

1 ST. AUGUSTINE - ST. JOHNS COUNTY AIRPORT AUTHORITY

2 General Meeting

3 held at 4796 U.S. 1 North

4 St. Augustine, Florida

5 on Monday, March 20, 2006

6 from 3:07 p.m. to 5:54 p.m.

7 * * * * *

8 BOARD MEMBERS PRESENT:

- 9 WAYNE GEORGE, Secretary-Treasurer/Acting Chairman
- RANDY BRUNSON
- 10 JOHN "JACK" GORMAN
- SUZANNE GREEN

11

12 * * * * *

13 BOARD MEMBER ABSENT:

- 14 BOB COX, Chairman

15 * * * * *

16 ALSO PRESENT:

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

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

20 BRYAN COOPER, Assistant Airport Director.

21 * * * * *

22 JANET M. BEASON, RPR, RMR, CRR
23 St. Augustine Court Reporters
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25

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

2 CHAIRMAN GEORGE: All right. Let's call the
3 meeting to order. Am I too early --

4 MR. WUELLNER: No.

5 CHAIRMAN GEORGE: -- Mr. Wuellner?

6 MR. WUELLNER: I just couldn't see sitting

7 down to stand right back up.

8 CHAIRMAN GEORGE: Let's start with the Pledge

9 of Allegiance to the Flag.

10 (Pledge of Allegiance.)

11 3. - APPROVAL OF MINUTES

12 CHAIRMAN GEORGE: We have minutes in the

13 handout for the regular meeting and also the

14 workshop meeting. Are there any changes or

15 additions or clarifications to any of them?

16 MS. GREEN: The only clarification I had --

17 and I was not here because I was in trial.

18 Mr. Martinelli, when I read through this, and --

19 apparently he was assigned Gainesville Airport to

20 compare in the workshop and so was I, so I don't

21 know if that was a confusion or what or if I

22 misunderstood what I was getting.

23 MR. GORMAN: Nobody did anything, anyway.

24 MS. GREEN: No, I handed in -- I faxed in --

25 MR. GORMAN: Except -- excuse me,

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1 Mr. Brunson. I'm sorry.

2 MS. GREEN: I faxed in a spreadsheet and
3 everything that was to be presented at the
4 meeting. But I don't know if it was duplication.
5 I was just sorry --

6 MR. MARTINELLI: Well, I -- I didn't see what
7 you did, Suzanne.

8 MS. GREEN: I sent it to the airport.

9 CHAIRMAN GEORGE: Yeah.

10 MR. WUELLNER: We got it during the meeting.

11 MR. MARTINELLI: Oh, okay.

12 CHAIRMAN GEORGE: We -- we thought you had
13 Orlando Exec, since you were going to be down
14 there, is what I had in my notes.

15 MS. GREEN: Oh, I'm sorry. I had Gainesville
16 in mine. So, that's my fault, that --

17 CHAIRMAN GEORGE: Okay.

18 MS. GREEN: That's why I just wanted to make
19 sure that I didn't duplicate things.

20 CHAIRMAN GEORGE: Okay. It was a while ago.

21 As long as we, you know, had the information
22 there. Then you obviously read the minutes --

23 MS. GREEN: I did.

24 CHAIRMAN GEORGE: -- and got the flavor.

25 MS. GREEN: I did.

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1 CHAIRMAN GEORGE: Okay.

2 MS. GREEN: Thank you.

3 CHAIRMAN GEORGE: Any changes or additions?

4 (No changes or additions.)

5 CHAIRMAN GEORGE: Okay. Hearing none, we
6 will present them as presented.

7 4. - APPROVAL OF FINANCIAL REPORT

8 CHAIRMAN GEORGE: The financial report for
9 February, which is five months, you know, into the
10 year, we got some numbers that are all over the
11 place, and I'll get with Staff and clear those
12 out. It looks like that that's -- you know, it
13 clearly represents the monies that have been spent

14 and everything. So, I would recommend that we
15 accept it.

16 MR. BRUNSON: I'll second it.

17 CHAIRMAN GEORGE: We have a recommendation
18 and a second. Any objections?

19 (No objections.)

20 CHAIRMAN GEORGE: Okay. So-done.

21 5. - APPROVAL OF MEETING AGENDA

22 CHAIRMAN GEORGE: Meeting agenda approval.

23 Anybody have any additions or -- other than me?

24 I have -- I'd like to add an agenda item to
25 discuss the 10-year financial plan. I think we've

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1 had enough changes with construction costs and
2 everything recently that we need to get back up to
3 spec on what that is. And I know that
4 Mr. Wuellner's been working on it. And there's
5 just so many items that I just wanted to add as an
6 agenda item so that we can discuss it. Any -- any

7 objections?

8 MR. BRUNSON: You're not -- you're not asking
9 for this to be an agenda item today, are you?

10 CHAIRMAN GEORGE: Yes. No, I've got several
11 things I want to talk about, about that plan, and
12 about the need for it, you know, and --

13 MR. BRUNSON: Okay. Is this going to be a
14 voting type?

15 CHAIRMAN GEORGE: No.

16 MR. BRUNSON: Okay.

17 CHAIRMAN GEORGE: No.

18 MS. GREEN: That was my only concern, if we
19 had enough information to discuss it.

20 MR. BRUNSON: Yeah.

21 MS. GREEN: If you have things, then --

22 MR. BRUNSON: If you're starting the --

23 CHAIRMAN GEORGE: No. Mine -- mine is to
24 build a case for us having a workshop, you know,
25 because I think that everybody on this board needs

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1 to understand, you know, the nitty-gritty behind
2 all of it. And I think it's -- but anyway, that's
3 why I wanted to put it on the agenda and discuss
4 it. If everybody says it's not going to be -- you
5 know, it shouldn't be a workshop, we'll not do it
6 then.

7 So, if you wouldn't mind adding that and
8 reminding me when we get to the end.

9 Anything else on the agenda?

10 MR. GORMAN: Doesn't have to be on this
11 meeting, but I would like to add, before it's all
12 over, when we're going to discuss performance
13 reviews before the retainage of a law firm.

14 That's --

15 CHAIRMAN GEORGE: Okay.

16 MR. GORMAN: I believe it's been over a year,
17 and I'd like to know when that -- you know, when
18 that annual date is and --

19 CHAIRMAN GEORGE: I think one of the action
20 items today is a law firm contract review. Is

21 that the same subject?

22 MR. WUELLNER: Yes, it is.

23 MR. GORMAN: Okay. Well, sorry. Ed has beat
24 me to it.

25 MR. WUELLNER: You asked last meeting and

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1 it's on there.

2 CHAIRMAN GEORGE: Okay.

3 MR. BRUNSON: Mr. --

4 CHAIRMAN GEORGE: Then we will --

5 MR. GORMAN: Sorry.

6 CHAIRMAN GEORGE: Do you have anything else?

7 MR. BRUNSON: Mr. Chairman, I don't want to

8 make it an agenda item, but I do -- I don't know

9 whether to hold it to my comments at the end, but

10 I do want to have some discussion about a meeting

11 I had last Monday evening with the North Shores

12 Improvement Association, with their concerns of

13 noise, and -- that we -- we hear daily, but I'd

14 like to get the board's input and the staff's

15 input and the tower's input and different things.

16 CHAIRMAN GEORGE: Okay. Do you want -- if

17 you're going to get our input, then do you want it

18 as an agenda item or you just want to make it as

19 your comments and then an action item?

20 MR. BRUNSON: I'll make some comments and

21 then possibly, since I'd like to keep this meeting

22 abbreviated as much as possible --

23 CHAIRMAN GEORGE: Okay.

24 MR. BRUNSON: -- maybe we can get it on the

25 agenda for the next meeting.

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1 CHAIRMAN GEORGE: For the next meeting.

2 Sounds good. Okay. Hearing nothing else, then,

3 we will leave it as, you know, modified, that are

4 there.

5 Okay. And into the reporting section, I see

6 that Mr. Bryant is here.

7 6.A. - COUNTY COMMISSIONER

8 COMMISSIONER BRYANT: No report.

9 CHAIRMAN GEORGE: Okay. I figured if you
10 came today, that there'd be a big long report that
11 you had for us, Jim.

12 COMMISSIONER BRYANT: Not that would interest
13 them.

14 CHAIRMAN GEORGE: Okay. Mr. Slingluff?
15 Anybody from Galaxy here?

16 6.B. - GALAXY AVIATION

17 (Representative absent.)

18 CHAIRMAN GEORGE: We had some comments we
19 wanted to make to Galaxy, but if they're not
20 present, do you want to make your comments now?

21 MR. CIRIELLO: Yeah.

22 CHAIRMAN GEORGE: That's Joe Ciriello.

23 MR. CIRIELLO: Joe Ciriello, 5318 Shore
24 Drive. I wanted to actually address Galaxy, but
25 some of the board members or Staff might know the

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1 answer.

2 I've been made aware recently that Galaxy has
3 removed some anchors and a tie-down cable in the
4 back end of their parking ramp over there that's
5 under their leasehold. And I was -- I -- I know
6 what excuse I'll get for why they did it, but I --
7 my main concern is, did they get permission
8 legally to do that? That -- that's what I wanted
9 them to give me a report on.

10 And I did ask Mr. Wuellner on the phone one
11 day about it, and I don't recall exactly what he
12 said, but maybe he can give some background on it.
13 Because my understanding is they did it more or
14 less on their own, thinking because it's their
15 leasehold, they can do that, and I don't think
16 they can.

17 I think, in my opinion, the board, not Staff,
18 the board, has to address this and give permission
19 to remove property owned by the board from a
20 lessee. So, I -- I'd like something like that
21 brought up.

22 CHAIRMAN GEORGE: Okay.

23 MR. WUELLNER: Yeah, I'm going to --

24 CHAIRMAN GEORGE: Mr. Wuellner?

25 MR. WUELLNER: I'm going to have to defer

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1 to -- to Bryan on this one. And he was more up to

2 speed on what was going on with it.

3 CHAIRMAN GEORGE: Okay.

4 MR. WUELLNER: But we received nothing formal

5 from them requesting that they remove that.

6 CHAIRMAN GEORGE: Bryan?

7 MR. WUELLNER: Microphone.

8 CHAIRMAN GEORGE: Mr. Cooper.

9 MR. COOPER: They --

10 MR. WUELLNER: Microphone.

11 MR. COOPER: When they were discussing doing

12 that, we had a meeting and pointed out to them

13 they need to send a letter over here prior to

14 doing that. They informed me they would do that.

15 And then about a week later was when they removed
16 it. So, I was working under the assumption that
17 they did send the letter. If they haven't, then
18 I'm going to follow up with them in the morning.

19 But what they did, there was three rows -- or
20 two rows of cable, and they moved a taxiway or a
21 taxi lane through the apron from one side of it to
22 the other side, and they were just taxiing right
23 over those cables and the pieces of metal sticking
24 up.

25 So, with the taxi lane over there now, they

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1 removed one of those.

2 CHAIRMAN GEORGE: Well, that leads to the
3 next question, then: Did they get approval to
4 change the taxi lane?

5 MR. COOPER: Yes, they did. In fact, that
6 was something that we had suggested back when the
7 shade hangar was built.

8 CHAIRMAN GEORGE: Okay. We had had some
9 discussions when we went through with their new
10 lease that we signed within the last four or five
11 months, that there are some requirements that are
12 in the lease that, you know, over the years, all
13 leases are going to get a little lax, you know, on
14 well, you were supposed to do this but we didn't
15 do this.

16 And -- and I thought that we had talked to
17 Staff about, let's start this lease off correctly,
18 and if there's some paragraph that says that
19 they're supposed to get the approval from us
20 beforehand, even though we had recommended it, I
21 think we need to go back to them and quote
22 paragraph and everything to kind of set the stage,
23 because otherwise, we're going to wind up a year
24 from now being in the same situation.

25 Okay? So, Mr. Wuellner, if you could take

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1 care of that.

2 MR. WUELLNER: Got it.

3 CHAIRMAN GEORGE: Northrop Grumman? I'm
4 sorry. Mr. Martinelli?

5 MR. MARTINELLI: Do you have public comment
6 on this?

7 CHAIRMAN GEORGE: No. Oh --

8 MR. MARTINELLI: On this subject?

9 CHAIRMAN GEORGE: On that particular subject,
10 yes, go ahead.

11 MR. MARTINELLI: Okay.

12 MR. WUELLNER: You can take the mic with you.

13 MR. MARTINELLI: No, I think I'll leave the
14 mic here. Some time ago, in fact, going back many
15 years, we discovered that the back cable on that
16 ramp is not on the leased property; it belongs to
17 the Airport Authority.

18 Now, if the new lease has not changed the
19 metes and bounds of that leasehold, that back
20 cable is still on the Airport Authority property,
21 not on the FBO's leasehold. So, if you want to

22 correct what was done wrong, you better start with
23 that as well. Okay?
24 MR. WUELLNER: It -- it was corrected. It
25 was corrected in the rewrite here.

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1 MR. MARTINELLI: Okay. I just wondered.

2 CHAIRMAN GEORGE: Okay.

3 MR. GORMAN: Just a quick question. And I
4 direct this to Joe. And I'm not making any
5 disparaging -- Joe, why were you concerned with
6 it? Why were you concerned with it? I mean,
7 that's --

8 MR. CIRIELLO: I was concerned with it just
9 because of the technicality of it. Let me relate
10 a small little story to you.

11 A few years ago, I was flying with a friend
12 of mine. And we come back to tie the airplane
13 down. You could pick that tie-down cable up as
14 high as your knee. And basically it doesn't move

15 more than an inch or so because it goes through
16 the rings in the anchors.

17 So, I went in to see Jim Moser -- my buddy
18 said, "Don't bother." I went in to see him, and I
19 started jumping him about the bad condition of
20 those tie-down cables; it was unsafe. If a wind
21 came and picked up a plane, it could lift that
22 plane yea high instead of like this. He said,
23 "Whoa, wait a minute." He said, "Those aren't
24 mine. They belong to the Authority."

25 I said, "They're in your leasehold."

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1 He said, "I pay rent, but the responsibility
2 is the Authority's."

3 So, I brought it up at a meeting. And then
4 the Authority looked into it. It took over a
5 year -- or about a year, I'm not sure, Ed -- to
6 get it replaced -- fixed, new anchors and
7 recemented and everything in.

8 So, my concern is if it's the Authority's
9 equipment, they paid for it to have it put in, the
10 new anchors made up and everything, they went to
11 that expense, then a lessee shouldn't be able to
12 go up and tear them out without permission from
13 the board. Not Staff. The staff are employees.
14 The board runs this airport, supposedly.

15 And now I think this is a big enough thing
16 that the board should have given the approval, not
17 anybody from Staff. And that's what my concern
18 is, that if they can go and tear something out
19 that they don't like because they want to make
20 more convenient for their jets, that's our
21 property, the airport property, then who's to say
22 that somebody else won't do the same thing?

23 That's what my concern is, that they did
24 something they had no right to do.

25 CHAIRMAN GEORGE: Okay. Very valid point.

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1 Northrop Grumman?

2 6.C. - NORTHROP GRUMMAN

3 MR. NEHRING: Nothing.

4 CHAIRMAN GEORGE: Nothing? S.A.P.A.?

5 6.D. - S.A.P.A.

6 MR. RODERICK: John Roderick, S.A.P.A. Two

7 items. One, Galaxy, we feel has improved from a

8 safety standpoint. Pulled in a small patrol

9 airplane. Coast Guard auxiliary was ushered in a

10 very safe area, even with big jets around. And we

11 understand that they're going to even improve that

12 with markings on the runway, where -- where to

13 walk, where to put little planes so there will be

14 no confusion as the airport grows.

15 Item two, the -- we're involved, of course,

16 with the air show. That's on target. When the

17 gates open, they won't need money. The money --

18 everything that comes in at the gates will be

19 going to charities. So, everything's on target.

20 And, of course, they still need volunteers. And

21 that advertising will go out more of the nucleus

22 as the club and other people on -- on this

23 airport. Thank you.

24 CHAIRMAN GEORGE: Do you have, Suzanne? Wait

25 a minute. John?

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1 MS. GREEN: John, what type of volunteers --

2 CHAIRMAN GEORGE: John?

3 MS. GREEN: -- are you looking for?

4 MR. RODERICK: Other tall, good-looking

5 pilots.

6 MS. GREEN: That's already filled by you,

7 right?

8 MR. RODERICK: People to help park cars.

9 People to work concession stands.

10 MS. GREEN: Okay.

11 MR. RODERICK: And, Sandy Upchurch, of

12 course, has been the driving force, and it's very

13 well organized.

14 MS. GREEN: So, I'll just call her and find

15 out?

16 MR. RODERICK: Yeah, exactly.

17 MS. GREEN: I didn't know if there were like
18 17- and 18-year-olds, because a lot of the
19 students at Nease or in IB or whatever are
20 required to have community service hours. They're
21 working TPC.

22 MR. RODERICK: That's a very good question.

23 And they are being tapped, also.

24 MS. GREEN: Okay. Thank you.

25 CHAIRMAN GEORGE: Good.

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

2 CHAIRMAN GEORGE: Anybody from the flight
3 school here? I don't see Bjorn.

4 (Representative absent.)

5 CHAIRMAN GEORGE: Mr. Burnett?

6 6.F. - AIRPORT ATTORNEY

7 MR. BURNETT: Two things. Briefly,
8 obviously, I've got an item on the agenda today.

9 But one thing that has been going on is we've been
10 working with your staff still on the issue of the
11 Grumman fire services and whether there's a
12 potential for them to operate a fire station here.

13 I wrote -- I wrote, at least for me, what was
14 a lengthy memorandum of law on the issue of
15 potentially having Grumman employees fall under
16 the sovereign immunity that the Airport Authority
17 employees would enjoy.

