agree with  
14 you, Kelly. I think we're mixing oranges and  
15 grapefruits. They're both compensation. They're  
16 both in the same package. But the agenda item, if  
17 you will, is the executive director who is a  
18 contract basis.

19 Many years ago, 10, 15, 20, because of a lot

20 of smart people that started worrying about how  
21 we're going to compensate people and get their,  
22 you know, 140 percent involvement in the company,  
23 they came up with a new position called human  
24 resources. And now human resources is very high  
25 for that reason and also for some other

1 contractual reasons also.

2 But if you want to get into the -- the  
3 grapefruit part, you know, the part about all of  
4 the employees on a profit sharing or something  
5 like that, I think you're going to wind up hiring  
6 a consultant to come in, you know, and look at all  
7 of that. And I would like to Mr. Wuellner to give  
8 us a recommendation that we do need that, that he  
9 thinks that some, you know, benefits can be  
10 derived from it.

11 But back to the item of today's agenda, we  
12 are trying to establish some criteria that can be  
13 passed to Mr. Wuellner of what we will use to --  
14 what we will use as a part of the overall analysis  
15 of whether an additional compensation over and  
16 above his contract amount, you know, is warranted.

17 That's not saying that we will put 200  
18 percent weight on reducing the expenses or 10  
19 percent weight or we'll even consider it. But

20 we've got to tell him that our thought pattern as  
21 of the present time, this is the most needed  
22 direction of this company, if you will, and that  
23 is, we're going to lose in two years the revenue  
24 coming in for capital expenditures and we've got  
25 to get those lines going in different directions

1 with eventually it covering the depreciation also.

2 CHAIRMAN GREEN: Buzz? I'm sorry. Randy?

3 MR. BRUNSON: Yeah, the -- just to address a  
4 few of the comments. There's a difference between  
5 a contract that we'll give Mr. Wuellner and --  
6 that might include the incentives and what you're  
7 just talking about.

8 And I agree with Kelly, this is not the time  
9 for us to come up to -- with, if you save the  
10 airport \$200,000, you can receive a half of one  
11 percent as a bonus or anything -- or anything like  
12 that. But this board can make decisions, but the  
13 board next year can make other decisions.

14 MR. GEORGE: Exactly.

15 MR. BRUNSON: So we're -- we're not on a  
16 slippery slope. And I think this excellent board  
17 that I've been associated with for four years has  
18 given direction monthly. You know where we want  
19 to go and what we -- we anticipate.

20 But any business I've ever run, it boils down  
21 to two things, revenues and expenses. And we are  
22 going to lose \$4 million in revenues if we do what  
23 we said we're going to do. And -- and there's no  
24 doubt in my mind that this board is going that way  
25 and there's no doubt in my mind that staff and



1 Mr. Wuellner is going that way.

2 So, I think we just need to get down to the  
3 arithmetic. And I think at the end of the year,  
4 we can look at the operating income and the  
5 statements, and it's -- it will be simple  
6 arithmetic of what we do in the way of a bonus.

7 CHAIRMAN GREEN: Well, I agree with you in  
8 part that, so we're consistent and other boards  
9 have direction -- obviously they're going to do  
10 what they want, I agree. So we look at the  
11 revenue. We look at the expenses. See what's  
12 gone up and what's gone down, and the difference,  
13 and what we're -- take out the depreciation, like  
14 you said, so they're real numbers.

15 MR. GEORGE: In relation to the budget.

16 CHAIRMAN GREEN: Right. So those two items.  
17 Three coming from what you proposed. I do like  
18 the idea of what type of PR work has the executive  
19 director done for this airport. That has been

20 very vital.

21 It's not a number. But I think we need to

22 look at we put out press releases. We got the

23 bike race here. You know, things like that.

24 Projects that came up for PR I think need to be a

25 factor. That would be a third one that I would

1 like to have in there.

2 MR. BRUNSON: May I say, Madam Chairman, and  
3 the board can agree on that when we -- when we  
4 analyze that, but that's something that's  
5 subjective.

6 CHAIRMAN GREEN: Oh, it is. There's no  
7 question.

8 MR. BRUNSON: But the revenues and expenses  
9 are not subjective. Now, that PR ties into the  
10 revenue, but I think it's an excellent point  
11 you're making.

12 CHAIRMAN GREEN: I just think there's hard  
13 numbers which are easy to look for, but we also  
14 have some subjective ones we need to look at, too.

15 Did we have construction projects that were  
16 managed properly and completed on time and, you  
17 know, done in accordance with the contract?

18 That's not a number issue per se. It could be if  
19 it's completed early and the contract was written

20 the right way, what have you. But I think that's

21 another.

22 I'm trying to get out bullet points that we

23 can put down, that these are what we're looking

24 for, these are our incentives, and then we just

25 analyze it as a board as far as bonus or incentive

1 or whatever.

2 MR. GEORGE: When we -- when we approved the  
3 contract, when the members of the board that were  
4 seating at that time approved the contract, we  
5 committed to Mr. Wuellner to get back to him some  
6 further definition of this potential in additional  
7 compensation because of incentive.

8 And I would -- I would suggest that we take  
9 everything that has been written down and say that  
10 the board will consider these items along with any  
11 other ones that they feel are important in coming  
12 up with whether a bonus is issued and how much  
13 that bonus should be. That's not tying anybody  
14 down to saying, the budgeted expense has got to go  
15 down 5 percent for me to give you \$500.

16 All we're trying to do -- all I think we're  
17 trying to do is to get the thought pattern of  
18 what's important to this board on a piece of paper  
19 so that a year from now, somebody has that. So

20 that was the frame of mind, and I agree with it or

21 I don't agree, throw it out or put more weight on

22 it.

23 MR. WERTER: Can it be sort of like a formula

24 like when you have the -- the fixed items, the

25 items that you can put a percentage point to, and

1 then a subjective determination based on various  
2 factors, like you just mentioned, a certain  
3 percentage range, 20, 25 percent of fixed can be  
4 added on to at the discretion of the board,  
5 considering the following items, a formula sort of  
6 that?

7 MR. GEORGE: Okay. The formula considering  
8 the following items. That's what we're doing here  
9 today.

10 MR. WERTER: Yeah, on top of the -- on top of  
11 the fixed items. In other words, you've got the  
12 fixed item calculation. If you come up with like  
13 1 percent of net profits or something like that  
14 can be awarded as a -- as a bonus, that bonus may  
15 be added to based on the following factors to the  
16 amount of up to 25 percent, something of that  
17 nature.

18 MR. GEORGE: XYZ Airlines falls out of the  
19 sky into St. Augustine with nine trips starting in

20 March. All of a sudden, your 1 percent number is

21 blown out.

22 CHAIRMAN GREEN: It's huge.

23 MR. GEORGE: That's why I'm saying of the

24 budgeted number.

25 MR. WERTER: I threw that out. I wasn't



1 using it as a --

2 MR. GEORGE: No, but I don't agree with  
3 setting any numbers it has to be reduced by this  
4 amount or expenses or increased. But we're just  
5 trying to give direction that this is important to  
6 us.

7 MR. WERTER: Yeah.

8 CHAIRMAN GREEN: Kelly?

9 MS. BARRERA: What I remember when we went  
10 over this was our intent of an idea of a merit  
11 increase beyond the job performance increase.

12 We were looking at job performance one, which  
13 PR would have fallen into job performance. That  
14 would be a part of job performance. Ed should be  
15 responsible for the public relations as a part of  
16 an executive director. But we were looking at the  
17 special situations, like when Skybus came and the  
18 amount of extra work and extra accomplishment and  
19 extra revenue and rewarding those situations.

20 CHAIRMAN GREEN: That's similar to what

21 you're saying about what was budgeted. Well,

22 Skybus wasn't budgeted per se --

23 MR. GEORGE: Right.

24 CHAIRMAN GREEN: -- and look what the work

25 performed reaped.

1 MS. BARRERA: The above and beyond and the --  
2 and the financial benefit to the airport that  
3 above and beyond created.

4 MR. GEORGE: Right.

5 MR. BRUNSON: That would be --

6 MS. BARRERA: Well, we're looking at some of  
7 these.

8 MR. BRUNSON: That would be hard for me to  
9 judge.

10 MS. BARRERA: But those would have to be  
11 judged by the board at the -- at the time of the  
12 performance appraisal.

13 MR. GEORGE: So that's five subjective  
14 opinions.

15 MS. BARRERA: But I think that if -- we don't  
16 want to put in the job description items, because  
17 the idea of this is beyond the job description  
18 items of the merit. And so, I have a difference  
19 of opinion as far as that's concerned --

20 CHAIRMAN GREEN: Uh-huh.

21 MS. BARRERA: -- as to the intent.

22 MR. GEORGE: I agree with you that the PR is

23 responsibility. The PR as was done three years

24 ago versus the PR --

25 CHAIRMAN GREEN: Right.

1 MR. GEORGE: -- that was done now is a  
2 dramatic increase --

3 MS. BARRERA: But that's been a process.

4 MR. GEORGE: -- toward the direction the  
5 board is saying what's important to them.

6 MS. BARRERA: And that's a part of that  
7 annual job performance project.

8 MR. BRUNSON: He's doing his job.

9 MS. BARRERA: Right.

10 MR. GEORGE: Right.

11 MS. BARRERA: That's one of the things that  
12 as a board, we came together and said we want to  
13 see more of that. So I don't think that that  
14 would be something that would be incentivized on a  
15 merit basis above and beyond the job performance.

16 MR. GEORGE: It would definitely play a big  
17 part in my subjective analysis of the  
18 possibility --

19 MS. BARRERA: Job performance or merit above

20 and beyond?

21 MR. GEORGE: Job performance.

22 MS. BARRERA: All right. But see, that comes

23 into the regular contract.

24 CHAIRMAN GREEN: Regular salary increases.

25 MR. BRUNSON: And whether you would decide to

1 give him a pay raise or not.

2 CHAIRMAN GREEN: Hold on.

3 MS. BARRERA: Of going above, giving the CPI.

4 MR. GEORGE: Well, you could say that the

5 budgeted expenses plus and minus anything else

6 that this board approves throughout the year, that

7 there's a meets performance, so there's a

8 performance criteria also.

9 MS. BARRERA: And if there's an exceeding

10 meets performance but then there's the situation

11 like the Skybus situation, which was above and

12 beyond --

13 MR. GEORGE: But that would have been

14 approved as it went --

15 MS. BARRERA: -- and that was my

16 understanding of the contract.

17 MR. GEORGE: That's why the budget is -- the

18 budget is not a speed limit target; it's an

19 enforceable, you know, speed bumps, so to speak.

20           And if you look back at our, you know,  
21           performance, we've had all sorts of reasons why we  
22           have exceeded budget every year, operating expense  
23           budget. I'm saying let's don't -- that's  
24           performance. Okay.

25           CHAIRMAN GREEN: Okay. We've got a lot of



1 other agenda items, so I want to kind of try and  
2 wrap this up so we get direction.

3 MR. GEORGE: I would like to suggest that we  
4 create a document for Mr. Wuellner that says, the  
5 item in your contract as far as additional  
6 compensation will be reviewed by the board, and  
7 here are some of the items, some of the items that  
8 they will consider when determining if and how  
9 much, you know --

10 CHAIRMAN GREEN: Merit.

11 MR. GEORGE: -- at a merit increase --

12 MS. BARRERA: Should one be warranted.

13 MR. GEORGE: Right. Exactly.

14 MS. BARRERA: Because it may be a situation  
15 where one's not warranted or the economy doesn't  
16 call for -- that we would be able to.

17 MR. GEORGE: If we do that, we're not tying  
18 the hands of the board then.

19 CHAIRMAN GREEN: Right.

20 MR. GEORGE: We are completing our obligation  
21 to Mr. Wuellner that we will put something like  
22 that in black and white, but it would be a clear  
23 understand --

24 MS. BARRERA: Starting point.

25 MR. GEORGE: A starting point, right.

1 MR. WERTER: It's also good on PR because I  
2 was worried also about the appearance of  
3 impropriety with a blank check type of bonus  
4 system. That's something I thought about a few  
5 months when we decided --

6 MR. GEORGE: Okay. Well, I had never  
7 envisioned it as a blank check.

8 MR. WERTER: Well, I agree you didn't --

9 MR. GEORGE: I envisioned it as five people  
10 that will, like they do everything else, as far as  
11 getting their input in, you know, and --

12 CHAIRMAN GREEN: Buzz?

13 MR. WERTER: But it's also a good idea to  
14 have the written guidelines as suggested, because  
15 that was -- at that time, it wasn't addressed and  
16 I was thinking how would this look to the public?