18 To put that in context, there was recently a
19 case in this county where a pretty well-known
20 architecture firm was sued in connection with a
21 design that it had done for a roadway down on S.R.
22 207 -- excuse me, 206, in front of Pedro Menendez
23 High School.

24 They were able -- we were able to get that
25 architecture firm, my firm was, out of that

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1 lawsuit by asserting DOT's sovereign immunity,

2 because DOT exercised so much control over the
3 architect.

4 In the same context, one of the issues that
5 was brought up to us was potentially having the
6 fire services, the employees of Grumman that would
7 perform the fire services fall under the airport's
8 sovereign immunity.

9 And there's a whole body of case law about
10 the fact that firefighters are covered by -- when
11 working for the government, they're covered by the
12 sovereign immunity, because courts just simply
13 don't want to second-guess whether the firemen or
14 firefighters employ the right measures in fighting
15 a fire. They don't want to second-guess those
16 folks. So, anyways, we have been working on that
17 issue with Grumman's legal counsel.

18 And the other thing is, working on some -- to
19 get better -- a better idea on a consultant to
20 advise you related to self-insurance.

21 MS. GREEN: Health or --

22 MR. BURNETT: Liability, mostly.

23 CHAIRMAN GEORGE: That's the big one.

24 MS. GREEN: I was just wondering.

25 MR. BURNETT: Yeah. That's a big dollar

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1 amount, high \$200,000 number, almost \$300,000,

2 from what I recall.

3 MR. GORMAN: The -- the liability is the

4 large number or the property damage?

5 MR. BURNETT: Property, property.

6 MS. GREEN: Property.

7 MR. GORMAN: Sorry. Yeah.

8 MR. BURNETT: Yeah. You're right.

9 Anyways -- and -- and to be quite honest, I

10 haven't been successful, because the firm that we

11 knew of out of Tallahassee that is an accounting

12 firm, primarily, but also has pretty broad depth

13 of insurance issues and -- and has insurance

14 consultants, on this particular issue, having

15 talked to them about it, their advice mostly is

16 that it's typically the insurance companies that
17 would advise you, not outside consultants. So,
18 that's sort of where we -- where my investigation
19 ran into.

20 And now we're back at -- that same outfit, I
21 don't mind telling you, Bill Ferguson, who's got
22 almost 30 years in the insurance business over in
23 Tallahassee, who's an accountant, has said to go
24 look at -- to the insurance companies, and he gave
25 us a list of a couple of them to -- to check that

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1 may have the right type of experience to give you
2 advice on the subject.

3 CHAIRMAN GEORGE: Okay. Mr. Gorman?

4 MR. GORMAN: I might say actually right now,
5 I bet you you're not going to find very many firms
6 that are going to take on that job, simply
7 because, one, it's unprecedented; two, because
8 they're worried about the liability incurred by

9 their actual recommendations.

10 If they recommend something and it becomes a
11 litigious situation, they're going to be sued and
12 they're going to be named in the litigation.

13 The fact is, is that the insurance situation
14 has changed so rapidly, that we've got to go out
15 of the box. Otherwise, you're going to pay \$300-
16 and \$400,000 a year for -- for property damage
17 insurance, and it's going to be a tremendous
18 expense.

19 So, it's not something that's been done
20 before. That's why Doug's having so much trouble
21 finding anybody.

22 CHAIRMAN GEORGE: Might I suggest at the
23 upcoming AAAE or AEEE meeting, we've got several
24 of you guys are there. Snoop around and talk to
25 other airports. Maybe -- maybe there's something

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1 even within the Florida Council Airports that we

2 all want to collectively do something like that.

3 MR. BURNETT: Well -- and -- and if I might

4 say one other thing about it, the one difficulty

5 you have is, and the thing that came to mind for

6 me, was the Florida League of Cities, which runs

7 their own insurance, if you would, essentially,

8 and the Florida Association of County (sic) Trust,

9 FACT, as they -- as they call themselves, the only

10 problem is you have to be a municipality or a

11 county to be in, and which is where you also run

12 into the other problem, is many of the other

13 airports around the state are part of a

14 municipality or county. And so, they're in

15 through that door that's not available to you.

16 CHAIRMAN GEORGE: Okay. I don't mean to drop

17 that subject, because I think it needs to come

18 back up, but we need to some better idea --

19 MR. BRUNSON: There's got to be somebody

20 that's already done the work on this. And I think

21 we can find somebody to give us direction, that

22 some airport that's doing this.

23 CHAIRMAN GEORGE: What do you think of -- of,

24 first of all, at the -- at the upcoming meeting,
25 try to find out, you know, what some other people

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1 are doing in the area and maybe contact some of
2 the other airports.

3 But, you know, we have an insurance agent.

4 And I know that as far as health insurance goes,

5 Bailey, Mark Bailey's operation, they are the --

6 sit on the, I guess the panel or the -- or the

7 committee for the health insurance for the county

8 and -- and all of those operations.

9 So, that just says to me, why wouldn't one of

10 either Mark or Doug Wiles, why wouldn't we expect

11 them to give us recommendations? They are our

12 agent.

13 MR. GORMAN: I could have an answer for that.

14 CHAIRMAN GEORGE: I -- I would like the hear

15 it.

16 MR. GORMAN: Because they're not motivated

17 to. It -- in other words, self-insurance is --
18 means actually no insurance. It means building up
19 a reserve fund and actually -- there are
20 self-insurance situations that are going on with
21 municipalities, like with Mosquito Control.
22 That's a classic example of self-insurance,
23 because you really can't insure the situation.
24 And my attitude -- yours is an excellent
25 recommendation, to go to this meeting and ask

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1 tremendous numbers of questions, because there's
2 numbers of self-insurance situations that are
3 going on now.

4 But an insurance agent is not -- his regime
5 is not to ever recommend self-insurance. But
6 there are -- I would use Mosquito Control as a --
7 as an excellent example of a self-insurance by a
8 municipality, where they actually use reserves.

9 CHAIRMAN GEORGE: My thought was to go to

10 the -- our agent, you know, to ask them to come up
11 with creative alternatives to lower our bill, you
12 know, and give us the same coverage. And I've
13 always found, you know, in -- in my business, that
14 when you document something, you've got a piece of
15 paper. And so, six months later, nine months
16 later, if you have to pull the policy away from
17 them, it's, "Hey, we gave you the opportunity, you
18 know, and nothing happened there."

19 So, I just -- I think that just putting it
20 out there on the street to get the thought, the
21 juices flowing. Yes, ma'am?

22 MS. GREEN: Ed, do you know when we'll get
23 the agenda for all of the smaller meetings at
24 AAAE?

25 MR. WUELLNER: We may have it now.

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1 MS. GREEN: Because that would be nice, that
2 if we go, then maybe Mr. Brunson and I could

3 feather out who -- if there is something for
4 insurance purposes, ahead of the meeting.

5 CHAIRMAN GEORGE: I think Mr. Gorman is
6 going, too.

7 MS. GREEN: Oh, I'm sorry. Wonderful. Okay.
8 So, maybe we could, when we find out -- because
9 there are a lot of smaller meetings that you could
10 go to that fit what we need.

11 MR. GORMAN: It's not an easy project. Yeah,
12 that's true.

13 MS. GREEN: Start somewhere.

14 MR. GORMAN: Exactly.

15 MS. GREEN: Okay.

16 CHAIRMAN GEORGE: Yeah. Okay. I don't know
17 where I am now, but are you through --

18 MR. BURNETT: Yes, sir.

19 CHAIRMAN GEORGE: -- Mr. Burnett? Anybody
20 from the tower? I don't see Mr. Knight here. I
21 notice he's sent his numbers over. The chart's
22 gotten much better.

23 6.G. - ATCT

24 MR. WUELLNER: Yeah. Especially we're down
25 to one of them.

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1 CHAIRMAN GEORGE: It's --

2 MR. WUELLNER: Yeah, it's almost
3 indistinguishable on that, but if you look on the
4 lower left-hand corner, there's about a two-month
5 segment that looks darker and a little wider, and
6 that is where you are to date on the -- so, you're
7 kind of flat in the middle of it all.

8 CHAIRMAN GEORGE: When we did our forecast,
9 did we do it by fiscal year or did we do it by
10 calendar year?

11 MR. WUELLNER: The forecast, I believe he's
12 interpolating off the Master Plan forecast. I do
13 not know what his -- that --

14 CHAIRMAN GEORGE: I just think we ought to be
15 consistent. We're going to do everything --

16 MR. WUELLNER: I believe he's deriving it out

17 of the forecasts that were done for the Master

18 Plan.

19 CHAIRMAN GEORGE: And that's done calendar?

20 MR. WUELLNER: Yes.

21 CHAIRMAN GEORGE: Okay. One of the problems

22 you get into in a chart like this is it looks

23 like, oh, the lines are real close. But look at

24 the -- the size, the difference in the scale

25 that's there.

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1 MR. WUELLNER: The other thing is that

2 particular chart shows a cumulative of what's

3 going on, not -- not a real -- it's hard to

4 interpret what's going on monthly from that chart.

5 CHAIRMAN GEORGE: Yeah.

6 MR. WUELLNER: I believe that if my memory's

7 correct, there's about -- you're about 400, if my

8 memory's correct, 400 operations lower this year

9 than last year for the month. It may -- may not

10 have been quite that high.

11 You know what? I think it was 40 operations,

12 now that I say that. What matters is what it is

13 at the end of the year, not --

14 CHAIRMAN GEORGE: Well, I -- I'm not sure, I

15 mean, if the board members think it's significant

16 what a month -- monthly variation is. I think

17 that the cumulative year-to-date, you know, is

18 more significant.

19 And -- and one of the reasons I got

20 interested in it was -- was because we were doing

21 in a Master Plan, our consultants were giving us a

22 plan that was below what we've been doing.

23 MR. WUELLNER: Yes.

24 CHAIRMAN GEORGE: And so, that was one of the

25 reasons for this particular chart.

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1 MR. WUELLNER: That's one of the reasons he's

2 using that. If he's -- he's using the 2008

3 forecast number to illustrate that your 2006
4 numbers already exceed what the forecast is for
5 2008.

6 CHAIRMAN GEORGE: Yeah. Okay.

7 MR. WUELLNER: So, you're -- you're
8 operationally ahead of what is expected. So,
9 that's it.

10 CHAIRMAN GEORGE: Okay. But would seem to me
11 that -- that what I would be interested in is the
12 year-to-date, you know, compared to last year and
13 this year and also compared to the plan.

14 MR. GORMAN: Exactly. In other words, a
15 month-to-month, blow-by-blow --

16 CHAIRMAN GEORGE: Exactly.

17 MR. GORMAN: -- presentation of this is --

18 CHAIRMAN GEORGE: So, I'm thinking about
19 asking him to go ahead and leave it this way if
20 you want to, but at the bottom, add three rows of
21 numbers, what the plan was, what last year's was,
22 and what it is this year, all on a year-to-date
23 number. That way, we can see what the absolute
24 numbers are.

25 MR. WUELLNER: Yeah. The other thing we are

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1 providing you, you probably notice in your packet,
2 is the actual day-to-day reporting of the -- of
3 the actual activity, so...

4 CHAIRMAN GEORGE: Yeah. We did -- at one
5 time, we had -- someone from the public was
6 interested in our numbers, and we invited them to
7 come to the tower, you know, to talk about those.
8 Do you know if that ever happened?

9 MR. WUELLNER: I don't believe -- I'm not
10 aware of them ever going and taking us up on that.

11 CHAIRMAN GEORGE: Okay. Well, if somebody --
12 if somebody called and asked you for these raw
13 numbers, you would have no problem giving them to
14 them.

15 MR. WUELLNER: Not at all. In fact, we --
16 that same person, we provided all of the data up
17 to that month since the tower opened. So they --

18 CHAIRMAN GEORGE: Okay.

19 MR. WUELLNER: -- they -- they got a good
20 history of it.

21 CHAIRMAN GEORGE: All right.

22 MR. WUELLNER: And that's the data that's
23 submitted to FAA, too, for the tower -- the hours
24 the tower is open.

25 CHAIRMAN GEORGE: Okay.

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1 MR. WUELLNER: That's the other thing to keep
2 in mind, is the numbers you see there are -- are
3 reflective of when the tower is actually open.
4 There are additional operations that -- that go
5 out throughout the day, albeit not as dramatic
6 as --

7 CHAIRMAN GEORGE: Are you making reference to
8 airplanes that fly to Lawrenceville in the middle
9 of the night?

10 MR. WUELLNER: That's one. That's at least

11 one more on the list that... yeah.

12 CHAIRMAN GEORGE: Okay. Moving right along.

13 Member committee reports.

14 MR. BRUNSON: Mr. Chairman, Acting, since
15 we're still in the regular meeting agenda, Michael
16 and Don just came in. I think we ought to give
17 them the opportunity to give their reports, since
18 they're here.

19 CHAIRMAN GEORGE: All right. Sounds good.
20 Galaxy report?

21 6.B. - GALAXY AVIATION

22 MR. SLINGLUFF: Nothing to report. However,
23 I -- I will say one -- one thing on the -- the
24 tracking of the flights is a very good web site
25 called FlightAware. And, Ed, can you get to the

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1 web?

2 MR. WUELLNER: Yeah.

3 MR. SLINGLUFF: Thirty-second demonstration

4 will show you how -- how the numbers really stack
5 up. This is a -- this is a feed right off of the
6 FAA computer. It's FlightAware.com.

7 CHAIRMAN GEORGE: Flightaway.com?

8 MS. GREEN: Aware.

9 MR. SLINGLUFF: Aware.

10 CHAIRMAN GEORGE: While he's bringing that
11 up, just for your information, Mr. Ciriello
12 brought up, you know --

13 MR. WUELLNER: -- g-h-t.

14 CHAIRMAN GEORGE: -- you guys moving a --

15 MR. SLINGLUFF: Flight, yeah, g-h-t.

16 MR. WUELLNER: Aware.

17 MR. SLINGLUFF: Aware.

18 CHAIRMAN GEORGE: Mr. Ciriello brought up,
19 you know, the approval for you guys to move a
20 tie-down strap that was out there, and the
21 discussion was that we didn't have the
22 documentation from you guys to get the approval to
23 move that.

24 And I don't mean to get into it; I'm just

25 saying you might want to read the minutes when it

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1 comes out to find out -- the gist of it was if our
2 lease says that you're supposed to request us,
3 then we want, you know, it done per the lease,
4 because remember the problems we had of -- over
5 the last X number of years with eight addendums?
6 You know, sometimes things would get dropped in
7 the tracks, so -- but anyway, you might want to
8 read it.

9 MR. SLINGLUFF: Wasn't aware that it's in the
10 lease.

11 CHAIRMAN GEORGE: Right. You might read it.

12 MR. SLINGLUFF: Then, Ed, if you go down to
13 airport code on the left side there.

14 MR. WUELLNER: Airport code.

15 MR. SLINGLUFF: Right there. SGJ. There you
16 go. That's currently what's happening at
17 St. Augustine. These are all the inbound flights,

18 scheduled arrivals, and departures.

19 MR. MARTINELLI: IFR.

20 MR. SLINGLUFF: IFR, yes.

21 MR. BRUNSON: Yeah.

22 MR. SLINGLUFF: But you can actually go in

23 and look at history going back 90 days. The bar

24 graph at the top there will give you traffic load

25 for the whole -- if you click on the upper right

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1 corner --

2 CHAIRMAN GEORGE: It's neat.

3 MR. SLINGLUFF: -- it will zoom in to our

4 airspace.

5 MR. WUELLNER: Upper...

6 MR. SLINGLUFF: Yeah, right there.

7 MR. WUELLNER: Right here?

8 MR. SLINGLUFF: Yeah. Those are all the

9 flights that are airborne in the airspace around

10 this airport.

11 MR. MARTINELLI: As realtime?

12 MR. SLINGLUFF: Realtime.

13 MR. BRUNSON: Is this the same thing you had

14 behind the dais --

15 MR. SLINGLUFF: Yeah.

16 MR. BRUNSON: -- at your FBO?

17 MR. SLINGLUFF: Yeah. We have a slightly

18 more sophisticated --

19 MR. BRUNSON: Okay.

20 MR. SLINGLUFF: -- one that -- that actually

21 gives us the flight tags. But it's very

22 interesting and you can -- you can track the --

23 MR. BRUNSON: It is.

24 MR. SLINGLUFF: -- the traffic here.

25 CHAIRMAN GEORGE: That's great.

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1 Okay. Now can we go to committee reports.

2 7.A. - MPO

3 MR. BRUNSON: Metropolitan Planning

4 Organization. Since our meeting, we've had no
5 meetings and no additional items, but this MPO is
6 changing daily on priorities of roads which really
7 affects this county and affects this airport.

8 The secretary of the DOT was at the county
9 auditorium today for several hours addressing 9B
10 and I-95 and 210. And the main purpose of this
11 MPO input to this meeting today was the Silverleaf
12 DRI.

13 CHAIRMAN GEORGE: Yeah.

14 MR. BRUNSON: That -- is that what it --
15 Silverleaf, James? And it was approved today,
16 4-to-1 vote, that's going to add university-type
17 schooling and roads and transportation that the
18 developers are -- are paying for. And I think
19 it's a tremendous thing.

20 And the MPO is very involved in that in
21 Jacksonville, and we have a lot of input into what
22 the priorities are for the airports and -- and the
23 roads and so forth. How many homes was that for?

24 COMMISSIONER BRYANT: Ten thousand, seven
25 hundred.

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1 MR. BRUNSON: Yeah. So, anyway, but no
2 update of reports, but it is -- things are
3 happening daily with the MPO.

4 CHAIRMAN GEORGE: Okay. I assume, then, that
5 the MPO is -- is very much aware and -- of the
6 210/I-95 corridor crisis, and I think that it's a
7 crisis level there now.

8 MR. BRUNSON: Without a doubt. And the last
9 two DRI developers have pledged -- and I can't
10 give you the millions of dollars -- to do a quick
11 fix on that, along with the DOT. And -- and
12 that's moving forward rapidly.

13 CHAIRMAN GEORGE: Would it be of interest to
14 the other board members to have Mr. Brunson get
15 someone down to maybe give us five minutes, ten
16 minutes' worth of overview of -- you know, because
17 he mentions 9B and -- and extension here and where
18 bridges are going to go. I don't know if it would

19 be of interest to the board.

20 MR. GORMAN: They have some graphics, the MPO
21 has already published, that's been supplied, for
22 instance, to me as an alternate member for there,
23 and have been supplied to Mr. Brunson. We could
24 probably get them dug back up and present them to
25 the board.

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1 MR. BRUNSON: I think it'd be --

2 MR. GORMAN: Yeah. There's plenty of
3 graphics available.

4 MR. BRUNSON: Could do -- give them five
5 minutes.

6 CHAIRMAN GEORGE: Okay. Well, let's put
7 something like that on the -- as part of your MPO
8 committee report for next month.

9 MR. BRUNSON: Okay.

10 MR. GORMAN: One of the most interesting
11 being that bridge that's going to have to go over

12 the St. Johns River before it's all over.

13 CHAIRMAN GEORGE: Yeah.

14 7.B. - EDC

15 CHAIRMAN GEORGE: Economic Development, I am

16 the representative to that. Is anybody here from

17 EDC? I notice Kari is not.

18 MR. BRUNSON: I am.

19 CHAIRMAN GEORGE: I talked to them at length

20 this morning and tried to get one of the guys,

21 Nick Sacia, I think it is, is their new senior

22 business planner and -- and development guy. And

23 it seems that the way they're set up is they have

24 monthly meetings, and you go to the monthly

25 meeting and they have a speaker, and they give you

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1 a little update on what they're doing, but that's

2 not -- that's kind of too general for us.

3 So, we're going to set up a dialogue so that

4 I can get in touch with him prior to the meetings.

5 And I think what's of interest to us is
6 getting something like we're presently talking to
7 27, you know, different business entities about
8 coming here, and five of them have talked about
9 aviation facilities as being part of their key.

10 And then that way, it kind of keeps us, you know,
11 abreast.

12 And then suggesting that anybody that is
13 interested in the aviation or mentioned it, please
14 have them call Mr. Wuellner, Bryan, you know, to
15 get some input.

16 Do you have anything else? Because you're
17 heavy in the EDC, also.

18 MR. BRUNSON: Uh-huh. I agree with you. It
19 seems like the EDC meetings are more social, with
20 a speaker --

21 CHAIRMAN GEORGE: Right.

22 MR. BRUNSON: -- at 7 o'clock in the morning
23 and really don't address a lot of things.

24 CHAIRMAN GEORGE: Yeah.

25 MR. BRUNSON: And I think that's an excellent

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1 idea.

2 MR. WUELLNER: From a staff level, we work
3 very closely with Kari on proposals they have or
4 prospects they're working that -- that might be
5 interested or might be a good fit for St. Johns
6 County. And sometimes they're just not
7 workable --

8 CHAIRMAN GEORGE: Right.

9 MR. WUELLNER: -- is more often the case,
10 but...

11 CHAIRMAN GEORGE: Well, what I was trying to
12 do is to make this a meaningful committee
13 report --

14 MR. WUELLNER: Uh-huh.

15 CHAIRMAN GEORGE: -- you know, but I'm
16 running into a -- you know, the social aspect is
17 the most meaningful of it.

18 So maybe, Ed, as -- as we go through it each

19 month, you know, if there's anything that you guys
20 have done that could be significant or something
21 down the road, just add that in --

22 MR. WUELLNER: I'll mention.

23 CHAIRMAN GEORGE: -- will be great.

24 7.C. - INTERGOVERNMENTAL AGENCY

25 CHAIRMAN GEORGE: Intergovernmental Agency

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1 meeting, that's mine also, and we have not had
2 another meeting since the last time.

3 We did use the Intergovernmental Agency
4 meeting to try to find how many other
5 organizations would -- would be served by
6 joining -- by the county allowing us to join their
7 health insurance. And we've made some strides in
8 that area. I think it's going to be brought up at
9 the next one for the possibility of the Airport
10 Authority and the Mosquito Control, and that will
11 save us, what did we figure, roughly, Ed?

12 MR. WUELLNER: About \$5,000 a year, I

13 believe, is the number.

14 CHAIRMAN GEORGE: Five-, six thousand a year

15 just in health insurance.

16 MR. GORMAN: Yes. As I've been an alternate

17 on all of these -- and I was going to volunteer at

18 this time since you've already gotten two, that I

19 serve as the Intergovernmental --

20 CHAIRMAN GEORGE: Sounds great to me. I

21 appreciate it.

22 MR. GORMAN: All right.

23 CHAIRMAN GEORGE: All right? Anybody object

24 to that?

25 MR. BRUNSON: I certainly don't have any

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1 objection.

2 CHAIRMAN GEORGE: Okay.

3 MR. GORMAN: Thank you.

4 CHAIRMAN GEORGE: Industrial Council.

5 7.D. - INDUSTRIAL DEVELOPMENT COUNCIL

6 MR. WUELLNER: We're not formally on that. I

7 don't think we have anybody that's involved in

8 that directly, but I think we were looking to get

9 an update periodically. We just today have the

10 good fortune of having the chairman of that group

11 sitting behind me, Gene Watson. If he wouldn't

12 mind maybe getting up and saying a word or two.

13 CHAIRMAN GEORGE: Would you mind?

14 MR. WUELLNER: I know I'm catching him

15 totally cold there. But we have -- we have --

16 CHAIRMAN GEORGE: Put him on the spot.

17 MR. BRUNSON: At least he didn't ask you to

18 say the invocation.

19 MR. WUELLNER: We can work on that.

20 MR. WATSON: Do you want me to stand up?

21 CHAIRMAN GEORGE: Please.

22 MR. WATSON: Well, I'm not part of this. I'm

23 part of another group Industrial Development --

24 CHAIRMAN GEORGE: But we like your group.

25 MR. WATSON: -- Authority, St. Johns County.

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1 And normally we have -- we have worked on
2 arranging financing for appropriate industrial
3 and/or nonprofit companies to come into the county
4 and so forth.

5 Of late, we have -- we have also -- we have
6 also, at the last two years, made a contract with
7 Enterprise North Florida, who you are going to
8 hear from later today, who runs our -- our
9 incubator in Jacksonville and who also works with
10 startup companies to -- to support us in St. Johns
11 County and to bring their expertise into the
12 county and to help us in areas we have -- we have
13 needs.

14 And you may recall the last couple of years
15 there was a big -- a big meeting down at the Casa
16 Monica where over 200 people attended,
17 entrepreneur-type people that were looking for
18 business support and help in St. Johns County.
19 Currently, we are -- we are in the process and

20 have been examining what other counties in the
21 state do to -- to own industrial parks.

22 Now, you have your -- you have an industrial
23 park here of your own, which you are -- which
24 you're talking about today. But we're -- we're
25 looking at whether St. Johns County should --

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1 should have an industrial park of their own and --
2 and to help -- to help shortcut the process and
3 make available property in St. Johns County for
4 companies that may move into the county and bring
5 employment into the county.

6 From our view, we see one of the biggest
7 needs in this county is -- is employment, new
8 industry to have local jobs. And that's what
9 we've been concentrating on.

10 And we invited -- Ed was at the meeting. We
11 invited six counties in from the state, around the
12 state, to come in and tell us what they were

13 doing. And all of these counties own industrial
14 parks. And all of them --

15 MR. GORMAN: Well, just when you're done,
16 sir, I have a question.

17 MR. WATSON: And all of them have made --
18 have owned them for quite some years, really,
19 and -- and make them successful. They help them
20 to attract businesses and they -- and they -- tell
21 you the truth, they make -- they make money for
22 the county.

23 And so -- so, I wasn't planning to be here to
24 say anything today, but that's what we -- that's
25 what we do in the Industrial Development

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1 Authority.

2 We -- we are like you, except we are
3 appointed by the county, where you are elected in
4 the county.

5 CHAIRMAN GEORGE: Yeah.

6 MR. WATSON: We have the same authorities and
7 so forth that you have, insofar as being able to
8 own industrial parks and --

9 CHAIRMAN GEORGE: Well, we appreciate you
10 inviting us and keeping us abreast of what's going
11 on and letting us participate. Mr. Gorman, do you
12 have a question?

13 MR. GORMAN: Yes, sir. Where was the site of
14 that industrial park that you were considering?
15 That was on airport property, you were -- were
16 talking about?

17 MR. WATSON: No. We aren't considering any
18 yet.

19 MR. GORMAN: Right.

20 MR. WATSON: We think the county should
21 consider one.

22 MR. GORMAN: I see. You didn't have a site.
23 You didn't have a site in mind.

24 MR. WATSON: No, the only ones that have a
25 industrial park are yourselves, as owned by --

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1 owned by the government. There are some
2 industrial parks in the county, as you're aware.

3 MR. GORMAN: You're just saying --

4 CHAIRMAN GEORGE: We weren't going to tell
5 him about it.

6 MR. GORMAN: -- at a concept level, you were
7 going to -- you were just -- I understand.

8 MR. WATSON: Yes.

9 CHAIRMAN GEORGE: You know what he's talking
10 about?

11 MR. WUELLNER: The old St. Johns Industrial
12 Park property.

13 MR. GORMAN: I thought that -- but that isn't
14 part of our 10-year plan, is it?

15 CHAIRMAN GEORGE: No, it's not.

16 MR. WUELLNER: No. But we own the -- we own
17 property.

18 MR. GORMAN: Okay. Just as long as I
19 understand it.

20 MR. WUELLNER: It was previously platted

21 before we acquired it.

22 CHAIRMAN GEORGE: And I'm sure if there was a

23 proposal made to us that somebody else was going

24 to spend the money to do something with it, and we

25 just collected royalties, we might be considering

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1 that. Thank you, sir.

2 MR. GORMAN: Thank you.

3 CHAIRMAN GEORGE: Project updates.

4 8. - PROJECT UPDATES

5 MR. WUELLNER: Talk briefly or update you on

6 land acquisition; south development area; hangars

7 8, 9, and 10; and a bunch of other stuff I just

8 speeded right through there.

9 The small business development units, which

10 we've got an agenda item for; marketing and public

11 relations; leasing activities; and the Master

12 Plan.

13 First item is land acquisition in Araquay
14 Park. Mediations have been completed, and to date
15 all but one property has -- we have an agreement
16 to settle out. So -- and that one still has some
17 time on the table to take the offer of judgment or
18 offer of settlement. And may still very well
19 settle out. So, we may -- may have avoided any
20 having to actually go to trial with any of the
21 final valuations on property.

22 And I believe we're planning to give you a --
23 if this one settles, we will definitely have a
24 kind of a mini report, if you will, of the details
25 of how all of that played out over the last few

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1 months, so you'll have an update at the next
2 meeting --

3 CHAIRMAN GEORGE: Okay.

4 MR. WUELLNER: -- of what all was spent
5 and -- and those kind of deals.

6 If it doesn't settle, of course, the court
7 date's sometime in April at this point. And they
8 have done a change of judge. The judge that had
9 it recused herself? Did I say that properly? And
10 we now have County Judge --

11 MS. GREEN: Chuck Tinlin. Patty Christensen?

12 MR. WUELLNER: Christensen.

13 MR. BRUNSON: Christini (sic).

14 MR. WUELLNER: Has been reappoint -- or is
15 now our judge for this if it happens, so...

16 There was a conflict with one of the parties
17 that does business with her husband or something.
18 There's some tie there. So -- but that's all
19 happened if it does go to trial. If it doesn't,
20 then it's just a matter of signing orders and
21 it's -- it's fairly simple from there. Yes.

22 MR. GORMAN: Can we ask in public which
23 property that was?

24 MR. WUELLNER: It is the Angyalfy property.

25 MR. GORMAN: Okay.

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1 MR. WUELLNER: All of the rest have -- are --
2 are done.

3 CHAIRMAN GEORGE: That's the one that the --
4 okay. I know which one it is.

5 MR. WUELLNER: It's the white --

6 MR. GORMAN: Yeah.

7 MR. WUELLNER: White one on Indian Bend on
8 the left side -- or the north side.

9 CHAIRMAN GEORGE: Yeah.

10 MR. WUELLNER: Apron development. And you
11 know what? I didn't put the right slide back in
12 here again, Mr. Gorman, but I will -- I will show
13 you. I had it on my list of things to do.

14 But anyway, tree relocation has been
15 completed. Site prep work is complete. And the
16 seeding of the disturbed areas has been
17 accomplished. Davey Tree has been in and out of
18 there pretty much continually doing the watering
19 of the relocated trees and the like. So far,
20 everything looks to be budding out, so everything

21 looks to be pretty successfully done at this
22 point.

23 CHAIRMAN GEORGE: Good.

24 MR. WUELLNER: We'll know a lot more as we
25 move forward. But things look good so far. A lot

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1 of good, encouraging signs.

2 And fencing and gate accesses should be done
3 by the end of this week, so the gate down by Top
4 Gun will spring to life, replacing the T-hangar
5 gate that's down by the tower. And we'll also
6 replace the gate by North American Top Gun. So,
7 that little island gate location there will
8 replace those two gates, so you'll now be able to
9 drive inside the fence all through the T-hangar
10 areas, so it will eliminate that driving through
11 the drainage retention area and all of that stuff
12 that's been going on back there.

13 And, you know, we've set that gate up such

14 that there -- will minimize the number of
15 follow-throughs on that gate, because there will
16 be a separate gate for entering and exiting that.

17 So, hopefully, we'll -- we'll greatly reduce
18 the number of follow-ins. It's going to be a very
19 busy gate location moving forward with the
20 additional T-hangars planned and the like, so we
21 wanted to make that a very utility-oriented kind
22 of gate.

23 And we will be implementing the old access
24 card system out of the block. And then as I -- as
25 I stated earlier, when we get out -- out here in

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1 April and have a chance to do a little more
2 research on these products, we may come to some
3 kind of conclusion as to what that new actual card
4 access system will look like.

5 But all the old cards will work at the new
6 location until which time as we make that

7 transition. And then that will be for all gates
8 when it does happen.

9 CHAIRMAN GEORGE: Ed, what's the -- the main
10 feature of a new card system that you're looking
11 for to achieve? Just a recording?

12 MR. WUELLNER: A couple of things. One is
13 ease -- ease of -- one is recordkeeping, the
14 ability to easily develop reports from the -- from
15 the usage of those gates.

16 The other is the ease of issuing and
17 reissuing and changing individual access
18 privileges for those cards that are issued.

19 I think I explained before, that in order to
20 change anybody's access to any gate or to add a
21 card or subtract a card from the -- is a -- is a
22 fairly formidable effort, where you have to go out
23 to the gate and in a very archaic fashion, use a
24 deck of cards with one character on each, and
25 really kind of cryptically code a message into the

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1 gate operator and remove or add a particular gate.

2 CHAIRMAN GEORGE: Right.

3 MR. WUELLNER: All of which now is done
4 PC-based and is very easy, and you just simply
5 toggle, you know, the individual gate access as
6 you wish for any particular tenant. So, it's
7 something that's much more manageable and much
8 more easily done.

9 The other is something that's very easy to
10 incorporate the airport I.D. onto the badge so
11 that the -- the incorporation of photography to
12 the badge system itself is another feature we're
13 looking for in the system.

14 And it's all out there. It's just a matter
15 of getting ahold of the product that -- that
16 marries very well to the airport here.

17 CHAIRMAN GEORGE: Do we really want to add
18 you know, some artwork that says it's a gate card
19 to St. Augustine Airport? Because if somebody
20 finds it and they say, "Well, let's go to the

21 airport, see if it works."

22 MR. WUELLNER: Well, the beauty is, it's --
23 it's almost like a credit card. As soon as you --
24 as soon as someone discovers it's missing, it can
25 be invalidated instantly.

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1 CHAIRMAN GEORGE: Gotcha.

2 MR. WUELLNER: Which is the real problem
3 we've got today with cards that are out there that
4 people just simply don't know what happened. And
5 without that information, you can't go back and
6 take the card out of the system.

7 CHAIRMAN GEORGE: I see.

8 MR. WUELLNER: And it is hard to do.

9 MR. GORMAN: Is the system -- I think -- I
10 think I know the answer to this already, but is
11 this a system that would be, you know, continuous
12 with the systems used for like Part 121
13 operations?

14 MR. WUELLNER: Yes.

15 MR. GORMAN: In other words, it would be --

16 MR. WUELLNER: Very -- very similar type

17 system.

18 MR. GORMAN: Okay.

19 MR. WUELLNER: And it doesn't require any of

20 the hardware -- we've done all the hardware

21 updates. They're just waiting for the control

22 part of it that we were not happy with. It was a

23 little -- we were buying something that was, well,

24 earlier generation, that was going to be

25 problematic moving forward. So, it doesn't make

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1 sense to go there. Let's look at what's

2 state-of-the-art today and move forward so it can

3 be updatable and supported into the future by

4 the -- by the companies.

5 CHAIRMAN GEORGE: Okay.

6 MR. WUELLNER: And we're still waiting on the

7 FAA grant for the apron, although I've gotten some
8 recent assurance that that's going to happen.

9 When it happens, it will go very, very quickly in
10 terms of -- of the flow-through of money.

11 CHAIRMAN GEORGE: Is that 50 cent money or 90
12 cent money?

13 MR. WUELLNER: This would be 95 cent money at
14 the end of the day, so it's --

15 CHAIRMAN GEORGE: I like that.

16 MR. WUELLNER: Yeah. It's fantastic. We
17 are -- we are moving ahead with bidding the job,
18 anticipating that. We will -- we will be out
19 starting next week with the advertisements for
20 this work. There will be about a five-week bid
21 period. We will open bids at this point, about
22 the first week of May, and then we would look to
23 present that information to you at the May Airport
24 Authority meeting.