17 CHAIRMAN GREEN: Buzz, are you volunteering  
18 to put that piece of paper together if we wrote  
19 down our ideas?

20 MR. GEORGE: Yes, ma'am. I will -- I will --

21 MR. BRUNSON: I second.

22 MR. GEORGE: I will put it together, send it

23 to you and then you can distribute it.

24 CHAIRMAN GREEN: Well, send it to Cindy.

25 MR. GEORGE: Send it to Cindy, right.

1 Through Cindy.

2 CHAIRMAN GREEN: But you've heard some of our  
3 ideas here about the budget, budgeted revenue,  
4 budgeted expenses. I like Kelly's idea about  
5 merit meaning above and beyond what the job  
6 description is to be considered.

7 MS. BARRERA: Way above and beyond.

8 MR. GEORGE: Yeah.

9 MS. BARRERA: Not just above and beyond.

10 CHAIRMAN GREEN: Well, I think -- it's going  
11 to be subjective to the board.

12 MS. BARRERA: Extremely above and beyond.

13 MR. GEORGE: I would suggest that when I send  
14 it to Cindy and she sends it to you, that you ask  
15 for additions and deletions or whatever from all  
16 of the members back by a certain time period and  
17 then we incorporate theirs into it.

18 CHAIRMAN GREEN: Uh-huh.

19 MS. BARRERA: I think once you have it more

20 concrete -- when I received the information that  
21 was put together and put out as far as this  
22 discussion, it all sounds very reasonable. But  
23 when you put it into concrete, you want to have it  
24 more fine-tuned.

25 MR. GEORGE: I didn't want it concreted. I

1 want it to be very fluid.

2 MS. BARRERA: But from an idea standpoint and  
3 then you take it from a discussion and then an  
4 implementation standpoint.

5 MR. GEORGE: Right. Okay.

6 MR. BRUNSON: Madam Chairman, I thought that  
7 I was going to be sitting with -- on the wall  
8 tonight, so I have another appointment in Ponte  
9 Vedra that I have to go to.

10 So -- but I just want to, if you'll allow me  
11 briefly to say that this will probably be my last  
12 board meeting and it has been a genuine pleasure  
13 to serve on this board.

14 I think this board and the way Suzanne and  
15 Wayne has chaired and different people has been  
16 excellent, and I think other boards throughout the  
17 county should come and observe how we operate and  
18 how we get things done quickly. And it's been a  
19 real pleasure and I look forward to giving some

20 input occasionally and wish I could be with you

21 some more. But it's been a real pleasure.

22 MR. GEORGE: Well, we're going to miss you.

23 MR. BRUNSON: Thank you. Okay. Talk to you

24 soon.

25 MS. BARRERA: Goodbye, Randy.



1 CHAIRMAN GREEN: Until later.

2 (Mr. Brunson leaves the meeting.)

3 MR. WUELLNER: Moving on?

4 CHAIRMAN GREEN: Yeah.

5 WIND DANCER LEASE AGREEMENT

6 MR. WUELLNER: Next item I have is related to

7 Wind Dancer. You probably recall that back, it's

8 been about 60 days now, maybe not quite, Wind

9 Dancer made a request to pick up the space for Top

10 Gun and then also sort of simultaneously made a

11 request to reduce the rental rate for a period of

12 time related to that lease, which the board acted

13 on generally favorably.

14 When we got down to the -- the lease

15 agreement and transmitted the draft lease

16 agreement up to Gene's brother, they realized that

17 the original request did not include the ability

18 to sublease up to 25 percent of the floor space,

19 which your policy does allow for, but it's not an

20 automatic provision. It does require your

21 approval.

22 Among other things, other issues have come up

23 in that they have declined or at least at this

24 point are not wanting to execute a personal

25 guarantee related to the lease, as required by

1 policy, with no meaningful alternate, you know,  
2 provided to us as to how that would be  
3 accomplished. They, more than the guarantee idea,  
4 object to the form of the agreement -- of the  
5 personal guarantee as was drafted by -- by Doug  
6 sometime ago.

7 The other item of concern that I have is that  
8 it's -- they're also wanting to be exempted from  
9 providing financial reporting as it goes related  
10 to the business. This is a public benefit type  
11 business on the airport, and the Authority  
12 regulates that activity. And -- on those kinds of  
13 leases, and including our FBO leases, that kind of  
14 financial reporting is normally required.

15 Allows us to make judgments relative to the  
16 fairness of rates and charges being assessed, also  
17 gives us the ability to review the performance of  
18 the tenant with -- with regard to being able to  
19 sustain a lease agreement with the Airport

20 Authority in -- in the future.

21 In addition to that, we have really not

22 received any financial information. I have --

23 these are concerns that are not tangible in terms

24 of the form of the lease, but my -- I have a

25 secondary concern that you're really looking in

1 this case an absentee owner. Not that that's  
2 necessarily a bad thing. It can be overcome with  
3 hiring appropriate staff, but you're really  
4 looking at someone who's, you know, coming out of  
5 I believe it's New York or New Jersey area who  
6 would be ownership, would have put the money into  
7 making this happen and then is not going to be  
8 around to oversee the day-to-day operations or  
9 even directly involved.

10 Now I'm sure they're not entirely, you know,  
11 going to be, you know, arm's length or away from  
12 it, but it is always a concern when you're running  
13 a business, especially a business that moves some  
14 cash through it such as a maintenance building or  
15 maintenance operation.

16 It -- we did hear from them. I had asked  
17 them to put the specific requests into writing.  
18 They really haven't done that. I did get  
19 correspondence today, you know, that basically

20 referred me back to an older communication.

21 We provided you a copy of that, albeit it was

22 just today, but we did provide you a background on

23 that. Not knowing where this was going, he was

24 due to have a response to us by Friday at

25 noontime. I didn't hear from him throughout

1 Friday. I got an e-mail at home on -- on the  
2 Blackberry so to speak Saturday afternoon or  
3 Saturday evening indicating he would get a  
4 response to me by Monday. That response didn't  
5 come till approximately noontime today also.  
6 So -- and that was just referring me back to a  
7 previous correspondence from him.

8 We still -- I would emphasize again, I mean,  
9 this is really -- he's been asking in a sense for  
10 staff to waive items that are our policy. And I  
11 do not have that latitude. I've explained that to  
12 him. These are board policy items. If you wish  
13 to waive those requirements with -- from the form  
14 of your lease, you're welcome to do that. That's  
15 a policy decision. But I don't have that  
16 authority.

17 So, you know, it's really looking to you for  
18 direction as to how you -- how you wish to  
19 proceed. Do you -- do you want to consider any of

20 those changes that he suggested or simply move on  
21 to the next tenant, which we -- we do have someone  
22 else who's interested. We've been holding back  
23 waiting to see how this finally -- finally  
24 resolves.

25 But it's gone on, you know, a long time now



1 and there's still no revenue producing off of it  
2 as a result of not being able to get to an  
3 agreement and not being able to get a business in  
4 there. And obviously our objective is to get that  
5 time line -- get it producing revenue and  
6 simultaneously benefiting the airport community.

7 So, I would be happy to try to answer  
8 questions based on what I know. You have most of  
9 the correspondence, as I said, in the form of  
10 e-mails and a few letters that were attachments to  
11 e-mail, but essentially e-mail.

12 CHAIRMAN GREEN: I have one public comment.  
13 Joe?

14 MR. LOPINTO: No questions at this time --  
15 comment.

16 CHAIRMAN GREEN: Okay. Then I'll close  
17 public comment. Board comment. Jack?

18 MR. GORMAN: Are they just going to stay --  
19 can they just stay where they are?

20 MR. WUELLNER: Yes.

21 CHAIRMAN GREEN: Yes.

22 MR. WUELLNER: I tried to make that point,

23 that -- in the last correspondence with him, that

24 regardless of what comes out of this discussion

25 and the like, the lease they have remains intact.

1 They haven't surrendered that lease at this point.

2 So, until that lease expires or they

3 surrender it voluntarily or otherwise, it is --

4 you know, they're in business and can do what

5 they've been doing since they opened the shop the

6 first day.

7 CHAIRMAN GREEN: Yeah, I think when they were

8 here before, we made some concessions. We

9 discussed rent and some -- I'm not sure it was

10 rent abatement or whatever, a period of time, and

11 I think obviously they're current tenants and we

12 respect them a lot. But I think we've done what

13 we needed to do, and we have tenants that are

14 ready, willing and able -- or a tenant ready,

15 willing and able to take that spot.

16 So, from a business perspective, I would -- I

17 would recommend we go with staff's recommendation

18 and go on with our new tenant and keep Wind Dancer

19 on as a tenant here.

20 MR. WUELLNER: They're welcome to approach at  
21 any later time and we'll try to expand in a  
22 different method or as we add facility on the  
23 south end perhaps, there's space that could be  
24 made available again in that queue, so...

25 CHAIRMAN GREEN: Jack?

1 MR. GEORGE: Are they paying their bills now?

2 MR. GORMAN: That was my question.

3 CHAIRMAN GREEN: Sure. Is that what you were  
4 going to --

5 MR. WUELLNER: Well, the history is such that  
6 we generally -- they generally pay their bills --

7 MR. GEORGE: Okay, fine. That's good.

8 MR. WUELLNER: -- but it does require  
9 follow-up.

10 MR. GEORGE: All right.

11 MR. GORMAN: So they can stay.

12 CHAIRMAN GREEN: Uh-huh.

13 MR. WUELLNER: Yeah.

14 MR. GORMAN: Okay. And is there -- there's  
15 no tremendous conflict if we just move on and  
16 allow someone else to lease it?

17 MR. WUELLNER: We can't prohibit somebody  
18 else from --

19 MR. GORMAN: And my last question, is there

20 anybody from Wind Dancer here?

21 MR. WUELLNER: Not that I'm aware of.

22 MR. GORMAN: Okay. All right.

23 CHAIRMAN GREEN: Entertain a motion.

24 MR. GEORGE: Make a motion we accept staff's

25 recommendation.

1 CHAIRMAN GREEN: Is there a second?

2 MS. BARRERA: I'll second it.

3 CHAIRMAN GREEN: Any further discussion?

4 (No further discussion.)

5 CHAIRMAN GREEN: All in favor of the motion

6 to accept staff's recommendation, say aye.

7 MR. GEORGE: Aye.

8 CHAIRMAN GREEN: Aye.

9 MS. BARRERA: Aye.

10 MR. GORMAN: Aye.

11 CHAIRMAN GREEN: All opposed?

12 (No opposition.)

13 CHAIRMAN GREEN: Hearing none opposed,

14 staff's recommendation is accepted.

15 PROPERTY ACQUISITION

16 MR. WUELLNER: Okay. Next item I have is

17 related to property acquisition. This somewhat

18 tied back to the workshop in that we were talking

19 about the general area here.

20           As requested, we did contact the owner of 180  
21           Casa Cola, which was that corner -- corner lot,  
22           and we -- we mailed that the 20th of October and  
23           received no response from the owner still, which  
24           is the second or third attempt via mail over the  
25           last couple of years. So, I'm assuming they're at



1 least at this point not particularly engaged in  
2 voluntarily selling and moving out of that corner.

3 MR. GEORGE: Anybody call them?

4 MR. WUELLNER: We did not call them. We did  
5 not.

6 MR. GORMAN: Are you sure that they -- the  
7 correspondence reached them?

8 MR. WUELLNER: It was.

9 MR. GORMAN: Was it certified or registered?

10 MR. WUELLNER: Yes, we are sure.

11 MR. GEORGE: Okay.

12 MR. WUELLNER: Moving on to the next piece,  
13 let me cover 131 Indian Bend, which is the house  
14 closest to U.S. 1.

15 After the Authority's last action or  
16 discussion on this matter wherein we were directed  
17 to reappraise and come back, do an updated  
18 appraisal, they spoke with me after the meeting  
19 and basically told me that they're not

20 interested -- if it's going to be reappraised yet  
21 again, especially in light of the current economy,  
22 that they were not interested and don't waste your  
23 money on it. They'll -- they'll wait it out and  
24 get you later, is essentially what they told us.

25 MR. GEORGE: Okay.

1 MR. WUELLNER: The Neffs, which are 170  
2 Indian Bend, similar conversation afterwards.  
3 They asked for several -- a couple of days to let  
4 us know whether they indeed wanted us to go ahead  
5 and reappraise it. They indicated they did. We  
6 did reappraise it.