25 We may not be awarding at that point, but

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1 you'll have information relative to who's the low
2 bidder and -- and where it's going. Maybe before
3 then, we'll have some announcement of the grant
4 and we can just kind of flow right through it.

5 But it fits the window now of when those
6 funds are likely to hit us, so it doesn't make
7 sense to just try to, you know, tread water here
8 for two or three months waiting to hear formally
9 and then begin the bid process and lose -- and
10 lose maybe up to six or eight weeks. So, we'll do
11 that now. Yeah?

12 MR. GORMAN: And I know, Buzz, you've been
13 asking questions like this, so I'll be Buzz for a
14 minute. When does that mean we can put sticks in
15 the ground as far as hangar development?

16 MR. WUELLNER: Best guess --

17 MR. GORMAN: Just guessing, yes.

18 MR. WUELLNER: -- I've got is -- is June or
19 July time line would be in construction.

20 MR. GORMAN: June or July.

21 MR. WUELLNER: That's my -- that's my best

22 guess right now based on -- it could be
23 accelerated by maybe a month. Odds are you're not
24 going to be able to get into construction until
25 about June, even if everything flows very nicely

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1 right now.

2 Worst case, it may be August or September.

3 But I -- I really do think it would be sooner.

4 CHAIRMAN GEORGE: And what part of the cycle,

5 Ed, do we need to start planning for hangars back

6 there and stuff? In other words, if -- if we wait

7 until the construction starts --

8 MR. WUELLNER: We --

9 CHAIRMAN GEORGE: -- and then we get into

10 planning, we've just lost some time.

11 MR. WUELLNER: Well, when I referred to the

12 graphic that I didn't get on here, Mr. Gorman had

13 asked me, and he's asked me a number of times, and

14 I simply just keep forgetting to put the

15 facility -- this chart you have -- the graphic you
16 have in the upper right corner.

17 There's a better graphic of that, and I'll
18 try to bring it up toward the end of the meeting.
19 I'll maybe work on it while he's doing his
20 presentation. But we have tentatively agreed to,
21 from a staff level and consultant level, a layout
22 for those T-hangars. We are already really moving
23 on those things.

24 They have updated the cost estimates. It
25 looks now between 45 and 50 new T-hangars are

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1 feasible under the grant funds that we either have
2 already or are promised beginning July. So, the
3 time line will be very good there.

4 We're already preparing the information to go
5 to the county to get into the DRC queue so that we
6 don't lose our impact fee, grandfathering under
7 the old ordinance. And we are -- we are already

8 moving those things forward so that we get in that
9 DRC process.

10 CHAIRMAN GEORGE: Okay. That's -- that was
11 basically it.

12 MR. WUELLNER: We're not holding anything up,
13 but at the same point, it's no sense releasing the
14 work until I know when we're going to start the
15 apron --

16 CHAIRMAN GEORGE: Right.

17 MR. WUELLNER: -- because it's -- they're
18 just going to sit out there and you don't want
19 that heat, either.

20 CHAIRMAN GEORGE: Yeah. Mr. Gorman?

21 MR. GORMAN: So, between -- and 45 to 50
22 hangars, considering even your worst-case scenario
23 statistic for dropoff on waiting list, we should
24 have a hundred percent instant occupancy.

25 MR. WUELLNER: You'll have instant occupancy

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1 of a hundred percent.

2 MR. GORMAN: Yeah, we really will -- we're
3 really going to just flood it.

4 MR. WUELLNER: And in theory, you'll still be
5 maybe 20 units short of -- if -- if the list, the
6 50 percent rule played out, which may or may not.

7 MR. GORMAN: That's 20 -- 20 plus units short
8 of the demand.

9 MR. WUELLNER: But that's certainly a lot
10 better than where we are.

11 MR. GORMAN: Excellent.

12 MR. WUELLNER: Because I think we're over --
13 Cindy, correct me, but I believe we're over 150 on
14 the waiting list now. I mean, it just -- as soon
15 as the word broke out we were actually going to
16 build some, you know, it hits again.

17 And she has in the last -- I think we updated
18 you last month, but during the month of January,
19 primarily, we updated that list, meaning we made
20 contact in one form or another with everybody on
21 it, and that we only purged a handful of people

22 off of that.

23 So, everything's -- of course, you'll still

24 lose some when you actually have to spend money,

25 but that's the nature of it.

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1 Okay. Eastside corporate hangar, just so you

2 know, permitting's underway, meaning it's at the

3 County, and it's going through the building permit

4 review. The FDOT grant changes are underway also.

5 I was told by FDOT week before, by the end of week

6 before, that we should -- we'll have the signed

7 grant, but it won't be till the first week of

8 April or so. So, it's not holding anything up

9 right now, because we can't build anything until

10 we get building permits. But looks like all

11 that -- the timing will work. It will go as quick

12 as it can at this point.

13 So, I've got to wait on the date to -- the

14 date of grant to actually execute the contracts

15 with the contractor in order for all of the
16 contract to be valid under the grant and
17 reimbursable. So, it's -- it's a little timing
18 game, if you will, going on there, but it'll --
19 it's all going to work out.

20 CHAIRMAN GEORGE: And these are contracts,
21 just by the normal course of business,
22 Mr. Burnett's organization looks at and makes sure
23 that we don't have any empty holes there.

24 MR. WUELLNER: Right. It's -- it's already
25 been bid. Yeah.

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1 CHAIRMAN GEORGE: Okay.

2 MR. WUELLNER: You've already awarded, in
3 fact. We're -- we're beyond that.

4 All right. Small business development units.
5 Just -- I've only got the note on here that
6 Enterprise North Florida is going to -- going to
7 talk to you.

8 Marketing and public relations, I can tell
9 you the air show work's ongoing. We're meeting a
10 little more regularly at this point and getting
11 information back to us. There's still several
12 items that we'll be working very closely with them
13 to see they are resolved in advance of the show,
14 including a written agreement, insurance back to
15 the airport, and -- and some operational issues on
16 the airfield. But most of that's moving ahead at
17 this point, and look forward to having a great
18 show. I would get here early, though, based on
19 the available parking.

20 MS. GREEN: Ed, is that the 5th? What's the
21 date?

22 CHAIRMAN GEORGE: 6th and 7th.

23 MS. GREEN: 6th and 7th? I thought so.

24 MR. WUELLNER: May 6th and 7th. Yeah.

25 MS. GREEN: Thank you.

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1 MR. WUELLNER: And still moving on, the
2 Master Plan ditty.

3 Now, the airport leasing activities, no new
4 lease contacts at this point, but I did want to
5 talk just briefly and make sure we can all get on
6 the same page here and get maybe, if necessary,
7 some direction from you.

8 We have several things that need to be
9 addressed in the -- in the lease policy moving
10 forward. And rather than pick this apart into
11 maybe three or four different reviews of the same
12 policy, if -- if you don't mind, I would like to
13 wrap those into maybe one more major policy --
14 policy revision that we would bring to you.

15 And it would include the issue of personal
16 guarantees. We've wrapped that up from a text
17 standpoint and could deal with it individually.

18 But we're going to be followed on there with some
19 language to accommodate, even if it's an interim
20 basis, a minimum operating standards adjustment,
21 perhaps, while we're developing something related
22 to incubators, if we move that direction.

23 Plus, we need some sort of -- we really do
24 need to take a strong look at a major component of
25 that lease policy, which is our commercial minimum

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1 operating standards.

2 They are way out of date. They have not been
3 reviewed for over ten years. They had been
4 adopted about a year before I got here. They --
5 they need some look-sees, and we need to begin
6 that process of -- of making those the usable
7 document they need to be. And I would like to do
8 one big revision and put that together.

9 Now, you're going to need to weigh in on
10 minimum operating standards and its development.
11 And my suspicion is over -- maybe beginning in
12 another month or so, we try to workshop that
13 topic, get familiar with what those -- what that
14 does, what the minimum operating standards
15 document is about, and what the requirements are

16 related to FAA and the like, and then we can begin
17 the effort of -- of massaging that into something
18 that's appropriate for our airport.

19 MR. GORMAN: Ed, I think your workshop item
20 concept is excellent only because at that point in
21 time, we can invite, for instance, the Pilots
22 Association.

23 MR. WUELLNER: Absolutely.

24 MR. GORMAN: We can invite a number of
25 different people so that they are not without

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1 input, and then --

2 MR. WUELLNER: Correct. And our -- and our
3 primary tenants need to weigh in on this.

4 MR. GORMAN: Right. Right.

5 MR. WUELLNER: I'll -- you know, I'll -- I'll
6 bring you up to speed on -- you know, at that
7 meeting, I can explain to you, you know, the
8 perspective that airports and airport authorities

9 need to take in this, but you do absolutely need
10 to weigh that against, you know, the investments
11 made by other tenants on the airport, also.

12 So, if -- if you're not -- if you don't have
13 a real burning issue to deal with these
14 individually, then let's kind of wrap this around.
15 I don't see anything that -- we don't have a
16 pending commercial lease that needs personal
17 guarantees decided today. You guys all pretty
18 much gave me the direction, the -- as I said, the
19 language was done. We could deal with it
20 separately. But my suggestion is let's just wrap
21 it together and deal with one big revision here
22 and then --

23 CHAIRMAN GEORGE: My only concern is the --
24 the one small company that we had that we were
25 trying to get our minimum standards done so that

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1 we could get them in. So, if it takes another two

2 months to put it all together and wrap it, I think
3 we need to readdress that.

4 MR. WUELLNER: Well, you've -- you've had
5 that activity going on for a while. It's -- you
6 know, it -- it's how urgent you feel the need to
7 solve --

8 CHAIRMAN GEORGE: Well, if we wait and wrap
9 it all together, what is the time frame that you
10 think would --

11 MR. WUELLNER: I think you need to --
12 whenever you schedule your workshop, I think you
13 could wrap it up within 30 days and -- and be
14 done. You know, at a next regular Authority
15 meeting, you know, adopt the -- what you came up
16 with.

17 CHAIRMAN GEORGE: Right.

18 MR. WUELLNER: It -- it doesn't have to be a
19 big painful exercise. You're not starting from
20 scratch. We're -- we're merely, you know,
21 creating a document or updating a document. So,
22 I -- I don't think it needs to be more than 30

23 days from when you do it, so if you want to --

24 CHAIRMAN GEORGE: So, how many days --

25 MR. WUELLNER: If you want to get a workshop

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1 date together here at this meeting, then we -- you

2 know, back it up another 30 days maybe, or at

3 least one full Authority cycle there, and I -- and

4 I think you'd be done with it.

5 MR. BRUNSON: Sure.

6 CHAIRMAN GEORGE: You said that would be, you

7 know, within 30 days after the workshop. You

8 know, are you going to have your ducks in a row

9 where you can have that workshop?

10 MR. WUELLNER: Yeah. Yeah. Absolutely.

11 We'll show you what we've got. We'll show you

12 some of the -- the other documents that are out

13 there that -- that are, you know, very good in

14 terms of format and how they approach minimum

15 operating standards.

16 But I -- but I think that we need a brief
17 little, I'll call it education period, at the
18 beginning of this. You -- you've got to
19 understand the context in which minimum operating
20 standards exist on airports and why.

21 And then the next step is gathering the input
22 from our tenants and the like. And then the last
23 step really is formalizing what you collectively
24 decide are those minimum standards and -- and
25 producing the document that you ultimately

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1 approve.

2 So, it -- it doesn't -- again, you're looking
3 at maybe a two-hour, three-hour sit-down drag-out
4 through the process. But I don't think you need
5 to meet monthly for three or four months and --

6 CHAIRMAN GEORGE: Okay.

7 MR. WUELLNER: -- do that. I think you
8 can -- we can get it done all at one time.

9 CHAIRMAN GEORGE: Okay. Next? Guys have any
10 questions?

11 MR. WUELLNER: Next, Master Plan. Reviewed
12 the letter today, the final transmittal letter to
13 FAA. So, I expect less than ten days, we should
14 have everything signed off.

15 Their -- FAA added a requirement, because
16 they're now requiring statements relative to how
17 we solve any deficient safety areas on the
18 airport. And that's kind of been the holdup.

19 We've got that text revised, and it will go
20 back to Phil in the morning, and submit it to FAA,
21 I would think the next day. So, by the end of the
22 week, it will be in FAA's hand with finals.

23 They had some reviews going back and forth on
24 how best to depict some of that information.

25 Doesn't materially affect anything you've done

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1 with the Master Plan. It's just some depictions

2 on the ALP. And, you know, it's just bureaucratic
3 stuff.

4 CHAIRMAN GEORGE: Okay.

5 MR. WUELLNER: Really not -- not
6 meaningful --

7 CHAIRMAN GEORGE: But you think it ought to
8 be -- we ought to --

9 MR. WUELLNER: -- other than you've got to
10 address it.

11 CHAIRMAN GEORGE: -- receive their approval
12 within ten days.

13 MR. WUELLNER: That's my hope. They've
14 indicated they're done with the reviews. When we
15 submit this letter with the final documents,
16 they're in a position to sign off and be done,
17 so...

18 CHAIRMAN GEORGE: Okay. In the event that
19 it's not done in 14 days, two weeks --

20 MR. WUELLNER: Okay.

21 CHAIRMAN GEORGE: -- I would like to have a
22 phone call from you or an e-mail saying -- because
23 this thing's been dragging on for --

24 MR. WUELLNER: It has.

25 CHAIRMAN GEORGE: You know, we thought it was

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1 going to be approved last October or November.

2 And we just need to -- and I'm not saying that

3 you're not staying on top of it, because I can

4 imagine you're getting -- but I just need to know,

5 and I don't know if any of the other board members

6 want to know, too.

7 MR. GORMAN: Do we have any way to know what

8 type of situations that possibly they have that

9 they're considering that they have not approved it

10 yet? Just curious.

11 CHAIRMAN GEORGE: That's the conversation.

12 MR. GORMAN: Do we need to be in the loop?

13 MR. WUELLNER: FAA, you know, I don't want to

14 use the term "effectively" decided to enforce or

15 require master plans to now positively show how

16 they're going to address any deficiencies in the

17 safety areas of existing runways. We --
18 unfortunately, all but two ends of our runways
19 have some deficiency or some deviation.

20 MR. GORMAN: Talking about that's -- that's
21 again --

22 MR. WUELLNER: Those had to be addressed,
23 textually and shown on a graphic, which we're
24 not -- the Master Plan's focussing on new stuff,
25 not old. But this requirement came out during the

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1 review process, and now you've got to comply with
2 it.

3 CHAIRMAN GEORGE: Well, it's a logical
4 request. I mean --

5 MR. WUELLNER: It's not a bad one.

6 CHAIRMAN GEORGE: -- if there's a deficiency,
7 how are you going to straighten it out?

8 MS. GREEN: So, to the best of your
9 knowledge, that's the only thing that --

10 MR. WUELLNER: That was it. And -- and
11 they've agreed with what we're going to do.
12 That's my understanding. You just -- it's the
13 formality of putting it to writing and the drawing
14 and getting it back to them.

15 It does physically require a stamp on the
16 drawing that comes back and becomes the new
17 document that's reproduced for -- for all our
18 Master Plan copies.

19 CHAIRMAN GEORGE: Okay.

20 MR. WUELLNER: Other than that -- so, that --
21 that completes my project updates.

22 CHAIRMAN GEORGE: Okay. Any public comment
23 on any of the project updates that we had? And
24 board, too, if you have anymore.

25 (No comments.)

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1 CHAIRMAN GEORGE: Okay. Let's move on into
2 the agenda items, then.

3 9.A. - ENTERPRISE NE FL - INTRODUCTION

4 MR. WUELLNER: Erik, are you spearheading
5 this?

6 MR. GUNTHER: Yes.

7 MR. WUELLNER: It's Erik Gunther with
8 Enterprise North Florida. I keep wanting to add
9 "east" in there, but -- get this in here and bring
10 yours up.

11 MR. GUNTHER: Buy you a few minutes if you're
12 trying to put that graphic up.

13 MR. WUELLNER: That's that. Can't beat that.

14 MR. GUNTHER: I'm just providing some
15 information, some background, so you have it
16 during the presentation if you want to look on
17 there.

18 MR. BRUNSON: This is new (indicating).

19 CHAIRMAN GEORGE: Good.

20 MS. GREEN: Do you have an extra set? You
21 can give that to Bob --

22 MR. BURNETT: I'll give Bob one of mine, if
23 that's all right.

24 MS. GREEN: I've got it. No. Just wanted to
25 make sure he gets it.

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1 MR. GUNTHER: Okay. This one's -- this one's
2 forward and this one's back (indicating)?

3 MR. WUELLNER: I think it's the center. But
4 they work opposite of --

5 MR. GUNTHER: Thanks.

6 MR. WUELLNER: It should be able to go back
7 and forth, but I --

8 MR. GUNTHER: Okay. Thanks. Well, first of
9 all, I want to thank you for the opportunity. My
10 name's Erik Gunther with Enterprise North Florida
11 Corporation. I'm the director of entrepreneurial
12 services.

13 And the purpose for being here is
14 Mr. Wuellner had -- had the idea of -- of
15 potentially using a business incubator to solve
16 some of the problems that the airport is having

17 specifically with some of the smaller businesses
18 with compliance issues and minimum operating
19 standards, a way of being able to -- to integrate
20 them into the airport so that your -- your pilots
21 get the value of small businesses.

22 Oops. This is what we'll cover: To some of
23 you, the idea, the concept of a business incubator
24 may be new, so I'm just going to do a quick
25 overview to describe that.

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1 I'm also going to provide a little bit of
2 information on Enterprise North Florida.
3 There's -- there's quite a bit of detail in the
4 presentation. The reason why I gave you a handout
5 was just so you can take that with you. So, that
6 way, in the presentation, I don't have to take too
7 much on that part.