7 The difference is about \$17,500 between the  
8 '06 -- excuse me, the '07 and the '08 appraisal,  
9 which are approximately a year apart. Not quite a  
10 year, but close.

11 Again, this -- at the 2007 discussion, there  
12 were no grant funds available related to this  
13 project. There are grant funds available related  
14 to the project now. So it -- it does come with a  
15 match that you can get immediately on this; you're  
16 not waiting on it.

17 We have been in correspondence and in  
18 communication in one form or another with this  
19 family since 2004. I mean, this literally goes

20 back to when we started or pre -- prestarted, if  
21 you will, or started the action that ultimately  
22 led to eminent domain of some properties on the  
23 east side of Casa Cola. This property is a west  
24 side property.

25 It also resulted in a shift of priorities for

1 the Airport Authority during that acquisition  
2 as -- as the cost of buying these properties went  
3 up over the -- over the period of time and the  
4 available grant funds, the cash flow and all of  
5 those issues that go into that mix.

6 But they've been here a number of times.  
7 They're keenly interested in getting this  
8 transaction done. And, you know, I like to think  
9 that our organization's about trying to do the  
10 right thing by the people that we transact  
11 business with on all levels, and as a result, I  
12 can't in good conscience recommend that we reduce  
13 the offer beyond the 2007 appraisal, which is the  
14 \$237,500 number. However, the appraisal as it was  
15 revisited does reflect a value currently of  
16 \$220,000.

17 We have not asked them, the Neffs directly  
18 since that appraisal, to come out in the last, I  
19 don't know, week or two, whether they're even

20 interested at the \$220,000 number. They are here.

21 I'm sure they would be happy to comment on that if

22 there is indeed interest on that.

23 But it -- the matter's really up to you at

24 this point whether you, you know, A, buy it or

25 don't buy it; B, the secondary question if you

1 choose the first is at what price, the 2007  
2 appraisal price or the reduced price based on  
3 current economy and current market trends of  
4 \$220-.

5 MR. GEORGE: Can you go to the next slide  
6 showing the pieces of property?

7 MR. WUELLNER: Yes. I've got to turn this on  
8 in order to -- I'm sorry. I wasn't using it  
9 today. The piece of property we're talking about  
10 is this green one here.

11 CHAIRMAN GREEN: Which is adjacent. Okay. I  
12 have no public comment of record. Obviously I  
13 don't want to put you-all on the spot, but if we  
14 have questions, would that be okay?

15 MRS. NEFF: Yeah, that's fine.

16 CHAIRMAN GREEN: Okay. Board comment.

17 MR. GEORGE: I'd like to point out that the  
18 section where the big arrow is, we discussed it  
19 the last time that if we couldn't get that

20 property, we still had enough contiguous access

21 that we could build around that property.

22 And looking at 170 Indian Bend, that gives us

23 the same configuration in the next block. So it

24 does give us the ability, you know, if we had to

25 do something, that we -- you know, we could do it



1     there as opposed to, nope, I've got to have four  
2     more pieces before I can do anything. Going back  
3     four years when we acquired the other properties  
4     at -- what was it appraisal plus 40?

5           CHAIRMAN GREEN: Uh-huh.

6           MR. GORMAN: Right.

7           MR. GEORGE: I'd say we offer them \$260- and  
8     that's more than what the appraisal from last year  
9     is, but it's not to the 40 percent that we had  
10    then.

11          CHAIRMAN GREEN: Any other board comment?

12          MR. GEORGE: It's just a gut feel.

13          CHAIRMAN GREEN: Jack?

14          MR. GORMAN: Certainly. There's three points  
15    I'd like to make. One is we are trying to get off  
16    the tax rolls. What is the impact of getting off  
17    the tax rolls on purchasing these if we do or  
18    don't purchase them? Just if this is going to be  
19    discussed at all, if we -- keeping our eye on the

20 ball, what is the impact?

21 Second, in that -- if in fact that is a

22 differential impact, should we defer it until

23 we're off the tax rolls and whatever? The second

24 one is -- well, let's just make it two comments.

25 The second one is the plan for the

1      eventuality of the eminent domain. How do you --  
2      do you actually use the land? In fact, can we  
3      actually use the land, as Buzz says, without the  
4      entire acquisition, you know, in total? Can we  
5      use the land? Have we asked our engineers if we  
6      can use the land like that?

7            So, in other words, can we use this land  
8      right now without some completely contentious  
9      situation where we have to wait and then, like  
10     Mr. Wuellner says, they'll get us later. In other  
11     words, obviously they're going -- some landowner's  
12     going to wait for a cost plus -- you know, an  
13     appraisal plus 40 percent.

14           In other words, do we -- are we going to be  
15     in this acquisition planning for the eventuality  
16     of eminent domain to be able to use the property  
17     and to make the total land package useful to us?  
18     So we really have to ask that question, I really  
19     think, without all the hysterics. I mean --

20 MR. GEORGE: Who would you like to answer it?

21 MR. GORMAN: Who would like to answer that?

22 Well, I'd like -- if we actually do purchase it,

23 I'd like the engineers to ask us -- with the

24 setbacks and the other -- the other issues that

25 are -- that become contentious upon the usage of

1 land, if in fact the engineers say we could use  
2 it, you know.

3 And if in fact your point is valid, that we  
4 could use it without exercising eminent domain and  
5 allowing someone else to hold us -- our heads over  
6 the fire, to have -- to get that last piece of the  
7 puzzle if it actually is useful, it makes a  
8 different -- puts certainly a different spin on  
9 things.

10 MR. GEORGE: Yeah, right.

11 MR. WUELLNER: I -- I certainly understand  
12 the question. My -- my concern is I think you may  
13 be confusing the reality of being able to design  
14 and place something there with the practicality of  
15 occupying something you place there.

16 MR. GORMAN: Well, certainly. That's what  
17 I'm talking about.

18 MR. WUELLNER: Clearly, there are -- it would  
19 at least be deemed as onerous if not more onerous

20 than having exercised eminent domain to complete  
21 the transaction to place a hangar or some other  
22 development, I mean, next to two other occupied  
23 residences and -- you know, and one of which is  
24 sitting in the audience today and I'm sure she  
25 would just love to have that.

1 MR. GORMAN: Okay. Mr. Wuellner, then if we  
2 purchase their property, can we use the land right  
3 now?

4 MR. WUELLNER: No.

5 MR. GORMAN: Okay.

6 MR. WUELLNER: I don't -- I don't think it's  
7 usable today in any more respect than the balance  
8 of Araquay Park was 20 years ago when --

9 MR. GORMAN: Then what is your plan -- what  
10 is your plan to complete the patchwork so that we  
11 can use the land?

12 MR. WUELLNER: I think you acquire the  
13 property as it's made available to you until which  
14 time as the need to develop that property becomes  
15 critical, at which point the Authority will have  
16 to make whatever business decision is in its best  
17 interest to --

18 MR. GORMAN: Whatever -- whatever business or  
19 philosophical decision.

20 MR. WUELLNER: And -- exactly. And that's --  
21 that could be ten years from now. But in the  
22 absence of this approach, you -- you're staring at  
23 a huge amount of money in the event you decide in  
24 ten years today's the day we need to own it.

25 MR. GORMAN: And, Mr. Wuellner, if we



1 purchase this property, will that phase this tax  
2 roll -- us getting off the tax rolls in any way?

3 MR. WUELLNER: Will it phase it? No, sir.  
4 It's -- we're currently budgeted to acquire  
5 property of some value, although unidentified.

6 MR. GORMAN: In other words, this will fit  
7 into the budget?

8 MR. WUELLNER: Yes, it does. Yes.

9 MS. BARRERA: And we have grant money --

10 MR. GORMAN: And we have grant money.

11 MS. BARRERA: -- which we didn't have before.

12 CHAIRMAN GREEN: Correct.

13 MS. BARRERA: I'm --

14 MR. WUELLNER: And I would -- also. I'm  
15 sorry. The last point.

16 The property is tenable. So, when and if the  
17 Neffs vacate the property, it is -- you are able  
18 to rent this unit until which time -- it's a  
19 perfectly good home. There are no obvious defects

20 or -- you know, we don't have to invest a lot of  
21 money into making this a viable unit for whatever  
22 period of time.

23 CHAIRMAN GREEN: Kelly?

24 MS. BARRERA: I am interested in buying the  
25 property. The -- the part that I have a problem

1 with is the \$17,000 above the appraisal amount.

2 And what I'd be interested in finding out, is  
3 there some way that -- that we could work with the  
4 Neffs as far as occupying the property and --  
5 and -- or what -- what arrangements could be made  
6 at purchasing it at the appraised value.

7 MR. WUELLNER: The --

8 MS. BARRERA: The November 2008 latest  
9 appraised value.

10 CHAIRMAN GREEN: In other words, stay in  
11 rent-free for a period of time or --

12 MS. BARRERA: Or some, you know, you're -- we  
13 purchase it, but you're not being forced to move  
14 out at any time, you know, before we rent it.

15 Any -- any, you know, give a window there, a  
16 six-month or however window that would work out.

17 That would be a win-win.

18 To purchase it above the appraisal, even  
19 though I understand what we did in Araquay Park

20 and I certainly know where that 40 percent, but we  
21 were at a critical point there. And right now,  
22 we're not at a critical point. So to purchase  
23 above an appraisal while we still are on the tax  
24 rolls puts me in a quandary. I -- I couldn't  
25 consciously vote to do that with that appraisal.

1           CHAIRMAN GREEN: That's my concern about the  
2           economic impact we would be sending of purchasing  
3           something over an appraisal. Right now, property  
4           is not moving.

5           If they -- you know, if someone walks up and  
6           says I want to buy your home, most people would  
7           jump at it right now, obviously even if it's at  
8           appraised value, they would jump at it. So I  
9           think by doing that at appraised value, we could  
10          negotiate something. I agree a good idea may  
11          be --

12          MS. BARRERA: Help with the closing costs,  
13          you know, assume a larger percentage of the  
14          closing costs or assume all the closing costs,  
15          something like that. But I could not consciously  
16          vote to purchase it above the appraisal at the  
17          taxpayers' expense.

18          CHAIRMAN GREEN: Buzz, any comment?

19          MR. GEORGE: Well, I'm looking at a grant to

20 pay for half of that above --

21 MS. BARRERA: Understood.

22 MR. GEORGE: -- okay?

23 CHAIRMAN GREEN: Yeah.

24 MR. GEORGE: And I'm -- I'm reminded of the

25 seaplane ramp, that because that money was there,

1 if we didn't get it, somebody else was going to

2 spend it, I think the comment was.

3 I think your idea of making some -- of at

4 least asking them what their intentions are, I get

5 the feeling from previous conversations, that

6 their intention is to sell the property and move

7 on with their life. So to ask them to stay on the

8 premises rent-free for another year, you know, or

9 something like that, I don't know. I think we

10 need to ask them.

11 CHAIRMAN GREEN: That's just an option,

12 right. But I like that. Closing costs are going

13 to run you -- I mean, seller would normally pay

14 title, and it's going to be thousands of dollars

15 that we could --

16 MS. BARRERA: Try to work towards a -- a

17 compromise that would be win-win, but to pay for

18 me, to pay above the appraisal.

19 MR. GEORGE: I understand.

20 MS. BARRERA: Even with the grant money.

21 I -- I -- I think we have the grant money. I

22 think it's prudent to buy the property with the

23 grant money. But that's where I stand.

24 MR. GEORGE: Well, I'm thinking that most of

25 the closing costs is a financing deal and we're



1 not going to be financing, so that goes away.

2 CHAIRMAN GREEN: You're still going to --

3 MR. GEORGE: The title search, you know, I

4 don't think that we're going to have any closing

5 costs at all that would be on theirs --

6 CHAIRMAN GREEN: Oh, yeah, you will. You

7 wouldn't want to buy the property without a title.

8 MR. BURNETT: Yeah. We -- we would still

9 have title --

10 MR. GEORGE: But who pays for that title

11 insurance?

12 CHAIRMAN GREEN: Normally seller does.

13 MR. BURNETT: Yes. Normally seller pays for

14 it and then you also have the doc stamps recording

15 the deal.

16 MS. BARRERA: Which can be quite expensive.

17 MR. BURNETT: For the -- and it's based on \$7

18 a thousand.

19 MR. GEORGE: So what are you talking about?

20 MR. BURNETT: This closing would normally be

21 about \$4,000, I think.

22 MR. GEORGE: Okay.

23 MR. BURNETT: And that's not adding the

24 proceeds.

25 MR. GEORGE: And that's total for it --

1 MR. BURNETT: That's just straight --

2 MR. GEORGE: -- it's not \$4,000 from the  
3 seller.

4 MR. BURNETT: And that's just straight, if  
5 you go to a title company and they close it,  
6 that's the standard fee. The fees are actually  
7 set by a schedule for what the title insurance  
8 are -- is.

9 CHAIRMAN GREEN: I mean, we could also  
10 negotiate -- I mean, there's going to be prorated  
11 taxes, that whatever seller's costs we want to  
12 contribute to, we can.

13 MR. GEORGE: Yeah.

14 CHAIRMAN GREEN: So, I mean, there are some  
15 fees that will add up to probably half of the 17.

16 MR. WUELLNER: We don't normally -- just as  
17 an FYI, we don't normally do the title insurance.  
18 We would do a title search, obviously, to be sure  
19 they're the owner of record. But we don't

20 normally do title insurance, primarily because we  
21 always as a governmental entity have the ability  
22 to go back and eminent domain and clean the title  
23 instantly as a result, if that's the only de -- if  
24 there's truly a defect there.

25 CHAIRMAN GREEN: Well, whatever costs that

1 would be listed on the contract for seller's cost.

2 we could --

3 MR. WUELLNER: I was just trying to put an

4 order of magnitude on it since it's not a --

5 MS. BARRERA: I would be very open to buying

6 it at appraised value and taking care of all the

7 closing costs and -- and, you know, sometimes

8 closing takes place within 30 days of purchase,

9 and extending out that time that they can stay

10 there as, you know -- as a part of, as part of the

11 agreement.

12 CHAIRMAN GREEN: Well, I mean, if we're doing

13 it as a cash and not a finance, you could close it

14 in three days. I mean, just because you're just

15 doing a search, so it doesn't take --

16 MS. BARRERA: Right. True. Good point.

17 MR. WUELLNER: Yeah, our only lead time is

18 getting the information together and running it

19 through DOT and back --

20 CHAIRMAN GREEN: Okay. The grant

21 information.

22 MR. WUELLNER: -- which is typically just a

23 week or two process.

24 MR. GEORGE: Ed, question. Just off the top

25 of your head and with Andrew behind you looking

1 over your head --

2 CHAIRMAN GREEN: And David.

3 MR. GEORGE: -- if we did acquire that land,

4 could that land be used for a rental car staging

5 area in the event that we had a need for one?

6 MR. WUELLNER: Technically you could use it

7 for whatever you want.

8 MR. GEORGE: Okay. In the event that we did

9 acquire that land and we wanted the land that our

10 present maintenance facility is on, could that

11 land be used for that maintenance facility? With

12 some cost to move what we've already done --

13 MR. WUELLNER: Sure.

14 MR. GEORGE: -- but that would free up space

15 as rentable over there.

16 MR. GORMAN: This would include setbacks,

17 buffers, from residential?

18 MR. WUELLNER: We really don't have a lot of

19 those that we're required to follow.

20 MR. BURNETT: And if I might, I don't want to

21 get things off --

22 MR. WUELLNER: Go ahead.

23 MR. BURNETT: I don't want to get things off

24 track, but just let me say that all of these roads

25 that went through here before were vacated and no



1 longer exist. And actually this road right here,  
2 although it's depicted as a road, it's actually  
3 vacated and from a legal standpoint doesn't exist  
4 anymore, although it's still open for our own  
5 access purposes.

6 Once you complete one of these blocks, since  
7 these residences need access this way and these  
8 need access this way, this road could be vacated  
9 here and here to fill this in as part of the  
10 airport property.

11 Again, you probably -- once this block is  
12 completed, if -- if it's ever completed -- and I  
13 know Ms. Tarver Willis is going to tell me it's  
14 not ever going to be completed, and I certainly  
15 respect that, but just for the purpose of this  
16 discussion --

17 MR. GEORGE: We acknowledge that in advance.

18 MR. BURNETT: -- you -- you could vacate this  
19 road -- this part of the road here and vacate this

20 part of the road here to connect it to your  
21 existing piece. So you have some options once you  
22 complete either one of those.

23 CHAIRMAN GREEN: Any motions?

24 MR. GORMAN: Are you asking for any more  
25 comments?

1 CHAIRMAN GREEN: Well, I was going to  
2 entertain a motion and then --

3 MS. BARRERA: I make a motion that we  
4 purchase the property at 170 Indian Bend or make  
5 the offer to purchase the property at 170 Indian  
6 Bend for the appraised amount and the latest  
7 appraisal -- I've got to go back and amend that.  
8 The November 20 -- 2008 appraisal purchase price  
9 of \$220,000, and include all closing costs.

10 CHAIRMAN GREEN: Is there a second? I'll  
11 second that. Now we have discussion. So go  
12 ahead.

13 MR. GORMAN: You understand I have nothing  
14 against the people here at all and I think the  
15 acquisition of the property is a good thing and I  
16 think the development of the property is good  
17 thing.

18 But you do understand that -- this board does  
19 understand that by -- by acquiring property in

20 this manner, the eventuality of whether or not it  
21 is a true statement by the owners that they really  
22 want to keep their property or whether or not it  
23 is a ploy by the owner -- by the eventual owners  
24 that will hold out to get appraised value plus 40,  
25 the acquisition of this property will set in

1 motion again the eventuality of eminent domain,  
2 and that is something that this board in no  
3 uncertain terms has said it would do again.

4 MS. BARRERA: I disagree.

5 MR. GORMAN: So you are acquiring the  
6 property and you do not have a plan to circumvent  
7 that eventuality. However that said, I'm done.

8 MS. BARRERA: I disagree because I think that  
9 the option extends that the airport could have a  
10 pet paradise at that property. There is a lot of  
11 businesses directly related to the airport  
12 operation, as Buzz said, rental car staging area.  
13 You've got lots of other opportunities that could  
14 be put in this land besides just airside --

15 CHAIRMAN GREEN: Uh-huh.

16 MS. BARRERA: -- use. So I want you to keep  
17 that in mind, because I see it from a -- from a  
18 larger perspective.

19 CHAIRMAN GREEN: Does the FDOT grant include

20 the closing costs?

21 MR. BURNETT: Yes.

22 CHAIRMAN GREEN: We could wrap that in there

23 and still get half of that covered, but it would

24 cover all of it for the Neffs.

25 MR. GEORGE: Do they look at what we're

1 paying for it versus the appraised value?

2 MR. WUELLNER: It has to be comparable to the  
3 appraised value, yes.

4 CHAIRMAN GREEN: Right.

5 MR. WUELLNER: It has to have a grounding in  
6 the appraisal.

7 CHAIRMAN GREEN: Uh-huh.

8 MR. GEORGE: This appraisal that was done  
9 last month, is that a ride-by appraisal?

10 MR. WUELLNER: No.

11 CHAIRMAN GREEN: It was a full-blown.

12 MR. WUELLNER: It was an updated.

13 MR. GEORGE: It was a full-blown, okay.

14 MR. WUELLNER: It was an update of the  
15 previous appraisal, but it was done --

16 MR. GORMAN: There's not much difference  
17 between the appraisals, it isn't -- the \$17-. I  
18 mean, that's just my opinion. That doesn't negate  
19 the property's real value.

20 MR. GEORGE: Is that motion dead or what?

21 CHAIRMAN GREEN: No, the motion's still

22 pending.

23 MR. GEORGE: Okay.

24 CHAIRMAN GREEN: I just said if there's any

25 further board discussion, I would call it for a



1 vote. Okay.

2 MR. GEORGE: Well, you seconded it, right?

3 CHAIRMAN GREEN: Uh-huh. Then we called for  
4 a vote. If there's no more board discussion.

5 Okay. If there's no more board discussion, all in  
6 favor of the motion as presented, say aye.

7 MS. BARRERA: Aye.

8 CHAIRMAN GREEN: Aye.

9 MR. GEORGE: Aye.

10 CHAIRMAN GREEN: All opposed?

11 MR. GORMAN: Nay.

12 CHAIRMAN GREEN: The motion passes. That  
13 would be an offer.

14 MR. WUELLNER: We'll communicate that to them  
15 and see what they have to say.

16 MR. NEFF: Do we need to --

17 CHAIRMAN GREEN: You need to get with Ed  
18 and --

19 MR. NEFF: Okay.

20 MR. WUELLNER: You don't need to do anything

21 tonight. We'll talk to you.

22 CHAIRMAN GREEN: No.

23 SOUTH DEVELOPMENT RATIFICATION & PROJECT ACTION

24 MR. WUELLNER: Next item I have is related to

25 south development area. I just wanted to go over

1 again. This is the previous slide.

2 You're looking at plus or minus -- actually  
3 this is probably escalated to about the 10,000  
4 square foot in relative to office. If we include  
5 the -- make that the two-story building in order  
6 to make this make a whole lot of sense is a  
7 two-story building with the -- with the upstairs  
8 being more arguably in common usage, although  
9 there would be some limited exclusive office space  
10 up there, with the bottom floor being exclusive  
11 rental-related space.

12 Commercial hangars approximating about 10,000  
13 square foot in the first phase here. The office  
14 space would wrap in that public building, if you  
15 will, and that become essentially the second floor  
16 of that structure.

17 The project budget would be approximately  
18 \$2.5 million. That does not include the budgeted  
19 funds for the public use building that's currently

20 held in the budget. I think the total is probably  
21 about \$3.2, somewhere around there, is -- when you  
22 wrap that -- that nonmatched funds.

23 Although, I would tell you I think we could  
24 probably get this matched all the way up to the  
25 limits of the grant by wrapping it into one

1 building. I think you could consider the second  
2 floor eventually eligible space and it could be --  
3 could be participated in by FDOT, which is a --  
4 which is a positive.

5 The -- the projected 20-year return as a --  
6 using \$15 to the office space and \$7 for the  
7 commercial hangar, which is pretty much what's in  
8 place right now, generates about a 7 percent, a  
9 little over 7 percent ROI on it. And if we get  
10 moving on it, meaning we can make some decisions  
11 related to moving into the engineering phase  
12 tonight, then in theory, we can be -- we could be  
13 occupying by the end of the calendar year next  
14 year.

15 (Ms. Green leaves the room.)

16 MR. WUELLNER: This is the last or the sketch  
17 that you last saw at the workshop. Illustrates  
18 the commercial hangar piece of this. The  
19 two-story office piece, this piece here, is a

20 future sort of just showing that additional space

21 could be developed in that same area.

22 What we're really talking about right now,

23 although I would like to see the design include

24 the entirety of this, we will probably

25 structure -- would probably recommend structuring

1 the bid to create an alternate or an alternative  
2 for this so that you could build, say half of the  
3 hangar space at one time and come back in a year  
4 or two and add the rest of the space and the work  
5 already be designed to be simply a matter of  
6 permitting and bidding.

7 (Noise interruption.)

8 (Ms. Green re-enters the room.)

9 MS. BARRERA: That was Jack's idea.

10 MR. WUELLNER: Right. I'm not sure what  
11 that's coming from. Anyway, but site civil  
12 related to parking and the like and the access  
13 into the property would also be in that -- in the  
14 project itself.

15 I -- again, using one of the nice aerials we  
16 just got or photos, I've kind of highlighted on  
17 the screen here where the areas we're generally  
18 talking so that everybody's completely oriented  
19 based on, you know, some view from the sky. So

20 you get an idea that the project's contained  
21 largely or I think entirely within the boundary  
22 there kind of depicted.  
23 Passero at our request just did a quick  
24 sketch to give you an idea how that two-story  
25 space might kind of lay out. The main floor being



1 divided into some office space with restrooms and  
2 a lobby and obviously elevator leading to the  
3 second floor.

4 Second floor, which is the right-hand side of  
5 this, would be largely a -- a good-size common  
6 room. Could include a place to prepare a meal or  
7 at least clean up after a meal. Restrooms. A  
8 little bit of rentable office space off to the  
9 side in support of things like Pilots Association,  
10 those kinds of groups.

11 Even the -- even the Authority might want to  
12 just, you know, in the context of being storage  
13 space to store tables and chairs or something like  
14 that off to the side. Not as office space, but  
15 as -- which is that storage up in the upper right  
16 corner.