8 And then talking about what we think would be
9 the next step, if -- if you determine that a

10 business incubator is a solution for solving your
11 problem there and what ENFC's future role could be
12 in a budget and schedule of next steps.

13 Business incubation, the mission is to assist
14 entrepreneurs in the formation and development of
15 new enterprises so that those enterprises can
16 survive and succeed. So, it's just like what you
17 hear with the chickens, except this really
18 pertains to businesses.

19 And the objectives are really to increase the
20 rate of new business formation, creating those
21 businesses, and helping them with their survival
22 and success, helping them grow faster, and then
23 also, if they are not going to succeed, to be able
24 to recycle the assets of a failed venture more
25 efficiently.

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1 Here's some statistics in the U.S.: Back in
2 1980, there were 12 incubators, and now there are

3 over a thousand. Worldwide, over 35 countries
4 have business incubators, to a total of over
5 4,000. An interesting statistic we're considering
6 is that the survival of businesses that are in an
7 incubation program is about 87 percent versus 44
8 percent outside of that. And that's an SBA
9 statistic on the 44 percent.

10 And then also, another interesting aspect
11 and -- and a reason why Mr. Watson's very
12 interested with Enterprise North Florida, is
13 because incubators help the clustering of
14 businesses. When they graduate, they typically
15 move nearby the center.

16 And just overall, just to help everybody
17 understand, a business incubator is essentially a
18 facility that supports a small business or startup
19 business go through those early stages until
20 they're stable, and then you graduate them. And
21 usually that -- that -- that time frame is usually
22 around two to four years.

23 A little bit about ENFC -- and again, I'll go
24 through this rather quickly because you -- you

25 have the information printed out for you. But

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1 we'll cover a little bit about the new economy,
2 why ENFC is here, what our -- what our mission is,
3 and about our business incubator.

4 Now, in economic development terms, the
5 traditional view is, you have small businesses
6 that are going to stay small, and you have larger
7 businesses that -- that cities, from an economic
8 development perspective, are trying to recruit and
9 retain.

10 So really, like the chambers of the world and
11 the economic development councils are trying to
12 attract businesses to an area and help the ones
13 that are there grow.

14 But what you have is, you have some of these
15 small businesses that are actually not going to
16 stay small; they're going to grow rapidly, these
17 emerging growth companies. And that type of need

18 is not really addressed from an economic
19 development perspective.

20 To give you some examples of the types of
21 companies we're talking about, for example,
22 Microsoft, back in about I think it was 1978,
23 there's a -- there's a photograph floating around
24 the internet of 12 guys, and it said, "Would you
25 invest in this company?" And it showed the --

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1 Microsoft at that time, and it was a pretty
2 scary-looking picture, but now you look at the
3 number of people that they've employed.

4 So, these are the types of companies. Not
5 all of them are -- need to be technology based.
6 For example, Starbucks, high growth company, not
7 high tech, but a very successful business.

8 Enterprise North Florida was founded in 1996.
9 We're a 501(c)(3). And also, our scope is we
10 target Northeast Florida. So, we're not just

11 Duval County. We do a lot for St. Johns County
12 and the surrounding counties.

13 The types of -- of support we provide are
14 business development assistance. We -- we have
15 our own -- we have our own business incubator
16 called the Technology Enterprise Center that we
17 manage, and we also help facilitate the network of
18 resources that companies need to be successful.
19 That's -- that's our geographic scope there.

20 The types of companies that Enterprise North
21 Florida in Jacksonville targets are these gazelle
22 companies. Those are high growth companies. What
23 we do is, typically, we identify these companies
24 that they may have developed their product, their
25 service, but they need to commercialize that.

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1 They need to really go from maybe prototypes to --
2 to product that they're going to sell, and also
3 hitting the market.

4 You don't see the lines there, but that's our
5 organization, Enterprise North Florida
6 Corporation. We have -- as a DBA, we have the
7 Technology Enterprise Center. We've also done
8 things to address the capital side. There's the
9 North Florida Venture Capital Network, and we've
10 also formed Springboard Capital, which is an early
11 stage investment fund that helps support these --
12 these new companies.

13 Here's -- now, this is an important slide.
14 These are the types of services that we provide
15 for these companies. These do -- a lot of these
16 do translate over to different types of
17 businesses.

18 We assess -- we do an assessment and gap
19 analysis of business plans. We help them in their
20 strategic planning in talking through potential
21 issues. We also will help them with identifying
22 good managers for their -- for their team.

23 And another very important one, really, is
24 the financial modeling and planning. A lot of

25 companies underestimate how important it is to

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1 manage cash flow and things like that. And then,
2 also, with networking, providing them referrals so
3 that they -- they go to good service providers.

4 In 2005, we had 341 inquiries, and we
5 assisted 149 of those. And assisting a company
6 could be as small as spending the time with a
7 meeting and answering their questions and giving
8 them -- asking them some questions to consider in
9 developing their business, to as much as doing a
10 contract, which you see there, 33 of which, when
11 we really sit down and work with them through
12 doing their -- helping them do their business
13 plan. And we've also facilitated those companies
14 getting over \$16 million in funding.

15 Overall, in our 10-year span, we've screened
16 over 1,700 companies. We've assisted over 1,100,
17 and from an economic impact -- impact, helped

18 create over 800 jobs. And in terms of linking
19 companies to funding, over \$75 million, and that
20 could be either through referring them to other
21 networks and investors or through our own.

22 And we also created the first Venture Capital
23 Network 1997 for the region. Our incubator's been
24 around over six years, and we created that
25 regional investment fund, Springboard, which is --

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1 the first fund was in 2002. The second one is in
2 2005.

3 I went through our database and just took a
4 list -- took a look at what are some of the
5 aviation-related companies that have come
6 through -- through our doors. And there's just a
7 quick list. These are -- there's a list of the
8 inquiries.

9 A little bit about our -- our founder and
10 CEO, Al Rossiter. He's been our CEO since 1996.

11 And he was heavily involved in the -- in the
12 development of our Technology Enterprise Center,
13 our incubator.

14 The facility is over 20,000 square feet, and
15 we have currently about 25 companies in the
16 facility. So, our occupancy ranges between 85 to
17 a hundred percent and it's been so since about
18 2003.

19 Another thing, a little bit about him and his
20 background. He was the former commanding officer
21 of the Naval Aviation Depot in Jacksonville, and
22 he's a retired Navy captain and pilot, so he knows
23 a lot about -- about planes and the aviation
24 industry.

25 Now, the Technology Enterprise Center, that's

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1 our incubator. And I'm going to tell you a little
2 bit about this and the types of services that we
3 provide for those companies.

4 Ours was the first that targeted technology
5 and high growth businesses. And one of the -- the
6 words that we use is accelerator. We try to help
7 these companies grow quickly and move on. And by
8 doing that, we try to create a focal point of
9 entrepreneurial activity to attract attention to
10 the needs of these entrepreneurs. And, again,
11 it's been open since 2000.

12 The -- the facility is special. In other
13 words -- and -- and I'll show you a quick picture
14 in a minute. But essentially what you see is that
15 you try to use resources and the space of the
16 facility more efficiently for small businesses.

17 One of the things that -- that Ed had
18 mentioned is the minimum operating standards that
19 a small business, it -- it definitely creates a
20 problem, because you have these small businesses
21 that can essentially climb over the fence to
22 provide some service, and that service often has
23 value to your -- your -- your pilots, but then
24 they're not complying. And that -- that's a big
25 issue. So, this is a way that potentially that

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1 you may be able to join them instead of beat them.

2 We also provide flexible leases. And that
3 makes sense, too, because usually the requirement
4 for a small business for a multi-year lease is --
5 is very high risk for them. And also, they're --
6 the facilities are typically custom designed and
7 flexible. Ours in particular, we use Perdue, and
8 you can move the walls around.

9 And then the other thing is a lot of the
10 other services that are in there in terms of
11 infrastructure and providing them IT services.

12 The facility is designed for entrepreneurs.
13 You have a common shared reception area. Because
14 another thing to think about here is often,
15 each -- each business, they'll have -- they'll use
16 the same resources over and over. They'll have
17 their own reception area, they have their own
18 copier, their own printer, those kind of things.

19 What's nice about an incubator is that they
20 share those resources which in -- in essence is a
21 more efficient use, and therefore, it translates
22 into a lower cost for the tenant, and they can
23 help -- and which helps them get through their
24 early phase.

25 Provides conference and meeting rooms, break

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1 rooms. I mentioned that Perdue, the Steelcase
2 pathway system. In some cases, you -- in ours in
3 particular, you can move the walls around and
4 reconfigure them base -- based on the needs of
5 the -- the company. Some companies need to grow
6 up and some need to grow down -- or -- or get
7 smaller and so we can work with them.

8 Also, we provide the furniture, all of those
9 kind of things. So, really, companies can work --
10 focus more on their marketing and product
11 development, as opposed to a lot of the -- the

12 administrative overhead.

13 And here, I'm just -- there's just a list of
14 services that we provide, and -- and a lot of
15 these make sense for a -- for a small -- for any
16 small business, including anything from, you know,
17 LAN printer services, internet access, telephone
18 systems, IT support.

19 And in particular, too, a business incubator
20 is not just a physical space. What it is, is --
21 is that part of the agreement includes some
22 services. In our case in particular, we provide
23 business assistance, over four hours per quarter.

24 And -- and that's a great way that we can keep our
25 hands on the pulse of how that company is doing.

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1 We ask them to provide us with what their
2 goals are for the next quarter, what -- looking at
3 how they performed against previous objectives.

4 Another thing that's invaluable is the

5 referral network. A lot of times -- a lot of
6 times, people think they need to save money on
7 either their legal or accounting expenses, and
8 that can lead them down a very ugly path. So,
9 it's good that there's a referral network that,
10 because as an incubator, we aggregate those -- we
11 aggregate the market, then we attract better
12 service providers.

13 This is a physical layout of ours. And
14 again, it -- for -- for the airport here, it would
15 have to be different, probably. But in this
16 case -- and I've got a laser pointer I'm going to
17 try.

18 Right there, that's the central area. That's
19 our office (indicating). And what you also see
20 here is, we have -- if I've got it right -- is we
21 have a board room there and a conference room
22 there. All of these are businesses surrounding --
23 surrounding the central area with the reception
24 area there (indicating). So, that gives you some
25 idea of what these look like.

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1 Again, what's the magic with these? It helps
2 in terms of efficiency of using resources, as well
3 as providing them services. And honestly, a lot
4 of times people, these companies underestimate the
5 value of those resources. They think just -- I
6 just need some cheap place to work or -- and in
7 this sense, really have a captive market, because
8 they have to be on the property, most of them, to
9 be able to work. But these services are -- are
10 invaluable for businesses.

11 What we would -- what we would see as the
12 next step, if -- if the board decides to move in
13 this direction of an incubator -- and really,
14 that's -- that is a board decision. I mean, one
15 of the things that -- that an incubator does, is
16 it -- it addresses an economic development issue.

17 Now, the board would have to decide whether
18 that falls under the board's goals. One of -- one

19 of the things that I want to bring up, and I think
20 it's worth noting here, is that, you know, working
21 with Gene Watson, we know -- we're very intimately
22 aware of the problem facing St. Johns County. And
23 that problem is that there's such a large
24 residential base, not -- not a very large
25 commercial base that will support -- generate

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1 those tax revenues needed to support the
2 community.

3 And so, one of the nice things, potentially,
4 of an incubator is, it can provide a catalyst for
5 helping grow some of these businesses, these
6 business parks, and help cluster them within an
7 area.

8 But what we would see as -- as the next step
9 would be a detailed implementation plan; i.e., a
10 business plan. And that would be talking about
11 the facility requirements, what -- what services

12 would best help those aviation small businesses,
13 management and government's policies.

14 And then also, and probably one of the
15 biggest parts of this would be the detailed
16 budget, both the capital budget and operating
17 budget. And that -- that would be a lion's share
18 of the work because it's very detailed. And also
19 coming up with the detailed project schedule.

20 The value proposition for the Airport
21 Authority would be compliance, because now you
22 would have a central management structure that can
23 aggregate the small aviation-related businesses
24 and make sure that they're -- they're working
25 against those minimum operating standards.

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1 The other things that will help provide the
2 ability to manage the volatility of these -- when
3 any of these companies fail, they may leave
4 clients in a lurch. So, there's a little bit more

5 control over that, mitigating that risk, also
6 reducing the liability. Now -- now there's a
7 solution that's been provided for these startups.
8 So, at least they have an option to be able to get
9 onto the airport, which -- which hopefully would
10 reduce the amount of people sneaking onto the
11 property.

12 And I talked about the economic development
13 aspects. And it could be a catalyst for
14 development of some of this unused land nearby to
15 support business in St. Johns County.

16 And then future role, how can ENFC be
17 involved in the future? It could be a management
18 contract, potentially, to help manage the facility
19 and provide all these services. We -- we're in
20 that kind of business. That's what we do on
21 day-to-day.

22 Budget and schedule to do the detailed
23 implementation plan, we see it as a three-month
24 effort, and for \$30,000.

25 And next steps would be a written proposal

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1 and -- which would address scope and a schedule
2 and specific deliverables.

3 And that's it. Thank you.

4 CHAIRMAN GEORGE: Thank you.

5 MS. GREEN: Thank you.

6 CHAIRMAN GEORGE: Any public comment?

7 (No public comment.)

8 CHAIRMAN GEORGE: Board comment? Mr. Gorman?

9 MR. GORMAN: I went and saw a presentation by
10 Erik here for his firm. I was impressed, only
11 because it's always been a common sense interest
12 of mine, the fact that lots of people with lots of
13 skills have that skill; in other words, if they're
14 a mechanic, they're an excellent mechanic. If
15 they're in avionics, they're excellent in
16 avionics. They may not be a bookkeeper there in
17 avionics. And the skills versus the paperwork
18 many times kills a small business.

19 Also, the compliance issue; Mr. Wuellner

20 can't have -- he's got to have so many handicap
21 spaces; he has to have so many bathrooms. That
22 kills a small business. You can't afford all
23 that.

24 And so, I was impressed, because I thought
25 these people could provide -- it's the first time

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1 I ever talked to them. I haven't talked to them
2 since. But I have -- I thought they would provide
3 a matrix to help organize people with skills for
4 small business development on a practical basis.

5 And also, I thought they would help find and
6 address fatal flaws, what I call a fatal flaw in a
7 small business. So many small businesses run into
8 a fatal flaw. They just -- they die because they
9 couldn't do one thing. They may be a great
10 mechanic, but everything failed for something
11 else.

12 It's the skills versus paperwork thing. And

13 I thought that may be -- I know in the aviation
14 business, small general aviation, for instance,
15 people are crying out for avionics for autopilots.

16 There's -- there's -- last -- it goes on and on.

17 So, the high tech, high speed of
18 development -- I mean, this is a perfect ripe
19 airport for it. Why? Because there's money
20 around us. Because we already have some high-tech
21 aircraft that are on the field that are -- and
22 those businesses are developing rapidly.

23 I mean, I don't mean to sell for the guy, but
24 I was really thoroughly impressed.

25 I think he might want to explain this Perdue

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1 office thing. This was this office like a Lego,
2 where you could expand and contract this office
3 wherever you needed it so you could make the
4 office little or you could make the office big.

5 So, if someone -- without any -- for

6 instance, the angst that we went through when we
7 developed the upstairs for the terminal, we didn't
8 know what to do; we didn't know how big to make
9 it. And now it's already too big or too little,
10 you know, because that's what -- just what
11 happened. And so, there's a lot of -- of clever
12 ideas there, I just thought.

13 CHAIRMAN GEORGE: Mr. Brunson, you're it.

14 MR. BRUNSON: Go right ahead.

15 CHAIRMAN GEORGE: I also went up and visited,
16 and I likewise was impressed with your operations
17 you've got going there.

18 I am -- I had recommended to Erik that he get
19 in touch with the County, because I thought that
20 the applicability of what he was doing would more
21 address countywide than to what we at the airport
22 were trying to do.

23 We -- we got into this because we were
24 thinking of small companies that work on, you
25 know, avionics, you know, and the like, and

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1 they're not companies that have two or three men
2 that sit in an office with telephones. They're --
3 they're more, you know, workers, if you will.

4 But I thought it might fit in well with a
5 county approach, if the County -- I'm glad
6 Mr. Bryant's here -- if they were interested in
7 doing something like that for high tech or for
8 something else. The Industrial Council, also.

9 I -- I then got into another discussion of,
10 you know, what's the cost of this, or what did
11 Erik expect out of it? And he said, well, he said
12 what he thought the best way to handle it would --
13 would be to come in with a consulting fee to tell
14 us how we can set it up and to get it all laid out
15 for it.

16 But paramount in the whole plan is facility.
17 And when I think facility, I think capital
18 dollars. And I think -- I'm sorry, but I always
19 think capital dollars.

20 Our plate is full right now as far as the
21 allocation of the capital that we have to more
22 specific aviation-related activity. I'm not
23 saying that -- that we couldn't develop a similar
24 plan, you know, to the incubator for -- well, take
25 what the flight school is doing; they have two

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1 bays of a hangar over here where they, you know,
2 maintain their airplanes.

3 So, if we're putting together like the back
4 row of T-hangars to allocate all four of those,
5 and that way, you get the economies of scale of a
6 handicap parking, you know, and the like, but we
7 have it set up that they're there and -- and maybe
8 what you come up with, Ed -- I'm not trying to put
9 any words in your mouth -- is that, you know, if
10 we have an incubator type of period, you're able
11 to stay there for 18 months, and here are the
12 requirements at the end of that 18 months that

13 you've got to move on to something else.

14 But I think for us to put together a plan
15 that complements our financial plan to build a
16 building to house, you know, office space and
17 stuff like that, I think is out of the question.