17 Otherwise, it would have sort of a -- a  
18 balcony if you will or a parapet to the airside  
19 piece of this, which would expand the utility of

20 the space on the top and provide basically an  
21 awning kind of a structure to the lower -- lower  
22 level. The flight schools typically like to have  
23 some, you know, some picnic tables or something  
24 out there to just get out of the weather and do  
25 instruction and wait on aircraft.

1 But that's -- that's not the final sketch.

2 It's just to give you an idea of how the space  
3 could lay out and it would be, you know, tasked to  
4 an architect to figure out how to make it work.

5 Yes, sir?

6 MR. GORMAN: You and I saw what was a very  
7 clever arrangement of movable walls one day and I  
8 was -- that really was a great idea because you  
9 could just make or break offices as you saw fit.

10 MR. WUELLNER: That's how we were envisioning  
11 the --

12 MR. GORMAN: Would that greatly -- that would  
13 not greatly expand the cost of this, would it?

14 MR. WUELLNER: I wouldn't think so. It's not  
15 a huge square footage number, so...

16 MR. GORMAN: Second question is, and this is  
17 the big one, now in this economy, building on  
18 spec, I don't know if it's a wonderful idea. You  
19 talked about flight schools. Do we have contracts

20 with these flight schools right now?

21 MR. WUELLNER: We have one.

22 MR. GORMAN: One contract with a flight

23 school.

24 MR. WUELLNER: We have one and one that had

25 signed a one-year agreement down at Flagler. When

1 we announced that they were -- that this space, I  
2 say announced. When we asked them if they'd be  
3 interested in leasing it if we build it, they  
4 indicated that they would very likely consider it  
5 seriously when it -- when we got closer to being  
6 occupied --

7 MR. GORMAN: This is not Embry-Riddle, is it?

8 MR. WUELLNER: No, it is not.

9 MR. GORMAN: Because Embry-Riddle is the ones  
10 that we turned down --

11 MR. WUELLNER: This is a much smaller --

12 MR. GORMAN: -- they went to Flagler, had the  
13 default.

14 MR. WUELLNER: No. Both of these are much  
15 smaller operations.

16 MR. GORMAN: And do they have any money up  
17 front? Are they giving us any earnest money?

18 MR. WUELLNER: We didn't ask for anything.

19 These were -- on the one case. The other case,

20 we -- we've actually gone to the point where we

21 have an MOU, an operating agreement.

22 They lease the only 50 x 50 or 50 x 60 space

23 in that area to store aircraft. They would -- we

24 have an MOU that says they will lease the space at

25 that rental rate when -- as soon as it's

1 available, to complete the terms of the minimum  
2 operating standards with us, because they're --  
3 they'll be minus the office component until the  
4 space is available. They would do that off  
5 property, just the office component to the flight  
6 school, for the -- for the year, call it.

7 As soon as the space is available, they've  
8 agreed to move in there. They're paying a  
9 commercial operating agreement with us also to  
10 bring flight students on to the property and  
11 conduct that activity in the interim.

12 All that would get rewrapped into a real  
13 lease -- I say a real lease, but a consolidated  
14 lease agreement at the point the space is actually  
15 occupied at the end of construction.

16 MR. GORMAN: You have no empty unoccupied  
17 outlet space available right now.

18 MR. WUELLNER: I have none, no. We have not  
19 had office space for -- since the second floor --

20 MR. GORMAN: Besides making Bryan sit

21 outside.

22 MR. WUELLNER: Well, that's always an

23 alternative.

24 (Noise interruption.)

25 MS. BARRERA: That was your --



1 MR. GEORGE: Ed -- Ed, do these people meet  
2 the FAA requirements of having a flight school?

3 They've got all of the licenses and all of the --

4 MR. WUELLNER: They -- they are working their  
5 141 certificate as a flight school, but they  
6 are -- they are in that process right now.

7 MR. GEORGE: Okay.

8 MR. WUELLNER: They have met all other  
9 business plan operating requirements of ours.

10 MR. GEORGE: That would be -- that would be a  
11 contingent outpart, that they had to be --

12 MR. WUELLNER: Well, they're not going to be  
13 able to hang it out as a flight school unless they  
14 meet that requirement eventually.

15 MR. GEORGE: Okay. All right.

16 CHAIRMAN GREEN: I only had one public  
17 comment and that was Joe Jones, and I don't see  
18 him. So any other board comment? What direction  
19 do you need from us, Ed?

20 MR. WUELLNER: Well, actually the action  
21 item's the next part of this. That was a  
22 combination of things, bringing you up to speed on  
23 what the discussions have been with the tenants  
24 side, also where we were at the end of the  
25 workshop, and also reacquainting you with the

1 terms that we had laid out as to the project.

2 Right now, we'd like to release three  
3 components or the three components of the project  
4 to engineering so that we can get this out and get  
5 it bid in a March time line so that we can be in  
6 this facility by the end of calendar year next.

7 That -- that's our goal on the deal. That  
8 maximizes the cash flow component on it as soon as  
9 we can get people in there. We are proposing to  
10 use all three consultant firms that we hired --

11 (Noise interruption.)

12 MR. WUELLNER: I don't know what that is.  
13 Passero to do the coordination of putting the  
14 plans and specs together in a biddable form and to  
15 do the site design related items. That Passero  
16 component is an engineering fee of about -- of  
17 \$85,000. LPA Group to do the design of the  
18 two-story office structure at \$179,384. And  
19 Prosser Hallock to do the design related to the

20 maintenance hangar and associated office space

21 with it.

22 MR. GORMAN: Can I have a comment?

23 MR. WUELLNER: Sure. I mean --

24 CHAIRMAN GREEN: Yeah. We have no public

25 comment.

1 MR. GORMAN: The -- no offense, but  
2 design/build costs, I've looked at many lately,  
3 and I like the LPA Group fine, but that cost of  
4 designing an office building, \$179,000, seems  
5 awfully high, just for a design/build. I mean, it  
6 does.

7 MR. WUELLNER: Well, I was going to put this  
8 into context for you here.

9 MR. GORMAN: I don't have a problem with the  
10 firm at all. They're quite competent.

11 MR. WUELLNER: Uh-huh.

12 MR. GORMAN: Just I'm looking at engineering  
13 bills lately.

14 MR. WUELLNER: Well, when you look at this,  
15 it's -- the engineering fees are approximately 10  
16 percent of the total project cost, which is within  
17 standards. That's -- it's not exceeding the value  
18 of the total construction. It's approximately  
19 \$340,000 in design-related fees for \$3.2, \$3.3

20 million worth of construction. So it's in the

21 game there.

22 UNIDENTIFIED SPEAKER: That's finished space.

23 MR. WUELLNER: Yeah, that's finished space.

24 CHAIRMAN GREEN: And I have a question for

25 David and Andrew. I don't know Prosser Hallock.

1 Is somebody here from -- oh good. Okay. Y'all  
2 have done this for many many years. Is it common  
3 to have three, two or three companies --

4 MR. WUELLNER: No.

5 CHAIRMAN GREEN: -- to work and can you work  
6 together in that building to building here that's  
7 incompatible with that one or --

8 MR. WUELLNER: That's part of what we're  
9 tasking Passero to do, is to assure that all of  
10 this remains compatible and usable. But we -- we  
11 felt like we wanted to use these firms and we also  
12 want to test the waters more importantly of these  
13 three firms being able to work together --

14 (Noise interruption.)

15 MR. WUELLNER: -- and accomplish the goals as  
16 a group rather than as individual firms. That  
17 allows us a lot more flexibility in contracting  
18 going in the future, too.

19 CHAIRMAN GREEN: I just want to make sure we

20 didn't have to go back and say, you didn't look

21 over what you were doing. But if Passero's been

22 instructed to --

23 MR. WUELLNER: That's a part of -- we wanted

24 to make sure one professional engineering firm was

25 required to do that.



1 CHAIRMAN GREEN: Buzz?

2 MR. GEORGE: If 10 percent is acceptable and  
3 I add up all these fees, that's a \$3.4 million  
4 project as opposed to your two and a half.

5 MR. WUELLNER: All I was saying is it's  
6 approximately 10 percent of the cost. Normally as  
7 high as 15, 18 percent is a normal acceptable  
8 design fee within a project.

9 MR. GEORGE: All right. So if it was 15 or  
10 18, that would take the project cost higher than  
11 3.4 million.

12 MR. WUELLNER: Correct.

13 MR. GEORGE: And you're presenting on your  
14 chart that the project budget is two and a half  
15 million.

16 MR. WUELLNER: I corrected that.

17 MR. GEORGE: Oh, I'm sorry.

18 MR. WUELLNER: That did not include -- that  
19 did not include the component related to the

20 public use building --

21 CHAIRMAN GREEN: Right.

22 MR. WUELLNER: -- which brought the total

23 project budget up to 3.2, 3.4. I don't remember

24 what the exact --

25 MR. GORMAN: It became a two-story building.

1 MR. WUELLNER: Yes.

2 CHAIRMAN GREEN: That's right.

3 MR. WUELLNER: Then it became a two-story  
4 building. And it's bigger than what was  
5 originally envisioned.

6 CHAIRMAN GREEN: Remember he said at the  
7 beginning it was 6,000. It's actually 10,000  
8 square feet.

9 MR. WUELLNER: It's closer to 10,000.

10 MR. GEORGE: Does that impact the ROI?

11 MR. WUELLNER: Actually it impacts it  
12 positively because you have more square footage  
13 that's leasable now.

14 MR. GEORGE: Okay. Your -- your verbiage on  
15 the agenda item, it says the 6,000 office space  
16 and commercial hangars of 10. Can you back up  
17 one?

18 MR. WUELLNER: Sure can.

19 MR. GEORGE: Two. One more.

20 MR. WUELLNER: Yeah. Three, four.

21 MR. GEORGE: Right there. I've got -- oops.

22 MR. WUELLNER: Sorry.

23 MR. GEORGE: I've got more than -- a lot more

24 than 10,000 square feet of office.

25 MR. WUELLNER: This -- this was not in the

1 project.

2 MR. GEORGE: Aha. Okay.

3 MR. WUELLNER: It's simply there to show that

4 additional space can be facilitated on the same

5 site.

6 MR. GEORGE: Okay.

7 CHAIRMAN GREEN: We did that in the workshop.

8 MR. GEORGE: Okay. But the workshops had it

9 all moving down so --

10 MR. WUELLNER: Yeah. This reflects the

11 comments.

12 MR. GEORGE: One thing that we did not

13 discuss at the workshop that -- that looks -- why

14 do we have those four hangars at an angle to each

15 other? If we put them straight in line without

16 the angle, it would seem to me that we could

17 possibly at a later date squeeze another hangar in

18 between just like we did with, was it 9, 10, 11

19 and 12 over there?

20 MR. WUELLNER: You may very well tighten the  
21 dimension between these two struck -- these two  
22 clusters. But you're going to run into fire code  
23 issues as you exceed the square footage here  
24 dramatically. You're going to -- you're going to  
25 find you have to keep a 75-foot separation

1 separation between these clusters of buildings in  
2 order to meet fire code, unless you're willing to  
3 really upgrade the construction methodology in the  
4 buildings, plus --

5 MR. GEORGE: All I'm saying is leave the  
6 blank space between it, but leave it lined up so  
7 that five years from now when I need one more  
8 commercial hangar, I'll decide whether to fight it  
9 or not.

10 MR. GORMAN: We're going to try to keep  
11 Charlie Crist's green initiative going, too, a  
12 little bit.

13 MR. WUELLNER: It can be.

14 MR. GORMAN: I mean, we may be able to  
15 straighten one component out and leave the other  
16 component straight. It also minimizes the cost of  
17 the apron because you're not building apron, which  
18 does nothing, really.

19 MR. WUELLNER: We -- you know, it's direction

20 we provide at the shop drawing time -- or not shop

21 drawing but at the schematic --

22 MR. GEORGE: The workshop, right.

23 MR. WUELLNER: We're -- we're fine with it

24 being linear. That's fine. The whole area back

25 there has tried to take great pains to avoid kind



1 of linear. I don't know that this adds anything  
2 other than it's just aesthetic, going with the  
3 angle.

4 MR. GEORGE: Okay.

5 MR. WUELLNER: Which I think was directly  
6 your question.

7 MR. GEORGE: I'm sorry. I just hate to give  
8 up a square foot that I could rent.

9 MR. WUELLNER: I'm not sure it saves you  
10 anything unless you move the office component  
11 outside the hangar. What I mean is pull it more  
12 toward the bottom of the screen.

13 MR. GEORGE: Yeah.

14 MR. WUELLNER: Because otherwise, you're  
15 tilting them back out and you're actually losing  
16 space going -- going east and west. It may be  
17 only 20 feet on each side of the building, but  
18 you're probably losing space. If you pulled that  
19 office component and slid it down, butted the

20 hangars together, yeah, you're going to pick up

21 some space. I'm just not sure that's --

22 MR. GORMAN: Can I ask the public to say

23 something here? I have Mr. Slingluff over here.

24 He's wiggling around. And he's good at knowing

25 things. Could I ask you, what is your opinion on

1 that apron and the layout and all that? Just  
2 curious. I may be shooting myself in the foot  
3 here, because I like the layout as it is.

4 MR. SLINGLUFF: I mean, Ed is right, the  
5 whole concept back there has been nonlinear and to  
6 use the trees and -- and things like that. I  
7 think if you start just going in a straight row,  
8 that's a long line of buildings. I think, you  
9 know, you do have the fire issues there. Plus,  
10 it's -- aesthetically it's just not going to look  
11 right.

12 MR. GORMAN: So you like the tilt.

13 MR. SLINGLUFF: Yeah. I think the tilt is  
14 great.

15 MR. GORMAN: To some extent.

16 MR. SLINGLUFF: Yeah. I mean, you still have  
17 plenty of ramp because you're also picking up the  
18 taxiway area.

19 MR. GORMAN: I was interested in your opinion

20 on the apron and its usability because you're my

21 apron expert, you know.

22 MR. SLINGLUFF: Yeah. I think it's a good

23 apron.

24 MR. WUELLNER: That's not typically going to

25 be a powered use apron, anyway. That's --

1 MR. GORMAN: That's fine.

2 MR. WUELLNER: That's tug and move.

3 MR. GORMAN: Thank you.

4 MS. BARRERA: I thought at the workshop, we  
5 had talked about filling in that V section in  
6 between the two.

7 MR. WUELLNER: V section in between the two?

8 MR. GORMAN: She's talking about putting the  
9 hangars together and then just making that  
10 V-shaped building somehow useful and, you know,  
11 not using that --

12 MS. BARRERA: Right. I thought we had  
13 discussed that.

14 MR. WUELLNER: I'm still not sure I  
15 understand what you --

16 MR. GORMAN: Let me see.

17 MR. BURNETT: We can all yell at him.

18 MR. GORMAN: I'll push the wrong button.

19 MS. BARRERA: Keep -- yeah, keep the shape,

20 but fill this in. I thought we had talked about

21 that.

22 MR. WUELLNER: We can. It's just going to --

23 MR. GORMAN: Which one does which?

24 MR. WUELLNER: I'm not sure that -- on the

25 very bottom of it.

1 MR. GORMAN: Right here.

2 MR. WUELLNER: Just press the bottom.

3 MR. GORMAN: We're doing engineering work,  
4 which we really shouldn't do. Okay. She's  
5 talking about moving this one together and moving  
6 that one together and having this green area just  
7 compromised, a building with some useful nature to  
8 the building, rather than having them apart. And  
9 my question to Mr. Slengluff was, does that  
10 V-shape apron -- is it still okay for movement.

11 CHAIRMAN GREEN: I think Kelly's talking  
12 about filling in that square -- that triangle as a  
13 office.

14 MR. GORMAN: That's what I'm saying exactly.

15 CHAIRMAN GREEN: Yeah, don't change your  
16 configuration.

17 MR. GORMAN: That's what I'm saying. We're  
18 saying the same thing.

19 MR. WUELLNER: The short answer is yes, it

20 certainly can be done. There are no issues. It's  
21 just you're adding square footage and what we need  
22 to probably do is have some discussions in the  
23 context of the maintenance -- of a maintenance  
24 facility or facilities and be sure it's truly  
25 usable space, because you don't want to just



1 construct some square footage that doesn't mean  
2 anything to the tenant.

3 MR. GORMAN: I might warn this whole board to  
4 not be engineers, though. Because I have sat  
5 with, for instance, Andrew at Passero and it takes  
6 a lot of wiggling around to be able to figure out  
7 what to do with the property. I mean, it's easy  
8 to just throw your arms around and when you get  
9 done with it, it's a little more complicated.

10 CHAIRMAN GREEN: I think when they do it,  
11 they can come back and say that square footage in  
12 there is good for --

13 MR. GORMAN: Exactly.

14 CHAIRMAN GREEN: -- storing your shovels or  
15 something.

16 MR. WUELLNER: Well, it may very well be good  
17 storage space or parts storage or something along  
18 that line. I'm certainly not saying it's not  
19 useful. And it may be that a first phase of this,

20 especially if we only built half of it is, you  
21 move it closer to the apron side and allow the  
22 ability to expand it backwards, if you need to  
23 later on.

24 MS. BARRERA: Well, just look at it, would be  
25 my request, just to look at it.

1 MR. WUELLNER: Yeah. Well, I have no  
2 problem. We would probably bring you back some --  
3 a site plan or a site -- you know, we could  
4 certainly component this and bring it back, and  
5 I'm sure they'll have something ready to look at  
6 by the February meeting at the latest because we  
7 want to try and get this to a point where it's --  
8 you know what? I'm going to ask these guys to  
9 maybe get something to you at our January meeting.

10 The reason is I don't want to get so far into  
11 design that -- and you really don't want to go  
12 that direction and they have to start over. Not  
13 only is it going to be -- cost you money, but it's  
14 also going to cost schedule time at that point.

15 CHAIRMAN GREEN: That's why we did the  
16 workshop, to come up with --

17 MR. WUELLNER: The idea is to bid all this at  
18 one time as one project with component, with bid  
19 schedules for the items so that we can pick and

20 choose as the budget supports. It's a good time  
21 to be building in terms of dollars per square foot  
22 to build.

23 CHAIRMAN GREEN: All right. You need an  
24 action item from us as to those --

25 MR. WUELLNER: Approve the three engineering

1 agreements and then we'll go forward from there.

2 That's the next piece.

3 MS. BARRERA: I make a motion we approve the  
4 three engineering agreements.

5 CHAIRMAN GREEN: Is there a second?

6 MR. GORMAN: I'll second it, although I don't  
7 want to build offices that aren't --

8 MS. BARRERA: Going to be used.

9 MR. GORMAN: -- going to be used, but I'll  
10 second it.

11 CHAIRMAN GREEN: Any further board  
12 discussion?

13 MR. GEORGE: Yes.

14 CHAIRMAN GREEN: Buzz?

15 MR. GEORGE: There's no way to say this  
16 tactfully, Jack, so just bear with me.

17 I have nothing personal, you know, against  
18 you, but we are an airport and if we start taking  
19 people's houses and don't make the most effective

20 utilization of the land, then we are not doing our

21 job right.

22 And for us to put -- hang concepts like this

23 where we're trying to save a 20-year-old or a

24 40-year-old tree, that is -- just totally goes

25 against my grain, and I will vote no on anything

1 that says that, but you guys have the ability to  
2 override that.

3 MR. GORMAN: And my answer to that is if you  
4 can tilt a hangar 20 degrees, use almost 90  
5 percent of the land, build an esoteric, you know,  
6 situation that meets green initiatives, that  
7 provides awards for this airport -- remember we  
8 got an award for this airport by going with  
9 nonlinear and we have not wasted any property.

10 Then my answer to that is that there's a  
11 compromise issue, and the compromise issue needs  
12 to be -- there's also a taste issue. We've got an  
13 award for it.

14 So, I agree with you, and the careful  
15 engineering I think can build around your problem.

16 I think that your -- it's well said by you. You  
17 don't want to waste time, but I think that there  
18 are other things important besides just square  
19 footage.

20 MR. GEORGE: Putting in my context what you  
21 just said, almost 90 percent is used. Looking on  
22 the other side, that's 10 percent waste.

23 MR. GORMAN: Well then --

24 MR. GEORGE: We got an award. Got. That's  
25 past tense. We're not going to get another award



1 by putting these two hangars in there.

2 CHAIRMAN GREEN: Well, my concern when I was  
3 looking at Andrew behind us and we're looking at  
4 this -- the tilt versus the linear to use up all  
5 the square footage, I don't think we have to make  
6 that decision. They're going to look at it.  
7 We're not at that drawing part, that stage yet.

8 But when we were talking about putting it  
9 linear and Andrew was saying you're going to lose  
10 more space on the sides by doing that than if you  
11 keep it this way. So, putting it linear may not  
12 be the most efficient. So I don't think --

13 MR. GORMAN: What you're doing is -- I'm  
14 sorry to interrupt, but by doing it linear, you're  
15 building more unusable apron. You're just putting  
16 a lot more Tarmac there, Wayne. I don't mean to  
17 be argumentative for nothing, but --

18 MR. GEORGE: Apron I don't rent at \$7 a foot.

19 MR. GORMAN: Well, you're going to -- so you

20 won't have to build any. You'll be renting

21 buildings. I'm sorry to interrupt.

22 MR. GEORGE: So I don't get any return on my

23 investment. My point's made.

24 CHAIRMAN GREEN: But from what I'm hearing

25 from -- at the workshop and from Andrew is even if

1 we do it linear, you probably won't be able to fit  
2 anything usable in there because you're taking  
3 more space up this way.

4 MR. GEORGE: Well, my thought was to build  
5 two of them and then two more linear, leaving  
6 space in between so that if -- if, mind you, a  
7 future board needs that for one more commercial  
8 hangar, they have the option. If you put it at an  
9 angle to get another one in there, they're not  
10 going to move those two hangars to get it in  
11 there.

12 CHAIRMAN GREEN: Well, when we do the site  
13 drawing or whatever, you can try it two different  
14 ways and see if it even fits or what could even be  
15 put in there.

16 MS. BARRERA: I thought at the workshop we  
17 were told we wouldn't be able to fit anything else  
18 in there anyway.

19 CHAIRMAN GREEN: That's my -- that was my

20 recall, too.

21 MR. GORMAN: Let's let the engineers do their

22 job. I don't mean to be rude.

23 CHAIRMAN GREEN: All right. There's a motion

24 and a second. Any further discussion?

25 (No further discussion.)

1 CHAIRMAN GREEN: Okay. The motion is to  
2 accept staff's recommendation. All in favor, say  
3 aye.

4 MS. BARRERA: Aye.

5 MR. GORMAN: Aye.

6 CHAIRMAN GREEN: Aye. All opposed?

7 MR. GEORGE: Aye, no.

8 CHAIRMAN GREEN: There's one no. Jack, were  
9 you in favor?

10 MR. GORMAN: I was in favor. Aye. Yes.

11 CHAIRMAN GREEN: So the motion passes. Okay.

12 Next, we have I guess housekeeping.

13 MR. WUELLNER: I have one -- I had one more  
14 item on the agenda.

15 CHAIRMAN GREEN: Oh, I'm sorry.

16 WASH RACK DISCUSSION

17 MR. WUELLNER: I don't know that it made it  
18 to the front for some reason, but we had asked  
19 Prosser Hallock to provide an estimate or a design

20 contract to get the wash rack design for back

21 there.

22 CHAIRMAN GREEN: Oh.

23 MR. WUELLNER: That's, again, an aerial --

24 aerial of the area you're talking, the area that's

25 essentially behind our maintenance, maintenance

1 building on the corner there -- an area identify

2 that.

3 It's something smaller, a little bit

4 physically smaller than what we have out here in

5 terms of dimensions, but very similar in character

6 and use strictly for aircraft, not rental cars or

7 other things. Essentially takes that and adapts

8 the site. It's \$16,800 to do the design and

9 geotech survey as needed.

10 CHAIRMAN GREEN: I didn't have that on the

11 agenda, so is there any public comment?

12 MR. WUELLNER: You do have a grant. This is

13 an FDOT grant project. I won't -- I didn't put

14 that on the slide, but it is.

15 CHAIRMAN GREEN: Okay. If there's no public

16 comment. That was my question. So it's 75 --

17 MR. WUELLNER: I believe it's 50/50. It

18 could possibly be 80/20. I'd have to look it up.

19 But it's at least 50/50.

20 CHAIRMAN GREEN: And what is that  
21 percentage-wise of the program, you think? We  
22 would then add 10 percent, the cost of design, the  
23 \$16,800?

24 MR. WUELLNER: It's 50 percent of eligible  
25 cost. So it would be 50 percent of the design, 50



1 percent of the construction.