18 MR. GORMAN: Let me address that real
19 quickly. And then I'll -- well, okay. Go ahead.

20 MR. BRUNSON: Okay.

21 MR. GORMAN: I'm sorry.

22 MR. BRUNSON: I also visited the facilities,
23 and I was so impressed, it was unreal. But the
24 number one thing I have here that -- is money.
25 And I understand that you are very good at getting

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1 grants and assistances, and -- and I think this
2 has some merit, even in the aviation.

3 But I also think it needs to be looked at at
4 the county level. And -- and I don't think we
5 should say no to you just now. I think we need to

6 study it. And I think that -- but the main thing
7 I'm concerned, I -- if we do this incubator and
8 get our minimum standards redone, I want to make
9 sure that we don't hurt our Southeast Aeros, and
10 our Galaxys and the flight schools and the people
11 that already are our tenants, that I -- because
12 with your excellent program, I think these people
13 that go into incubators will have a little
14 advantage and -- to make their business flourish.

15 So, I think it's -- I think we need to look
16 at it real close, and not say no, and think out of
17 the box. But right now, financially, I couldn't
18 vote for -- to spend \$30,000 to do a study and --
19 and with our financial condition that it's in.

20 CHAIRMAN GEORGE: Mr. Gorman?

21 MR. GORMAN: Well, I was going to say right
22 now on the field, it's almost impossible to get a
23 general aviation aircraft fixed. Right now on the
24 field, we have -- we have looked over
25 through-the-fence operations, because we've almost

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1 had to, to serve the needs of the general aviation
2 public.

3 I think that -- that one thing that I was
4 impressed with, with -- I was impressed with them,
5 but they're more office space orientated. And
6 that's the least of our worries. And my own
7 thought is -- and I share the angst of the
8 capitalization problem. But I don't think the
9 capitalization problem is going to be a big
10 problem, because you don't need that much office
11 space.

12 What you need is the organization. In other
13 words, you need a very small office space. You're
14 going to need these handicap spaces; you're going
15 to need the bathrooms. Okay. You're almost done.
16 Now, the -- everybody that's working out of
17 hangars, which is what aviation people do, then
18 would use that facility.

19 So, I don't think you're as capital intensive
20 as -- as you two gentlemen think, both Buzz and --

21 and I understand and I share the problem, but I
22 don't think that the capital costs are going to be
23 as high as I think that you might envision.

24 MR. GUNTHER: May I -- may I comment on that?

25 CHAIRMAN GEORGE: Yes, please do.

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1 MR. GUNTHER: I just want to say one of --
2 frankly, one of my -- one of my biggest concerns
3 in -- in our tour was the thought that we are --
4 we are biasing -- we are biasing you toward
5 conceiving of a certain idea of what this thing
6 would look like.

7 The reality is, is that there's -- they say,
8 that -- you know, the statistic is there's over
9 4,000 business incubators out there, and they all
10 look tremendously different. You may be aware of
11 that in Beaver Street, there's -- there's a
12 business incubator there that's specifically
13 targeting a low-income area, and so it's a very

14 different facility. The layout is different.

15 Everything is different.

16 And the point is, is that, yeah, okay, for

17 the one that we did, that targets these high

18 growth businesses and -- and technology and all of

19 that kind of stuff. But the reality is, is just

20 you apply that same methodology of evaluating what

21 the needs are of these businesses, and you focus

22 on that and provide that kind of value to -- to,

23 for example, the Airport Authority. So, one thing

24 I do want to be careful -- and also, we spoke

25 about the potential issue of we're subsidizing

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1 these small businesses and that kind of thing.

2 And that -- that's another -- that's another

3 thing that we have to be very careful, because

4 there are incubators out there that charge -- they

5 charge market rate. And -- and the fact that the

6 way that they're laid out may attract -- it's

7 actually everything from -- there are actually
8 some incubators that charge above market because
9 they know that the companies moving in know that
10 there's a market channel being created for them,
11 that there's certain types of services that are
12 going to give them a leg up, and they're willing
13 to pay more for that.

14 So, I just want to make sure that we have all
15 the information. That's really my role here
16 today, is to provide you that information. It can
17 be anything from above market to below market.
18 And although, you know, our facility has Lego
19 walls that we can move around, but it's not a
20 requirement.

21 CHAIRMAN GEORGE: Okay. Suzanne, do you have
22 any comment?

23 MS. GREEN: I did not tour the facilities,
24 but I'm familiar with the concept, because in the
25 legal community, this is an old adage. We've had

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1 office sharing basically on a low level for years
2 and years and years. And it does work.

3 My concern is not so much a capital building
4 facility outlay, just the \$30,000 just to get
5 started for strategy right now when we're so
6 strapped. I think once we get our infrastructure
7 set with our hangars and then we can look at what
8 we need to support that, it's a definitely good
9 concept. I think we're just not there yet.

10 CHAIRMAN GEORGE: Well, I would -- I would
11 like to suggest that -- you guys to see if you
12 agree with me, that Mr. Wuellner and Staff are
13 going through revising our standards for operating
14 on the field, and they're -- they're looking at
15 the FAA regulations and -- and trying to come up
16 with what those minimums are.

17 Let's hold off until we see what that is in
18 relation to how many types of businesses could fit
19 into that and how many we might, you know,
20 attract.

21 Mr. Cooper also indicated, you know, when I
22 was there, that we -- that there are people that
23 want to set up aircraft brokerage businesses, and
24 they would fit into -- into that arena.

25 So, I would suggest that we hold off until we

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1 get through with that. We have this groundwork
2 from here, and if we decide we want to pull them
3 back in to help us with it, or we decide we're
4 going to do it on a more relaxed basis, we can.

5 At the same time, with the County being here,
6 I'll make all this available to -- well, Kari,
7 you've already talked to Kari, right?

8 MR. GUNTHER: Yes.

9 CHAIRMAN GEORGE: At Economic Development.

10 MR. GUNTHER: Yes.

11 CHAIRMAN GEORGE: And if they want to see
12 something to -- to join in, they could.

13 Mr. Wuellner?

14 MR. WUELLNER: I -- I think you'd be -- it
15 would be very helpful. I understand the
16 capitalization issues. I -- I think that part of
17 that, you'll get a very good understanding of
18 as -- as things would move forward, anyway.

19 There are a number of projects within our
20 five- and ten-year work programs that could be
21 easily allocated to this project and made to be
22 this project. There are unspecified placeholder
23 projects, if you will, that are within our capital
24 so that we could make those resources available
25 for this, if you choose to go there.

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1 The short-term issue is the development of
2 this study or moving -- moving forward with the
3 details. If I could suggest, rather than rush a
4 decision on whether you spend \$30,000 or not --
5 and I don't know -- I haven't even had a chance to
6 talk to these guys about it.

7 But I would really like to see us maybe spend
8 some time developing the scope of what this
9 facility would be, because I think we've
10 already -- and as Erik pointed out, somewhat
11 prejudiced what this is, based on having visited
12 one specific incubator project that's very
13 tailored to something that we're not necessarily
14 doing here.

15 You know, our vision, and by "our," I mean
16 from a staff perspective only, is that this would
17 be a very broadly scoped incubator on the airport.

18 It's not designed to be strictly a place for
19 mechanic businesses to start or avionics
20 businesses or things that necessarily and
21 exclusively deal with an aircraft in and of
22 itself, meaning you have to go into a hangar space
23 and work on an aircraft.

24 The scope of this could be things like
25 aircraft sales, brokerage, unique products in

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1 aviation that have nothing to do with needing to
2 get to an airplane. There are specific elements
3 that could go into this that do need hangar space,
4 that need pieces of this that aren't in
5 everything.

6 The -- the -- the value I see in the
7 incubator program is a couple-fold. One is that
8 you -- you, instead of distancing yourself from an
9 activity that's not covered by your minimum
10 operating standards, you begin to bring those into
11 the airport fold. You begin to work with those
12 businesses, completely legitimize them on the
13 airport, allow them to grow, thereby bringing
14 additional jobs and increased revenues to the
15 airport, especially those that are airport tied.

16 The secondary benefit is the spinoff is -- is
17 additional jobs in your community, economic
18 development. Now, I recognize, and you've heard
19 me say it a million times, that our goal -- our --
20 our responsibilities on the Authority are not
21 economic development. What -- you know, we're not

22 an economic development entity. However, that
23 doesn't mean you can't be a strong partner and a
24 strong player in -- in the economic development
25 of -- of St. Johns County. And I -- and I think

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1 you owe that to the balance of the citizens,
2 anyway.

3 What -- if you do your jobs well as an
4 Authority, you've brought additional businesses
5 and additional jobs to the community and
6 additional tax revenues and all of those things
7 that come with it.

8 I think you've got -- this is a very unique
9 challenge, and I -- I would urge you just not to
10 carte blanche throw it aside and go, "We just
11 don't want to deal with it right now; we've got
12 other things on the table." Because indeed you
13 do.

14 But I think you'd get a feel here that the --

15 the time line to even move this to a commitment of
16 significant money is down -- you know, is at least
17 in the next fiscal year, at least that kind of a
18 time line to even move it into something that's,
19 you know, conquered, for lack of better terms.

20 I would really like the opportunity to work
21 with these guys on a -- on a level that's less
22 than what they're proposing today, even, to just
23 develop the scope of what this facility -- they
24 have the expertise in this area, and I would
25 really like to -- to use them to develop what this

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1 could be.

2 Then let's address it from a budget, a
3 capital, the 10-year plan, from all of the other
4 angles, and see if it's indeed something you want
5 to facilitate the full, not feasibility, what do
6 you use -- call it implementation --

7 MR. GUNTHER: Implementation.

8 MR. WUELLNER: -- plan and -- and move
9 forward maybe later in the year, and then maybe
10 move into once those budgets are further detailed.

11 It's not something we have to rush. It's not
12 something that has to be done tomorrow or even by
13 the end of this calendar year. But it -- it -- I
14 think it's got so many opportunities on so many
15 different levels that benefit the airport, that
16 just dismissing it because we don't have \$30,000
17 to throw at a study or have not yet placed things
18 in the capital program that are firmly identified
19 with it.

20 CHAIRMAN GEORGE: I -- I don't think we were
21 saying dismiss it. I think what we were saying
22 was let's leave it on the shelf until we have a
23 better feel for what return we, the St. Johns
24 community, can get out of an aviation --

25 MR. WUELLNER: Well, and I -- I think maybe

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1 we're saying the same thing; we're just coming
2 from another, you know, direction. I would really
3 like to see what this could be, and then maybe
4 that helps move it forward --

5 CHAIRMAN GEORGE: Yeah.

6 MR. WUELLNER: -- or can it, for that matter.

7 MR. BRUNSON: As long as you don't spend any
8 money, I think that's what we want you to do.

9 MR. GORMAN: That's what he -- I think what
10 he's saying is he doesn't want it tabled; he'd
11 like to be able to, in a limited scope, be able to
12 continue to research to be able to see what could
13 be done.

14 CHAIRMAN GEORGE: Well, I think that by --

15 MR. GORMAN: I mean, I'm just paraphrasing
16 what he said.

17 CHAIRMAN GEORGE: -- by looking at the -- at
18 the policies and trying to come up with a minimum
19 for people to come in, that's the next step.

20 Because as far as I'm concerned, I think we need
21 to know what the potential is of new businesses

22 bringing in, and that's -- that others -- you
23 might find out that based on FAA standards, hey,
24 we're at minimum already, can't do anything there.
25 I don't think you're going to find that way.

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1 You're a little bit more creative than that but...

2 MR. WUELLNER: I would hope.

3 CHAIRMAN GEORGE: Yeah. I think we're --
4 we're all in agreement, are we not?

5 MR. GORMAN: Could we leave this meeting with
6 the admonition to Mr. Wuellner that he can
7 continue to research the proper scope of any type
8 of small business development through that type or
9 that concept?

10 CHAIRMAN GEORGE: Absolutely. I don't have a
11 problem with that. I think Mr. Brunson summarized
12 it very well.

13 MR. BRUNSON: I don't say no, but keep
14 looking at it.

15 CHAIRMAN GEORGE: Yeah. Thanks, Erik.

16 Appreciate it very much.

17 MR. GUNTHER: Thank you.

18 CHAIRMAN GEORGE: Self-service fueling.

19 9.B. - SELF-FUEL POLICY

20 MR. WUELLNER: As promised, we developed a

21 policy document for you all to review and sign off

22 on, modify, whatever -- whatever suits your fancy.

23 We have -- I'll give you the highlights of that

24 policy. We provided you a copy of -- of the

25 document itself as a part of your board package.

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1 The -- you know, you may not have grasped

2 every word of what we were trying to accomplish.

3 Let me give you the overview, and also for the

4 benefit of the public that's here, that -- that

5 hasn't seen the, verbatim, if you will, of the

6 policy document itself.

7 Basically, this policy was a -- a fallout,

8 for lack of better terms, of our -- the
9 requirement or the request that was made of us
10 from SK Logistics, if you recall, to develop their
11 own self-fuel ability for their aircraft on their
12 leasehold.

13 This policy, because we did not have anything
14 in place, we basically kind of developed that on
15 the fly and created a lease amendment document
16 that we felt like did a very good job, but didn't
17 reflect any specific policy that the Authority had
18 adopted. That's what this tries to do, is that
19 for future inquiries into self-fueling, this
20 policy would effectively govern.

21 Now, a couple of things to point out: The
22 policy specifically exempts self-fuel users of --
23 and this is again, an arbitrary number here, but
24 we felt like a 50 gallon in 30 days, if you're
25 bringing gasoline in and filling your airplane,

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1 you've got an STC'd airplane that allows you to
2 put automobile gas or whatever in there, and
3 you're using less than 50 gallons of that a month,
4 we're just going -- we're just going to assume
5 that -- that you can keep doing that; we're not
6 going to get our nose in that; we're not going to
7 try to regulate it or figure out how many
8 five-gallon gas cans you carried in this year
9 and -- and gets our 8 cents a gallon. We're just
10 going to stay out of that. It's just we don't
11 feel like that that pie is big enough to even be
12 involved in.

13 The other is it does not cover anybody that's
14 under a commercial operating agreement with the
15 Airport Authority who has a right, under that
16 lease, to dispense fuel. They are covered
17 separately by commercial lease policy that we
18 have. And we ascribe those things independent of
19 this.

20 We are dealing specifically with your ability
21 to go out, either purchase and have a mobile
22 refueling ability, or build a fixed fuel farm that

23 serves, again, only your interest.

24 The policy ascribed insurance requirements

25 related to that; requires training of employees;

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1 requires you to comply with all the rules and

2 regulations of all of the agencies out there, both

3 local, state and federal, or all three; to comply

4 with all of the environmental regulations; to pay

5 flowage fee, just as though you were purchasing

6 the fuel on airport from a vendor; maintain

7 facility records of that facility, how it's

8 maintained, document all that stuff, because

9 you're going to have to do that to comply with the

10 environmental anyway.

11 It will require a separate executed agreement

12 with the Authority to do that. So, we're going

13 to, in effect, make it a part of their lease, if

14 that's appropriate, or construct a separate

15 agreement, as it may be appropriate. It depends

16 on the lease situation out there. That puts all
17 those things in. Very similar to what we did with
18 SK Logistics.

19 There may be an amendment to the lease or may
20 be something stand-alone, but it requires a
21 written document with the Authority.

22 And it provides for the enforcement of that
23 document and of that privilege to self-fuel on the
24 airport, and vests some of those -- that Authority
25 with the executive director position, also

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1 incorporates the appeal process that you've
2 already got in the lease policy and your gate
3 card.

4 It's the identical process that's been worked
5 into this, so that if a majority of you want to
6 hear, you know, some -- some situation where I may
7 have erred in judgment or there's just some other
8 problem, you know, you -- you guys reserve that

9 right to do that. Otherwise, we do that
10 administratively and keep it out of your hands.

11 That's basically what it does. There's a lot
12 of detail in there about -- you know, all the way
13 down the line, what the levels of insurance are,
14 you know, what -- what the training is required.

15 We specifically limit the maximum size of any
16 storage facility, any single storage tank to
17 14,000 gallons. We require those facilities be
18 built in the -- the diking systems. They are
19 required to use double-wall tanks.

20 We've added a lot of requirement here to --
21 to do the best possible job of regulating --
22 regulating a -- as environmentally friendly a
23 facility as possible, meaning it's as safe as
24 possible in its operation.

25 We recognize that no matter what we do,

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1 you're dealing with, in effect, amateur fuelers.

2 They may have 14,000 gallons of jet fuel there,
3 and they may be fueling \$30 million airplanes, but
4 at the end of the day, they're not in the business
5 of fueling airplanes, and things are going to
6 happen.

7 And as a result of that, we've put additional
8 safeguards above and beyond what's currently
9 required by any other regulatory agency, again,
10 such as double-wall tanks inside a concrete dike.

11 The piping out of that's required to go to an
12 oil/water separator, then to -- to a containment
13 area before it's any chance of getting outside of
14 the facility, those kind of requirements, in
15 addition to all the insurance that would paid --
16 and arguably pay to clean it up in the event a
17 spill actually did happen.

18 I think we've been fairly comprehensive, but
19 tried to leave ourselves a little latitude to
20 adjust by facility by request.

21 Again, you've got the whole text. I didn't
22 intend to read it to you. So, if you've got

23 specific questions in the policy you want answered
24 or what, you know, just kind of let us know where
25 you want to go.

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1 These are always fun, I know.

2 CHAIRMAN GEORGE: Any public comment on what
3 we're trying to do? Mr. Slingluff?

4 MR. SLINGLUFF: As I -- as I've said
5 previously, from the -- with the other fuel farm,
6 the -- the thing I think we all need to look at is
7 the long-term effects of various fuel farms, not
8 just the immediate environmental effect of a fuel
9 spill, but if X, Y, Z corporation puts a 14,000
10 gallon tank in, and seven years from now, a rusty,
11 leaky tank is still there and they're long gone,
12 we've all bought into that.

13 And -- and, you know, is he -- I haven't read
14 the document, Ed, but I -- I would hope that
15 there's some sort of economic impact in there or

16 bond that has to be posted for removal and
17 remediation on the site should the company go
18 away.

19 CHAIRMAN GEORGE: Okay. Is that in there,
20 Ed?

21 MR. WUELLNER: Not --

22 CHAIRMAN GEORGE: About removal of the tank?

23 MR. WUELLNER: We require them to remove it
24 at our -- at our discretion, depending --

25 CHAIRMAN GEORGE: Okay.

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1 MR. WUELLNER: -- on you may have a perfectly
2 viable --

3 MS. GREEN: No bond.

4 MR. WUELLNER: -- facility that could be --

5 CHAIRMAN GEORGE: Huh?

6 MS. GREEN: I didn't see any bond requirement
7 in there.

8 MR. WUELLNER: There's no bond requirement,

9 no.

10 MS. GREEN: Right. I didn't see it there.

11 CHAIRMAN GEORGE: Do you think it's needed,

12 Suzanne?

13 MS. GREEN: Well, like Mr. Slingluff's

14 saying, we can require it and then they say, "I'm

15 bankrupt and gone, goodbye" --

16 CHAIRMAN GEORGE: Yeah, go bankrupt --

17 MS. GREEN: -- and then the airport's stuck

18 with --

19 MR. SLINGLUFF: Yeah.

20 MS. GREEN: -- the removal of it. I mean,

21 it's a concern I think that's out there.

22 MR. BURNETT: Stuck with the removal and

23 potential cleanup --

24 MS. GREEN: Right.

25 MR. BURNETT: -- would be the other --

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1 CHAIRMAN GEORGE: Right.

2 MR. BURNETT: -- piece of that.

3 CHAIRMAN GEORGE: Thank you. Yes, sir?

4 MR. GORMAN: I just -- I understand

5 Mr. Slingluff's concern, but I mean, as far as a

6 monetary concern, I can't imagine it's that

7 expensive to remove a tank unless there has been

8 ground -- whoa, let me finish here before you

9 start -- unless there has been some -- some

10 pollution of the ground. In other words, that's

11 where the expense comes in. And that's where you

12 would have to have the sufficient pollution

13 insurance against that type of environmental

14 concern.

15 The environmental concern creates the

16 expense. The tank itself is peanuts. And please

17 don't jump on me again there, Mr. Slingluff.

18 You're pretty quick.

19 MR. HICKOX: That was me.

20 MR. SLINGLUFF: Let me just respond to that.

21 MR. BRUNSON: Michael, would you -- I'm hard

22 of hearing. Would you --

23 MR. SLINGLUFF: I'm sorry. The -- the

24 environmental concern is created once the
25 petroleum product passes through the facility,

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1 whether it spills on the ground or not.

2 The steel that the fuel resides in is almost
3 treated like a nuclear power plant. You have to
4 take it apart. You have to get a waste generator
5 to take the piping, the steel, the cement blocks,
6 the concrete. It cannot be disposed of in any
7 normal fashion. Plus, the soil, remediation of
8 the soil -- I think, Ed, you've been through
9 this -- it's very, very expensive. It's thousands
10 of dollars per yard.

11 CHAIRMAN GEORGE: Okay. Well, if we have the
12 requirement in our basic lease, you know, we can
13 always waive it if we have to.

14 Another public comment?

15 MR. KAPLAN: For an example --

16 CHAIRMAN GEORGE: How about -- we need -- I'm

17 sorry, we need -- we kind of get away from it, a
18 little lax here, but for the recorder, they need
19 name and company.

20 MR. KAPLAN: Yeah. My name is Don Kaplan.
21 I'm with Galaxy Aviation. Just for example, on
22 the field in Orlando, we took over the Cessna
23 operation, the old Cessna facilities, and we
24 looked into decommissioning their fuel system that
25 they had there. They had their own for that

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1 particular farm. We have another that's twice the
2 size of it.

3 And we were looking at, without a spill, 50
4 grand. So, that gives you some idea of the cost
5 involved and -- and going through all of the
6 authorities and getting all of the experts, and by
7 the time you turn around, it's \$50,000.

8 CHAIRMAN GEORGE: Well, I think that, you
9 know, we agree with the bond thing. We can always

10 take it out if we don't --

11 MR. BRUNSON: You've certainly made a

12 believer out of me, so...

13 But Ed, this is -- this is good.

14 MR. WUELLNER: You've got to be careful not

15 to mix items here. I mean, the items, if there's

16 indeed a spill, or -- or an item, you know,

17 something related to impairment that's from their

18 use, a tenant's use of it, that's what you're

19 insuring against. That's what you're requiring

20 them to insure against, and name the airport.

21 The -- the back issue -- back-end issue is

22 removal of the facility at lease expiration or

23 abandonment by the tenant. That's -- that's the

24 end of the problem that -- that you potentially

25 have an issue with.

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1 However, if you could demonstrate, as an

2 example, that there was some contamination or

3 something that's gone on as a result of a previous
4 action, then the insurance still is -- is -- is a
5 viable option for recovery.

6 Now, if you just literally just want to
7 remove the facility, been no known contamination,
8 no known issues, you've got normal, you know,
9 business costs of -- of removing such a facility.

10 But you control what you remove or allow to
11 be removed, whether the next tenant wants to
12 remove it and those become his costs, or they're
13 Airport Authority liability issues in that you
14 just simply don't want a fuel system in that
15 location, in which case, you know, I don't know
16 how you would go about back-ending that.

17 If -- if the lease has just expired, the
18 obligation is still with the lease for you -- you
19 to require them to renew -- remove it. I mean,
20 they've executed a document that says they're
21 going to do that and -- and literally, I guess, in
22 attorney land, is enforceable.

23 If they've abandoned the lease, you know,

24 it's whether the company's got any viability to --

25 to recover against. I mean, there's -- there's

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1 certainly a risk in -- in some components of this.

2 But by and large, you've insured the operational

3 risk or required it to be insured.

4 I -- I don't know how you get past the last

5 issue of removal. I don't know that a bond's the

6 appropriate mechanism. I don't know, you know,

7 how you go about doing that.

8 I know you're going to run a very interesting

9 line if -- if -- if we do get called into a

10 compliance issue with FAA on this because you --

11 you do not have -- you have the right to regulate

12 this activity. You do not have the right to

13 prevent this activity. And you -- you walk a fine

14 line in developing the regulations to where

15 they're -- they're tenable, they can be used.

16 If you've overregulated to the point no one

17 can reasonably be expected to comply, then you run
18 in -- you do run the risk of FAA saying you cannot
19 enforce this policy; you have to allow. Then
20 you're back to the -- to almost where we are now,
21 developing this on the fly by individual tenant.

22 We -- we've tried to build this to the point
23 where, from -- from an economic standpoint of a
24 tenant, it is not something they'll enter into
25 lightly. It's -- it's expensive to build it our

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1 way. It's expensive to maintain it our way. It's
2 expensive to keep the records our way. And it
3 costs you money. You didn't get away with not
4 paying flowage fees or anything else. It's not an
5 inexpensive endeavor for -- for a business.

6 And -- and I think you'll -- you're going to
7 find that while SK said they made sense of it, I'm
8 not so sure they think that was the smartest thing
9 they've ever done at this point already, because

10 it's not inexpensive to -- to do that.

11 And -- and at the end of the day, it becomes
12 a business decision. And if you leave it at the
13 level of it's a business decision of that tenant,
14 you're on fairly safe ground with -- with the FAA
15 in regulating it.

16 CHAIRMAN GEORGE: Okay. Mr. Gorman?

17 MR. GORMAN: I agree with Ed. You could
18 overregulate it to death. I mean, the only thing
19 you could possibly do is, once a tenant had a fuel
20 farm like that, is you could test soil samples
21 around there to find out if there's any
22 remediation necessary, if there was any type of
23 permeation involved --

24 CHAIRMAN GEORGE: And I think that would be
25 done.

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1 MR. GORMAN: -- and that was it. And that's
2 all -- and that would even be overregulating the

3 situation to -- to an extent. I'd leave that up
4 to him.

5 MR. WUELLNER: But the way we -- we tried to
6 write this was that any further detail is when you
7 actually construct the agreements.

8 But, you know, if you've not maintained -- if
9 you don't have the insurance, if you haven't --
10 aren't meeting the environmental, then the
11 facility's shut down. It is -- it's not a case of
12 you let it operate until there's a problem or
13 he's -- he's gone.

14 As long as those components are in place, if
15 it's -- if there's actually contamination, you're
16 covered. The -- the insurance has covered that
17 issue.

18 MR. BRUNSON: If -- if they abandon their
19 lease and the --

20 CHAIRMAN GEORGE: Did not have the ability to
21 pay.

22 MR. BRUNSON: And -- and do not have the
23 ability to pay, we have no personal guarantee or
24 whatever, but they don't have the ability, and

25 there's a violation -- and fuel is in violation,

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1 who pays for it?

2 MR. WUELLNER: That should be still covered
3 by insurance of that tenant if it occurred while
4 they were occupying the premises and the insurance
5 is -- the insurance has got to be maintained the
6 entire time it's operated.

7 If it's not maintained, they're not allowed
8 to operate it. I don't care if they have one
9 gallon in there or -- or 10,000 gallons in the
10 fuel farm. You've got -- you know, that -- that's
11 our job to regulate and be sure that the
12 facility's being operated in compliance with
13 the -- with the agreement they execute.

14 MS. GREEN: Mr. Brunson, I think your caveat
15 is if there's a violation.

16 MR. WUELLNER: Yeah. In this case, it is.

17 MS. GREEN: Right.

18 MR. WUELLNER: If there's no violation, you
19 simply want it removed.

20 MS. GREEN: Which is the instance that --

21 MR. WUELLNER: Which is their incidence.

22 MS. GREEN: -- Galaxy was talking about --

23 MR. WUELLNER: Agreed.

24 MS. GREEN: -- we either have to have a new
25 tenant come in and remove it at their cost, or if

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1 we're stuck with it, we leave it there or not.

2 That's a little concern I have.

3 On a much smaller scale, we had that issue
4 with the restaurant. I mean, we have their
5 equipment.

6 MR. WUELLNER: And you beat it up pretty good
7 with Embry-Riddle, too, because that was a --

8 MS. GREEN: Yeah, right.

9 MR. WUELLNER: -- significant investment
10 you-all were contemplating there as to how it got

11 removed.

12 MS. GREEN: And I'm not sure a bond is the
13 issue. It's just something to talk about, how do
14 we protect ourselves about leaving it, having to
15 remove it, or if we have a new tenant that wants
16 it removed, that needs it out. I'm not sure.

17 MR. WUELLNER: There are components of this
18 that wouldn't necessarily need to be removed.

19 MS. GREEN: Well, I understand. I mean,
20 that's a decision we would make.

21 MR. WUELLNER: There may very well be. Well,
22 again, this -- this is why -- why we're here.

23 CHAIRMAN GEORGE: Okay. What is -- so, what
24 is our exposure here? I understand what you're
25 saying; if it's a compliance issue, they've got

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1 insurance that's going to cover it. So, what's
2 our exposure if there's no compliance?

3 MR. BRUNSON: May I say one more thing?

4 CHAIRMAN GEORGE: Yes.

5 MR. BRUNSON: There's so much into this, that
6 there's fines that are imposed by environmental,
7 and who's going to pay those fines? Who's going
8 to -- I mean, it just goes on and on. And I --

9 CHAIRMAN GEORGE: If it's environmental,
10 that's what they've got the --

11 MR. WUELLNER: Yeah.

12 CHAIRMAN GEORGE: -- insurance for.

13 MR. WUELLNER: That's what those components
14 are for.

15 MR. BRUNSON: Okay.

16 MR. WUELLNER: I think the -- the only issue
17 I don't personally see covered that's been raised
18 today is at the end -- if they abandon the lease,
19 who's -- who's at risk to -- to remove the
20 facility?

21 MR. BRUNSON: And --

22 MR. WUELLNER: Not -- not clean it up,
23 because I think that's pretty clear, but to remove
24 it.

25 MR. BRUNSON: And they don't have the ability

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1 to pay.

2 MR. WUELLNER: Assuming that's the case.

3 Assuming they've bankrupted or, you know, are

4 moving, they've abandoned the lease.

5 CHAIRMAN GEORGE: If they're still in -- in

6 operation and they're just at the end of the lease

7 and it's time for them to move on, then they have

8 the ability to pay, you know, to remove it. And

9 it's in here that it's our decision whether they

10 have to remove it --

11 MR. WUELLNER: At the end of the lease.

12 CHAIRMAN GEORGE: -- or we accept it, you

13 know, as is.

14 MS. GREEN: Uh-huh.

15 MR. GORMAN: Well --

16 MR. BURNETT: And if --

17 MS. GREEN: Go ahead, Doug.

18 MR. BURNETT: If --

19 MR. WUELLNER: And it could even be beefed --

20 there's some language in there, and I'd have to

21 review it specifically, but, you know, in the

22 event there's been a pattern of violations on the

23 thing, you know, the agreement can be revoked and

24 required to be removed as a part of the lease. I

25 mean, there's -- there's a way to tie that back

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1 together again for, you know, a problem with

2 compliance throughout the lease.

3 MR. GORMAN: Well, can I ask, let's go

4 back -- and I won't discredit what Mr. Kaplan

5 said. Is there a particular entity or

6 particular -- that has -- is a compliance issue

7 that has to be directly dealt with in a code of

8 federal regulation as to the decommissioning of a

9 fuel tank? Do we know what that regulation is?

10 MR. WUELLNER: Yes.

11 MR. GORMAN: And do we know what -- what
12 entity has to be served?

13 MR. WUELLNER: Yes.

14 MR. GORMAN: And do we know what those costs
15 are? Mr. Kaplan just said they're \$50,000. I
16 mean, so that's the only thing to address left.
17 If we've got insurance, then we --

18 MR. WUELLNER: The -- the answer to your
19 question is, yes, there's a -- there's a --
20 there's definitely code in place, statute in place
21 relative to closure, you know, proper closure of
22 the tank and abandonment of -- of such a facility.
23 That's -- that's got to be done properly.

24 The only part that's not covered at this
25 point is who pays for that in the event the lease

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1 has been abandoned. It's not an issue of how
2 we're going to close it, because that's got to be
3 done a certain way. But who pays for an abandoned

4 lease of a facility?

5 MR. GORMAN: Yeah, that's -- that's my point.

6 CHAIRMAN GEORGE: So, why not make that a

7 part --

8 MR. WUELLNER: And it may be usable.

9 CHAIRMAN GEORGE: Why not make that part of

10 the personal guarantee?

11 MR. BRUNSON: Mr. George, that -- if they

12 don't have the ability to pay on the company, they

13 might not have the ability to pay personally.

14 CHAIRMAN GEORGE: That's true.

15 MR. WUELLNER: I mean, I have to leave a

16 little of that to -- to the attorneys to work out.

17 But if there's -- if there's a way to write that,

18 that there's a recourse to recover it in the lease

19 abandonment, you're up against the assets of the

20 company that may or may not exist.

21 MS. GREEN: Just one more level of insulation

22 if you have the personal. But, you know, it may

23 not be worth a whole lot.

24 MR. BURNETT: Yeah. I mean, this may be one

25 of the circumstances where you'd definitely point

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1 to and say, yeah, this is where we require

2 personal guarantees --

3 MR. WUELLNER: Excellent point.

4 MR. BURNETT: -- because of the heightened

5 risk to the -- to the Authority.

6 CHAIRMAN GEORGE: Does this policy require a

7 personal guarantee?

8 MR. WUELLNER: It currently does not deal

9 with that specific issue, but it could be -- could

10 easily be beefed for it.

11 CHAIRMAN GEORGE: Yeah.

12 MR. BURNETT: Go -- going back to SK

13 Logistics and their fuel lease, when that was a

14 topic for you, or an agenda item for you to

15 review, I had spent some time looking into how do

16 we best protect the Airport Authority. And one of

17 the things that I thought of, and in fact included

18 in my original draft, was for them to put up a

19 performance bond so that they would remove the
20 facility at the end of the lease term.

21 The difficulty with that is when you get into
22 long-term leases --

23 MS. GREEN: Right.

24 MR. BURNETT: -- performance bonds are -- and
25 bonding companies are used to seeing one-year,

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1 two-year construction projects. They're not used
2 to seeing ten-year commercial leases.

3 And so, the difficulty is getting a bond for
4 that kind of a time period. And then the costs
5 involved if you get it for a one-year time period
6 that's renewed every year, it -- it wasn't
7 something -- in fact, I went to two of the biggest
8 bonding companies that I know of up in
9 Jacksonville, my firm knows up in Jacksonville,
10 for construction bonds, and it wasn't the kind of
11 thing that they could easily find an underwriter

12 to go and write a bond on a ten-year term for a
13 performance bond.

14 With that said, one thing that we could do
15 with this language in here for the insurance is to
16 require the insurance policies to be renewed 60
17 days prior to expiration. That way, you get some
18 overlap in there, which then gives you 60 days to
19 get rid of that -- that tenant if they haven't
20 produced the insurance --

21 MR. WUELLNER: Or eliminate the privilege.

22 MR. BURNETT: Yeah. I think your real key is
23 having the insurance in place.

24 CHAIRMAN GEORGE: Making sure there's
25 continuous coverage there, is what you mean.

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1 MR. BURNETT: Exactly. With -- with no gap.

2 CHAIRMAN GEORGE: That's a good idea.

3 MR. BURNETT: The -- the other thing that I
4 recall from SK is, I think one of the things

5 that -- and by the way, going back to one thing
6 that -- that Mr. Wuellner had said earlier, was
7 this list of expenditures in creating such a
8 facility. The insurance alone is a pretty big
9 expense, I would figure, for the limits that
10 we're -- the policy limits we're talking about.