2 CHAIRMAN GREEN: Okay. I just wondered if  
3 the project costs 360 --

4 MR. WUELLNER: Oh, this kind of a project,  
5 you're looking at something under a hundred  
6 thousand dollars total. So it's probably high as  
7 a percentage, but --

8 CHAIRMAN GREEN: 16.

9 MR. WUELLNER: -- it's kind of a site civil.

10 CHAIRMAN GREEN: And the necessity for this?  
11 You're saying the other --

12 MR. GORMAN: That's my question.

13 MR. WUELLNER: Strictly it's just a distance  
14 issue to the other wash rack.

15 CHAIRMAN GREEN: I'm going to defer to you  
16 guys.

17 MR. WUELLNER: We always intended to put a --

18 CHAIRMAN GREEN: Is there a backup? Is there  
19 a waiting list or --

20 MR. GEORGE: What's the demand for it, Ed?

21 CHAIRMAN GREEN: Yeah.

22 MR. GORMAN: Thank you.

23 MR. WUELLNER: I don't know that we have a

24 clear heavy demand for a wash rack facility. The

25 limitation we have throughout the property is that

1 you can't wash aircraft other than on these wash  
2 racks for DEP purposes.

3 So it -- it seemed a natural to put something  
4 back where you just stuck 40 or 50 more airplanes.  
5 But it's -- and again, it's grant funded. I'm not  
6 trying to force you, because I personally don't  
7 care.

8 It just -- it's one of those, it's combined  
9 with a -- this grant allows you to do this and to  
10 do an additional fuel farm or to replace a fuel  
11 farm, whatever you choose, but that's what the  
12 grant funds were allocated to do. But you don't  
13 have to -- you do not have to do this component.

14 CHAIRMAN GREEN: Jack?

15 MR. GORMAN: I -- right now, when we had  
16 Skybus, we had to wash a heck of a lot of rental  
17 cars.

18 MR. WUELLNER: Yeah.

19 MR. GORMAN: And at that point in time, I

20 would back the wash rack, because the -- our only

21 wash rack we had was just being used 24/7.

22 MR. WUELLNER: Yeah, it was.

23 MR. GORMAN: Now, having been around here for

24 a while, I just think it's premature to have a

25 wash rack. We don't really need another one. I

1 just -- that's my thought. I mean, is it a good  
2 idea to set the little piece of land aside? Well,  
3 maybe. But is it -- do we need a wash rack right  
4 now? No, not in my opinion.

5 MR. WUELLNER: Are you thinking of how long  
6 you might -- if indeed you choose to delay, how  
7 long you'd like to delay it?

8 What my question relates to, we're going to  
9 have to come up with a project to expend the grant  
10 funds related to this within -- within the next  
11 year, so -- which is going to move us into  
12 fuel-storage related things. That -- we may have  
13 something related to that in a few months to bring  
14 forward, but we'll see how that goes.

15 MR. GORMAN: Certainly spend it on fuel  
16 storage before we'd spend it on a wash rack, I  
17 mean, you know, without knowing.

18 MS. BARRERA: They get to tie in together,  
19 though. That's what he's saying.

20 MR. WUELLNER: You've got an opportunity to  
21 tie it together because that's the way the grant's  
22 written.

23 Once you build the fuel thing and the grant's  
24 closed, my question is, if you're wanting to wait  
25 three or five years, we'll reprogram the item

1     rather than try to drag it out with the existing  
2     grant and it will come available at a later date,  
3     whenever that is.

4           CHAIRMAN GREEN: Bryan had a comment.

5           MR. WUELLNER: It's more --

6           MR. GEORGE: What's the time from decision of  
7     the board till the time you can actually start  
8     using the wash rack?

9           MR. WUELLNER: This is a quick-burn thing. I  
10    would think you could be using this in March or  
11    April at the latest.

12          MR. GEORGE: Okay. So you're talking four  
13    months.

14          MR. WUELLNER: It's just a pad. Yeah.

15          MR. GEORGE: Okay.

16          CHAIRMAN GREEN: Bryan?

17          MR. COOPER: If you go -- there is another  
18    issue of why you need this wash rack. If you go  
19    back to the original wash rack, it was built under

20 a consent order with DEP. It had a number of  
21 limitations which we are -- we were bouncing right  
22 at -- at those limitations, how many gallons per  
23 month we could use. Before we had Skybus in here,  
24 we were approaching that.

25 Now you're adding more airplanes by adding



1 more hangars on the airport. We expect more  
2 operations, continued growth on the airport.  
3 We're not going to be able to meet the needs with  
4 the wash rack that we've got. We're already  
5 there. It's maxed out on its -- how much water  
6 you can use per month. There's -- there's a  
7 number of conditions with that consent order from  
8 DEP.

9 MR. WUELLNER: He's -- he's correct. I  
10 hadn't even thought of that angle, but you're  
11 correct. There was like an 800 --

12 MR. COOPER: 10,000 gallons a month of water.

13 MR. WUELLNER: 10,000 a month, is that what  
14 it was?

15 MR. GORMAN: Can I ask? In other words, with  
16 this -- with the reduced -- right now, with our  
17 reduced rental car washing needs, which are  
18 greatly reduced, even now with an occasional  
19 airplane, we are still at that maximum?

20 MR. WUELLNER: Probably not.

21 MR. COOPER: Jack, we were -- we were --

22 MR. GORMAN: Not were, now.

23 MR. COOPER: Before, when we only had one

24 rental car agency here and no airline service, we

25 were approaching that number, and we were sort of

1 concerned about bouncing over it. I've just been  
2 afraid to look at the water bills lately.

3 CHAIRMAN GREEN: Well, what you're saying,  
4 now that we've added 40 more planes --

5 MR. COOPER: More -- more airplanes means  
6 more wash rack usage.

7 MS. BARRERA: Can we defer this to the next  
8 meeting --

9 MR. WUELLNER: Sure.

10 MS. BARRERA: -- and kind of have some more  
11 concrete numbers?

12 MR. WUELLNER: Sure.

13 CHAIRMAN GREEN: Make Bryan look at the water  
14 bill.

15 MR. GEORGE: Yeah. Can we -- can we also  
16 consider expanding the wash rack that we now have?  
17 We can't use that space because of runway 2.

18 MR. WUELLNER: You're -- you've got that  
19 project surrounded by retention, including the

20 retention for the wash rack itself.

21 It -- in order to kind of fully what --

22 explain how that got -- because I don't think

23 anybody on the board was here when that kind of

24 went down, we had originally programmed funds with

25 DOT to build a wash rack.

1       We invited FDEP down at the time to assist us  
2       in developing a facility. It was not only going  
3       to be acceptable; it was going to be something  
4       really good for the environment when we build it.  
5       We invited them down.

6       While they're down here looking at the site  
7       with us, they look across the ramp and decide at  
8       the time Aero Sport is violating the state statute  
9       by washing a King Air on the ramp without  
10      adequately containing the wastewater, as it's an  
11      industrial use to wash an airplane, unlike your  
12      car. They violated us, fined us \$10,000 for that  
13      infraction while we're standing there asking for  
14      their assistance and invited them down.

15      We negotiated that with the -- with the  
16      assistance of one of the attorneys at Rogers  
17      Towers in Jacksonville, one of their environmental  
18      attorneys, negotiated that down. I think we ended  
19      up settling it for in the \$1800 or something range

20 and entering into a consent order with FDEP as to  
21 how the facility could be done and the  
22 requirements into -- that had to be designed or  
23 incorporated in the facility, which included the  
24 approved treatment method.

25 Based on the 10,000 gallons a day -- or not a

1 day, per month usage, they allowed us to do spray  
2 irrigation, which to me seemed insane, and this  
3 isn't the time to get to there, but literally the  
4 water treatment that we were being fined for not  
5 having was the same as what was going on when the  
6 water ran off on to the ground. The only  
7 difference is we had to pump it and spray it into  
8 the same patch of grass. But no other treatment  
9 was done. But it complied with the order.

10 That's where the requirement is that we make  
11 you come in and have training on the wash rack  
12 video and why the signs are out there and why it's  
13 controlled the way it is, is because of the  
14 consent order with DEP.

15 MR. GORMAN: Let me ask one more question.

16 CHAIRMAN GREEN: Okay.

17 MR. WUELLNER: As to the volume, I can't  
18 speak. We'd have to look at it and see.

19 MR. GORMAN: Let's ask Mr. Slingluff again,

20 because he's the final user of the big airplane  
21 that made the big mess. Do we need another wash  
22 rack, do you think? I have to ask you because  
23 you're the FBO manager.

24 MR. GEORGE: And can we rent it to you?

25 MR. WUELLNER: We charge him now.



1 MR. SLINGLUFF: We don't wash airplanes.

2 MR. GEORGE: Okay.

3 MR. GORMAN: Okay.

4 MR. SLINGLUFF: We learned our lesson. But,  
5 yeah, you know, I would program this thing.

6 You've got a wash rack out here that is minimal  
7 size. You can't even tow a large aircraft over  
8 there.

9 MR. GORMAN: Okay.

10 MR. SLINGLUFF: And just program it in there  
11 and get the grant money for it. You're going to  
12 use it sooner or later. You're going to need it.

13 MR. GORMAN: You can't tow a large aircraft  
14 in there; it's just too small.

15 MR. SLINGLUFF: They can't get around the  
16 corner.

17 MR. GORMAN: They can't get around.

18 MR. WUELLNER: The hangar building's the  
19 obstacle.

20 MR. GEORGE: How long does the grant last and  
21 what's our drop-dead date? Let's treat -- let's  
22 treat it like the Customs.

23 MR. WUELLNER: Look how quick she -- I tell  
24 you what. Blow me away here. The grant expires  
25 December 30th of 2010 and it was an 80/20 grant,

1 so it's 80 percent funded by FDOT. And the total  
2 project value including the fuel component of  
3 \$625,000. So it's a total project value of which  
4 you're looking at maybe spending 18 percent or 20  
5 percent, maybe, leaving the balance for fuel  
6 related.

7 We actually had -- when they -- we had a  
8 grant programmed for the fuel system, and when  
9 they got time to write it, we were able to add the  
10 wash rack in there as an approved use with it when  
11 we got it. So that's how it came down.

12 CHAIRMAN GREEN: Any further board  
13 discussion?

14 (No further discussion.)

15 CHAIRMAN GREEN: Okay. This is an action  
16 item, so entertain a motion.

17 MR. GEORGE: Make a motion we ask the staff  
18 to bring it back to us in September.

19 CHAIRMAN GREEN: I don't think we need a

20 motion for that.

21 MR. GORMAN: You mean September or you mean

22 January?

23 CHAIRMAN GREEN: Or January?

24 MR. GEORGE: No, September. We've got till

25 2010 to spend this money.

1 MR. GORMAN: I see.

2 MR. GEORGE: You want to commit yourself  
3 right now to 20 percent of \$625,000? Give the man  
4 20 percent on his house.

5 MS. BARRERA: I make a motion that we defer  
6 this to our January meeting and -- once we have  
7 some concrete numbers and a little bit more  
8 information.

9 MR. WUELLNER: Take a look at it in the  
10 context of what we're using now.

11 CHAIRMAN GREEN: Yeah. Look at the gallons  
12 used.

13 MR. WUELLNER: That's fine.

14 CHAIRMAN GREEN: Okay. January.

15 MR. GEORGE: I second that motion.

16 CHAIRMAN GREEN: On the January agenda.

17 MS. BARRERA: We have to vote.

18 CHAIRMAN GREEN: Now housekeeping.

19 HOUSEKEEPING

20 MR. WUELLNER: Yeah. Just a couple of items.

21 I want to announce that we're being asked and are

22 actively exploring internship opportunities with

23 FCCJ, JU, and the Aerospace Academy at this point.

24 So, it -- it's becoming a -- a very

25 attractive place to put college-related students

1 that are in aviation-related curriculums,  
2 everything from aircraft maintenance to air  
3 traffic control students, and as well as providing  
4 a really cool opportunity for our high school  
5 students in those cases.

6 But it's -- it's a requirement of both JU and  
7 FCCJ to have an internship period at some place  
8 for graduation. So, it's been a pleasure to be  
9 able to work with all these different groups and  
10 putting these together.

11 We don't really have to do a whole lot other  
12 than facilitate their contact with other  
13 businesses on the airport in most cases. We do  
14 take an intern periodically to help us, and we've  
15 had some really good success with that over the  
16 last year or so.

17 The other thing I want to make you aware of,  
18 we are doing an airport emergency plan training.  
19 We have begun that effort with our commercial

20 tenants. That will extend throughout the year at  
21 our bimonthly operational meetings. We can  
22 include a component related to that. So that  
23 hopefully by the end of the year or so, we'll all  
24 be on the same page and all knowing what each  
25 other's responsibilities and roles will be in



1 airport emergencies.

2 And last, I've got more a question to ask  
3 you. I'm not sure everybody's in the mood for  
4 this kind of question, but there may be an  
5 opportunity relative to some FAA money.

6 FAA -- it looks like an expansion of the AIP  
7 money in a sense is going to hit in the  
8 February-March time line or maybe even just a  
9 smidge later than that.

10 One of the -- one of the projects that's  
11 hanging out there of interest to us is related to  
12 the airport rescue and firefighting station  
13 itself. And the context here is FAA appears to  
14 now have the latitude to do design/build projects.

15 If we were not doing this as a design/build  
16 project, I -- we wouldn't be talking about it  
17 today, because there's no way we could get through  
18 design and be at a plan set in time to meet FAA  
19 requirements to award -- to get a grant at that --

20 at February or March because you won't be able to  
21 get this grant in June; you're going to have to  
22 take the grant in February or March, which means  
23 you have to have a number or a project that's at a  
24 point that FAA can award a grant to it. You could  
25 not do that conventionally.

1           So the question to you is, do you want us to  
2           fast-track the identification and selection of a  
3           design/build firm to do an ARFF station to get  
4           that to a point that we could get an FAA grant  
5           potentially in February or March?

6           You would have to do much like we did with  
7           consultant. We'd have to advertise. It would be  
8           only for this project. We'd solicit design/build  
9           resumés, for lack of better terms. In January,  
10          you'd select a firm and negotiate a contract that  
11          would be acceptable to FAA to award a grant on  
12          that come February or March.

13          CHAIRMAN GREEN: Question. We solicited --  
14          we put in an RFP or whatever out there and we  
15          don't like the numbers that come back.

16          MR. WUELLNER: Well, that number would plug  
17          directly into the FAA program. There's a chance  
18          that this FAA program and its expended money could  
19          be funded at 100 percent. But even if it's not,

20 the current program would put it at a 95 percent

21 fund level. So --

22 CHAIRMAN GREEN: But what I was saying is the

23 solicitation alone is not going to cost us

24 anything.

25 MR. WUELLNER: That's correct. Other than

1 just a little time to get it out on the street.

2 CHAIRMAN GREEN: So I'm just saying why not  
3 do it, get it out there and it comes on our  
4 January calendar and we go duh.

5 MR. WUELLNER: It's a very tight suspense to  
6 get something to this point and it's going to  
7 require us to make a -- to make a decision in the  
8 January or early February time line relative to  
9 the firm and get that quote unquote negotiate --  
10 negotiated to the point where we could award a  
11 contract and be ready to award the contract when  
12 FAA has the money. Otherwise, it would just die  
13 on the vine and go away at that point and we just  
14 wouldn't have a project.

15 MR. GORMAN: Question, will this ARFF  
16 design/build con -- will that contain this road  
17 that we're going to need to get out to the ARFF,  
18 that will be the other side of this fence line we  
19 just had surveyed or whatever?

20 MR. WUELLNER: Actually I'd like to defer the  
21 question of the road till January, because we're  
22 really debating whether the road portion of this  
23 even makes sense long term.

24 We could -- we -- many airports provide  
25 access to the ARFF stations just across a taxiway.

1 So it may be that we want to look at whether it  
2 makes sense to build the road. And I'm not making  
3 a recommendation today and I'm not trying to say.

4 It could be included. Your -- the direct  
5 answer is, yes, it could be included in the design  
6 of the station. It -- it may bring the cost of  
7 that to the point where it doesn't get a grant.

8 We don't know that. It could be designed as an  
9 alternate within that contact, too.

10 CHAIRMAN GREEN: But the question before the  
11 board --

12 MR. WUELLNER: Yes, it could be entered.

13 CHAIRMAN GREEN: -- before the board tonight  
14 is just do we want to put some sweat equity --

15 MR. WUELLNER: Do you want to do this? We'll  
16 get it going and you'll decide on whether  
17 they're -- we're spending money on it so to speak  
18 later on.

19 CHAIRMAN GREEN: Buzz?

20 MR. GEORGE: We keep growing, and we have  
21 visions that we're going to have airline traffic  
22 in here. We're going to need a fire facility. If  
23 we can do it now with no money out of our pocket,  
24 yes, I'd say press forward.

25 MS. BARRERA: I think safety is always --



1 MR. GEORGE: Even if it requires cutting a  
2 tree down.

3 MS. BARRERA: That was bad.

4 MR. WUELLNER: The good news is there are no  
5 trees with this.

6 MR. GEORGE: Sorry, Jack.

7 CHAIRMAN GREEN: But the point is the  
8 direction for now is just go ahead and put the  
9 RFPs out there and then we'll make a decision if  
10 we're going to do it.

11 MR. GORMAN: Okay. It's a moot point that  
12 we -- whether we go and see what's available.

13 CHAIRMAN GREEN: Right.

14 MR. GORMAN: Okay. Yeah, I think Buzz is  
15 correct.

16 MR. WUELLNER: Okay. You're at public  
17 comments, I'm sorry. Thank you. I got my  
18 direction.

19 PUBLIC COMMENTS

20 CHAIRMAN GREEN: Oh, no, that's fine. Public

21 comments? I just had Joe Jones who is not here.

22 Joe Lopinto.

23 MR. LOPINTO: I'll pass at this point.

24 CHAIRMAN GREEN: I didn't have one for you.

25 MR. MARTINELLI: I know. But may I?

1 CHAIRMAN GREEN: All right. Hurry up.

2 MR. GEORGE: Only if Mary can. She asked  
3 first.

4 MS. WILLIS: No, he's already filled out a  
5 form. I --

6 MR. WUELLNER: No, he didn't.

7 MR. MARTINELLI: No, I haven't. I have not  
8 filled out a form.

9 MS. WILLIS: Then I won't waste paper,  
10 either.

11 MR. WUELLNER: He's just butting ahead of  
12 you.

13 MR. MARTINELLI: I'm just butting. Okay. I  
14 just want to make some comments relative to the  
15 incentive program. And -- and I didn't have these  
16 comments in my mind until after your board  
17 discussions. And since, Buzz, you're going to put  
18 this together, I'd just like to make three  
19 observations.

20           Number one, the more parameters, the more  
21           complex, the harder it is to administer a program.  
22           That's an axiomatic thing. The second thing is  
23           that while I agree with your idea of being more  
24           general, Ed still has to respond to that. So he  
25           needs direction, and general directions are pretty

1 hard to follow. Sometimes you get lost. So,  
2 anyway.

3 And the third observation I'd like to make is  
4 that among all the things you discussed, one very  
5 very important aspect of his job, which wasn't  
6 discussed at all, was securing grants.

7 And when you talked about the spread between  
8 the revenue and the expense, a component to  
9 stretch that is of course grant money that comes  
10 in. And the ability to see and foresee grant  
11 possibilities like the wash rack and like this  
12 ARFF building are attributes that really are  
13 skills that he possesses and should be rewarded,  
14 because that's above and beyond. Those are the  
15 only thoughts I had.

16 CHAIRMAN GREEN: Thanks. Mary?

17 MS. WILLIS: Mary Willis, 180 Indian Bend  
18 Road right next door. Buzz, you were right. Your  
19 job is to run the airport efficiently. Jack, you

20 were also right. And my opinion that we try to do  
21 things very beautifully if possible.

22 I was asked to serve on the committee to plan  
23 the public park. This will be immediately north  
24 of that area, right across the little paved area,  
25 I guess it was. True, you've already received the

1 award for being a beautiful airport or trying to  
2 be, but you don't want to denigrate it by ignoring  
3 that and not doing the best you can to preserve  
4 trees, greenery, especially since it's going to be  
5 facing our park, which we hope we'll get planned,  
6 right, Bryan?

7 So that's what I wanted to say to both of  
8 you, is that you can't ignore the fact that you've  
9 already gotten there and gotten the award and then  
10 turned around and in any way denigrate it. So,  
11 whatever works out efficiently and aesthetically  
12 can be worked out, I'm sure. Because Ed's very  
13 good at that sort of thing, right, Ed?

14 MR. WUELLNER: Yes, ma'am.

15 MS. WILLIS: Thank you.

16 MS. BARRERA: And so is Bryan.

17 MS. WILLIS: And Bryan.

18 CHAIRMAN GREEN: Thank you, Mary. Okay.

19 AUTHORITY MEMBER REPORTS

20 CHAIRMAN GREEN: Authority members. Kelly,

21 any comments?

22 MS. BARRERA: No.

23 CHAIRMAN GREEN: Okay. Randy did his

24 comment. Jack?

25 MR. GORMAN: Are we clear that we're going



1 to -- what are we -- are we clear on what we're  
2 going to do about this ARFF situation?

3 MR. WUELLNER: Yeah.

4 CHAIRMAN GREEN: Right. Ed's got the  
5 direction.

6 MR. WUELLNER: We'll move forward with it.

7 CHAIRMAN GREEN: And then we can make a  
8 decision.

9 MR. GORMAN: And we're going to make a  
10 decision whether to or not it's -- expedite the  
11 design/build or we're going to go with the  
12 engineers.

13 CHAIRMAN GREEN: Or just wait.

14 MR. WUELLNER: No, no.

15 MR. GORMAN: Yeah, that's what I'm not clear  
16 on.

17 MR. WUELLNER: The only -- the only way this  
18 can work in the time line available is as a  
19 design/build.

20 MR. GORMAN: In the time line available. But

21 it can work otherwise --

22 MR. WUELLNER: Yes.

23 MR. GORMAN: -- using just the engineers and

24 going forward.

25 MR. WUELLNER: But at this point, there's no

1 expectation of grant funding for that if we did  
2 bid build because of the time line. This money  
3 will be available in a very short period of time  
4 and only then.

5 MR. GORMAN: I see.

6 MR. WUELLNER: Then you can get -- you could  
7 get in the queue and try to get the funding at a  
8 later time. But this particular, you would not  
9 have time to do it.

10 MR. GORMAN: Thank you. That clarifies it.

11 CHAIRMAN GREEN: Buzz?

12 MR. GEORGE: No comments.

13 CHAIRMAN GREEN: Kelly, you said you wanted  
14 to.

15 MS. BARRERA: I want to thank you, Suzanne,  
16 for being chairman and leading us through these  
17 last two years and for your time on the board. I  
18 realize that it's been a long meeting, but this  
19 will be your last meeting as chairman.

20 CHAIRMAN GREEN: Yeah.

21 MS. BARRERA: So thank you.

22 MR. GEORGE: I'd like to add thanks for six

23 years, not just the last two. It's been a

24 pleasure. I love your choice of cars.

25 CHAIRMAN GREEN: Yeah. Good direction. No,

1 and I've appreciated it, too. It's been fun.  
2 Sure know a lot more about airports than I did  
3 eight years ago, and that's good knowledge to  
4 have. You can -- any knowledge like that is good  
5 to take with you. But I guess I will be here in  
6 January but for about five minutes --

7 MR. GEORGE: Right.

8 CHAIRMAN GREEN: -- and then kick me out.

9 MR. GEORGE: Right.

10 CHAIRMAN GREEN: Yeah, I appreciate it. Now  
11 it's January 12th, is our next meeting. All  
12 right?

13 MR. GORMAN: Can I --

14 CHAIRMAN GREEN: Yeah.

15 MR. GORMAN: One question. For an agenda  
16 item for next meeting real quick. Just not an  
17 in-depth, but maybe another cursory discussion  
18 about the disposition of that terminal, because we  
19 go month-to-month. The economy has changed.

20 MR. WUELLNER: Yeah.

21 CHAIRMAN GREEN: Oh, Skybus.

22 MR. GORMAN: The terminal building.

23 MR. WUELLNER: Okay.

24 MR. GORMAN: Yeah, the Skybus terminal

25 building, right.

1 MR. WUELLNER: We'll do that.

2 MR. GORMAN: Let's touch that again. See if  
3 there's some revenue there somewhere.

4 CHAIRMAN GREEN: Okay.

5 MR. GORMAN: Thank you.

6 CHAIRMAN GREEN: Meeting's adjourned. Thank  
7 you all.

8 (Meeting adjourned at 7:05 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, FPR,

7 certify that I was authorized to and did

8 stenographically report the foregoing proceedings

9 and that the transcript is a true record of my

10 stenographic notes.

11

12       Dated this 30th day of December, 2008.

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

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