11 But going back to SK Logistics, I think that
12 from your staff's perspective, it makes these
13 facilities more attractive if these fuel farms are
14 there in place if someone were to construct one,
15 and two years from now, default under the lease
16 and move out, that -- that hangar is more
17 attractive for leasing to someone --

18 CHAIRMAN GEORGE: Yeah, right.

19 MR. BURNETT: -- because that facility is
20 there. That was part of the thought process
21 that -- as I recall from the discussion on SK
22 Logistics' lease.

23 But, yeah, that is something we could take
24 care of, is to incorporate in here language that
25 makes them provide proof that their insurance

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1 policy is renewed 60 days prior to the expiration
2 of whatever policy's in place. So, if they're
3 annual -- if they're annual insurance policies,
4 they get renewed 60 days prior.

5 CHAIRMAN GEORGE: That will cover a piece of
6 it. I -- I think the fact that we're specifying
7 that it must be above ground, you know, would
8 facilitate the easy removal if we decided to
9 remove it.

10 MR. WUELLNER: And we are doing that. That
11 is -- that is a requirement.

12 CHAIRMAN GEORGE: Right.

13 MR. WUELLNER: We do not allow below-ground
14 facilities.

15 CHAIRMAN GEORGE: But as Ms. Green said, to
16 add in, you know, a personal guarantee for the
17 removal is just another level that we might have
18 something -- I'm saying this only --

19 MR. WUELLNER: I agree. I don't disagree at
20 all.

21 CHAIRMAN GEORGE: -- in -- in agreement, with
22 the understanding that getting a bond to remove
23 something five years down the road is going to be
24 difficult to do. I'm not trying to make it
25 impossible for somebody to do business.

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1 MR. WUELLNER: No. You've got -- it's an
2 excellent point throughout it. But the negative
3 here is you -- without any policy in place -- I
4 mean, we can tweak this however you want. But
5 without a policy in place, you're -- you know,
6 we're at the individual mercy of developing these
7 agreements each -- each case or case which, you
8 know, is going to be problematic.

9 CHAIRMAN GEORGE: And as we come up, if
10 there's something in some situation that causes us
11 to review this, then we're going to review it.

12 I have a question on paragraph 114, insurance
13 indemnification. I read all of these third-party
14 claims of off-site cleanup and on-site bodily
15 image -- bodily injury. I don't see any on-site
16 cleanup anywhere. I beg your pardon.

17 MR. WUELLNER: First --

18 CHAIRMAN GEORGE: On-site cleanup of new
19 conditions. It's my --

20 MR. WUELLNER: Meaning --

21 CHAIRMAN GEORGE: -- thought pattern if we
22 get into --

23 MR. WUELLNER: New --

24 CHAIRMAN GEORGE: -- heavy contamination with
25 the, you know, fuel running off into the --

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1 getting into the aquifer, into the -- a million
2 bucks is not going to -- it's going to be a drop
3 in the bucket.

4 MR. WUELLNER: That's why -- that's why the

5 last item is under there, too.

6 CHAIRMAN GEORGE: Is it \$50 million? Okay.

7 MR. WUELLNER: Yes. That's -- that's --

8 that -- that was another tool we used in

9 developing SK's, that kept really their options on

10 the table with only branded fuel suppliers. In

11 order to get that excess liability, you

12 effectively have got to be dealing with a company

13 that's as concerned about aspects as -- as they

14 are.

15 CHAIRMAN GEORGE: Okay. What is the most

16 probable thing that can happen on a fuel farm like

17 this, you know, for one individual?

18 MR. WUELLNER: There's any list of things.

19 Everything from ruptured hoses --

20 CHAIRMAN GEORGE: No, no, no. The insurance.

21 All of these bullets that we have here. What I'm

22 trying to get at is --

23 MR. WUELLNER: First and last.

24 CHAIRMAN GEORGE: -- I see -- I see bullets

25 for things that I don't think are paramount. I

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1 think paramount is contamination and pollution.

2 And I don't see that identified as one particular
3 item.

4 MR. GORMAN: That's what Mr. Wuellner's
5 talking about being identified partially, as I
6 understand it -- and he may correct me -- by using
7 a major supplier.

8 MR. WUELLNER: Yeah.

9 MR. GORMAN: This is -- this is going to be,
10 in other words, a mediation for -- for the
11 pollution.

12 MR. WUELLNER: But you go from 1 to \$50
13 million as a result of -- uh-huh, they're going to
14 have to make a vendor decision. We can't tell
15 them who to use, but we can limit their choices
16 by -- by insurance requirements to only branded
17 fuel companies, because that's the only way
18 they're going to get this -- this \$50 million
19 umbrella policy, is through that.

20 CHAIRMAN GEORGE: Okay.

21 MR. WUELLNER: Is through that. These other
22 items, we have exposure, albeit it not necessarily
23 front-line exposure in -- in many of these cases,
24 and not every situation would every one of these
25 policies be required.

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1 We -- we had -- we had circumstances with SK
2 where they said, "Well, why do we have to --" and
3 I forget the specific one here, but it dealt
4 with -- oh, the second from the bottom here was
5 conditions from transported cargo.

6 Well, it turns out SK fills a trailer
7 periodically and goes remotely and refills their
8 helicopter at somewhere else, out in the Ocala
9 forest, as an example, doing fire patrol.

10 Well, if something happens as a result of
11 fuel contamination, there's -- there's a remote
12 possibility we're back in the list of liabilities

13 because we authorized or allowed that facility to
14 exist in the first place.

15 Even though we don't really have a -- you
16 know, a direct ax to grind in this, we can't
17 really prevent it. We -- we've got some exposure,
18 potentially, by somebody who's really good with --
19 with a legal pen.

20 CHAIRMAN GEORGE: Okay. One other question.

21 Is it -- I didn't see anyplace in here, and maybe
22 it's a sub thing of one of these other procedures,
23 but is there a requirement for them to have a sign
24 on the premises that says that they are -- this
25 fuel farm is operated, maintained, and

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1 responsibility solely of, you know, who the client
2 is?

3 I'm just trying to get some -- some public
4 notice out there if we do wind up with some --
5 some sort of claim coming against us, that, you

6 know, the signage is already there to tell them
7 that we're not responsible.

8 MR. WUELLNER: It seemed like I had -- we had
9 something on that, but I'm -- give me a second
10 here.

11 MR. BURNETT: Their signage is --

12 MR. WUELLNER: Well, it is -- it's certainly
13 covered under just the statement that we have
14 the -- we have the right to require reasonable
15 assurance of satisfactory design, safeguard
16 preventive measures, storage plan, or anything
17 else in there. It -- it can be made a part of
18 that. It can certainly be added here, but I
19 thought we had it under --

20 CHAIRMAN GEORGE: I personally think it's
21 worth adding.

22 MR. WUELLNER: -- maintained.

23 CHAIRMAN GEORGE: The more public, you know,
24 notice that we give of -- of those things, the
25 better off we could possibly be.

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1 MR. WUELLNER: Oh -- well, I think it's under
2 this --

3 CHAIRMAN GEORGE: Well, I -- I don't want to
4 leave it to --

5 MR. WUELLNER: Well, we'll put it --

6 CHAIRMAN GEORGE: -- someone remembering that
7 under this paragraph, we really meant signage. I
8 think signage --

9 MR. WUELLNER: Well, again, we don't have --
10 we don't have any pressing need to have to approve
11 it today. So, if you've -- if you've got some
12 tweaks, absolutely, let's redo it and we'll bring
13 it back in April.

14 CHAIRMAN GEORGE: The other thing is, how
15 long -- how long has the 8 cents per gallon
16 flowage fee been in effect?

17 MR. WUELLNER: Well, it's in -- it's under
18 the portable. That's why I was remembering it.
19 But it probably is a paragraph or a statement that

20 needs to get carried on to the fixed ones there.

21 And it says, "All portable devices shall carry

22 approval labels demonstrating compliance,

23 maintenance, and ownership."

24 MS. GREEN: You're getting back to the

25 signage now.

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1 MR. WUELLNER: Yeah, the signage.

2 CHAIRMAN GEORGE: Okay. So, you're saying

3 that that's there.

4 MR. WUELLNER: It's -- it's under the

5 portable, but it's not under the fixed. So, it's

6 a statement that probably does need to --

7 CHAIRMAN GEORGE: Fine. Okay.

8 MR. WUELLNER: -- carry forward to fix this.

9 CHAIRMAN GEORGE: How long has the 8 cents

10 per gallon flowage fee, you know -- that's --

11 that's the one that's been in effect for what, ten

12 years?

13 MR. WUELLNER: Technically, no. It's only
14 been in effect for five months. Prior to that,
15 you had a composite of -- of some percentage and
16 some just fixed fees. You aggregated that when
17 you redid the Aero Sport lease --

18 CHAIRMAN GEORGE: Right.

19 MR. WUELLNER: -- to a fixed cents-per-gallon
20 fee. So, you've only had this a short while, the
21 8 cents a gallon.

22 The requirement within this is we just state
23 what it is at the policy inception, and it is
24 whatever you say it is when you adopt. The only
25 thing is, whatever you -- you choose is what

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1 everybody pays. You can't discriminate by tenant
2 and say, "Oh, well, you're a 10-cent-a-gallon guy
3 and you're a 5." You know, unless you have some
4 tangible reason to do that --

5 CHAIRMAN GEORGE: Okay.

6 MR. WUELLNER: -- which is probably not going
7 to be the case.

8 CHAIRMAN GEORGE: I just didn't want it to
9 have been 8 cents for five years.

10 MR. WUELLNER: No, it hasn't.

11 CHAIRMAN GEORGE: So, you know, to come up
12 with a logic of why we should keep it that way,
13 because the maintenance of everything has gone up.

14 MR. WUELLNER: Actually, it's very -- very
15 much in the range.

16 CHAIRMAN GEORGE: Okay.

17 MR. WUELLNER: We -- we look at some
18 statewide numbers every year, and it's -- it's
19 right there in the range.

20 CHAIRMAN GEORGE: Okay. I don't have any
21 other comments.

22 MR. BRUNSON: The only -- when he finishes.
23 Go ahead.

24 The only comment I -- I'd like to say is that
25 sometimes when we sit here and approve things, we

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1 don't know what we're opening up. Like when I'm
2 building homes, if somebody wants to add another
3 light fixture, it's just not adding a light
4 fixture; it goes on and on and on, what that
5 complicates.

6 So, when we were sitting here approving SK
7 Logistics, we opened up some -- a lot of things.
8 And -- but I think this is well done, and I think
9 with a few modifications, personal guarantees
10 and -- and continued insurance six months before
11 the fact -- but Ed, just curious. It says the
12 Authority is required that all provisions of the
13 Florida Department of Environmental Protection are
14 met. Do we have people that can inspect this and
15 make sure that we're doing that?

16 MR. WUELLNER: Actually, Bryan's very, very
17 knowledgeable on that.

18 MR. BRUNSON: Great.

19 MR. WUELLNER: Beyond that, we have
20 consultants whose specialties are in the

21 environmental. Plus, you can contact them
22 directly and they'll come down and assist you with
23 those.

24 MR. BRUNSON: Well, are there any other
25 third-party sources that look at these facilities

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1 besides us?

2 CHAIRMAN GEORGE: Earth Tech.

3 MR. BRUNSON: Like the department of
4 something, agriculture?

5 MR. WUELLNER: It's Florida DEP, is the only
6 other one.

7 MR. BRUNSON: Okay.

8 MR. WUELLNER: Agriculture doesn't do so much
9 environmental. They're into the regulation of
10 the -- of the transaction itself --

11 MR. BRUNSON: Okay.

12 MR. WUELLNER: -- whether it's being
13 properly -- you're dispensing a gallon when you

14 say you're dispensing a gallon.

15 MR. BRUNSON: Okay.

16 MR. WUELLNER: And these are noncommercial.

17 So, the -- we're -- we're getting paid based on
18 what they bring to the tank, not at the time of
19 the transaction, because there's -- there's no
20 commercial nature to it. So, they're not
21 recording -- we're not getting a receipt for
22 each -- each purchase, so to speak.

23 MR. BRUNSON: Yeah. That's all the comments
24 I have.

25 MR. WUELLNER: In fact, we went to that with

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1 Aero Sport, if you recall, too. We're only
2 dealing with the wholesale side of it and gotten
3 out of this tracking purchase.

4 CHAIRMAN GEORGE: Well, I think you've gotten
5 our, you know, input, unless you have one more you
6 want to --

7 MR. GORMAN: I was wanting to know if we can
8 put this to bed. And I can make a motion that we
9 can -- it think it's very comprehensive. It's
10 almost no stone unturned. In other words, do we
11 have to -- do you want these extra -- these small
12 issues addressed before we can vote to --

13 MR. WUELLNER: Whichever way you're more
14 comfortable.

15 CHAIRMAN GEORGE: I have no problem in just
16 telling me, you know -- and, you know, having a
17 motion that says "Provided the following items are
18 corrected," I think --

19 MR. GORMAN: Then I would make a motion that
20 we accept this following -- the following three
21 items that we've mentioned are corrected. I find
22 it very comprehensive. And it's also, I -- I
23 really like the written appeal, the right of
24 appeal. I thought it was very well written, the
25 whole thing.

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1 MR. BURNETT: Well, if I may summarize the
2 three additional --

3 MS. GREEN: Right.

4 MR. BURNETT: -- issues --

5 MR. GORMAN: That would be great.

6 MR. WUELLNER: Thanks.

7 MR. BURNETT: -- and -- and then you can make
8 sure they're covered in the motion, is -- if -- if
9 that's your desire. Would be the additional
10 requirement for personal guarantees that -- that
11 relate to the removal of the facility at the end
12 of the lease, if that's the Airport Authority's
13 decision to have it removed.

14 MR. WUELLNER: Can we -- maybe if we could
15 just stop right there.

16 One of the things we -- we came up with
17 that -- that, you know, when I told you we had
18 gotten some Staff-agreed language in the lease
19 policy, one of the deals with -- with personal
20 guarantee was what triggered the personal

21 guarantee? Is it, rather than take it right out
22 of the box and -- and require it at the front end
23 of every commercial lease, is if you are late with
24 paying the Airport Authority, it triggers a
25 provision that you will immediately execute that

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1 personal guarantee.

2 Why not take the same approach? I know you
3 haven't seen that language yet, but if -- if you
4 take the same kind of approach, if there's any
5 violation or any deviations, that triggers the
6 requirement to execute this personal guarantee.

7 You know, you -- you've given them the
8 latitude out of the box. It's insured. What
9 we're really trying to cover is they abandon the
10 leasehold --

11 MR. BRUNSON: If they're in default.

12 MR. WUELLNER: -- there's usually evidence of
13 that coming, such as I haven't -- they haven't

14 made their lease payment the month before. Those
15 kind of things usually show up. There's some
16 symptoms that could be made to be the trigger for
17 executing that agreement.

18 CHAIRMAN GEORGE: I think that the purpose of
19 having a personal guarantee in our standard
20 agreement was that that's a starting point. And
21 with each individual situation, we can go and --
22 and further specify.

23 So, if -- if you come back to us on that
24 thing, just, you know, original lease, the other
25 document that would specify that a personal

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1 guarantee is only activated in the event you do
2 certain items, I have a problem with that.

3 MR. WUELLNER: Well, and I don't disagree
4 with what you're saying, but ordinarily when --
5 when you guys reduce it to policy, I don't even
6 bring -- if it doesn't meet those requirements of

7 that policy, you're not going to see it.

8 So -- but what I'm hearing is that, well,

9 there could be some variations that you approve

10 individually. I wouldn't normally bring you a

11 lease that didn't meet the -- whatever you put out

12 in policy. And I'm not going to -- I don't have

13 you negotiate those items at the table ordinarily.

14 It complies with your policy, and I'm asking you

15 to approve it.

16 If you've got things you want to append to

17 it, you know, you can do that at any time.

18 MR. GORMAN: Ed, I -- I really like the

19 policy you've written. The only thing, angst I

20 have is that if I was in business, like

21 Mr. Kaplan's in business, like anybody's in

22 business around here, I would hesitate to send

23 them to -- sign any personal guarantee, especially

24 with the condemnation of a tank or anything else.

25 I mean, I would just really hesitate to put myself

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1 out that far. That's what -- that's what most
2 people run a corporate shell for.

3 So, I mean, I really would hesitate to do
4 that. That's my only -- my only caveat to this
5 whole thing. The rest of it's wonderfully
6 written. It's -- it's fine.

7 MR. WUELLNER: The reason we set it up as the
8 triggering mechanism is just that; it -- it only
9 comes into effect, it only triggers when there's
10 evidence of a problem. Otherwise, you're --
11 we're -- we're assuming -- I shouldn't say
12 assuming, but we're -- we're making sure that
13 they're complying with the document in every other
14 material way.

15 CHAIRMAN GEORGE: What happens when there's
16 an evidence of a problem if they refuse to sign
17 it?

18 MR. WUELLNER: Then the facility's shut off.

19 MS. GREEN: We're stuck where we are.

20 MR. WUELLNER: They're done.

21 CHAIRMAN GEORGE: And -- and then we --

22 MR. WUELLNER: They're done. I mean, that's
23 a part of the agreement they sign with us.

24 That -- that's where I'm tying it back together.

25 CHAIRMAN GEORGE: Yeah. Suzanne?

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1 MS. GREEN: That's just my concern; you're
2 back where you are. You still have somebody that
3 abandoned, and then we have a facility we have to
4 deal with.

5 MR. WUELLNER: Only this time, they've got
6 product in the tank that costs them money, too.

7 CHAIRMAN GEORGE: Maybe.

8 MR. GORMAN: Well, I don't -- I don't know of
9 a lot of business people that would sign a
10 personal guarantee, considering the -- the, you
11 know, the mitigation of pollution.

12 CHAIRMAN GEORGE: I don't think that any
13 business wants to sign -- any owner of a business
14 wants to sign a personal guarantee. But there is

15 an exposure for us to do business with them.

16 Personal guarantees, I think, are quite

17 common with companies that are just getting

18 started, you know, startup businesses and the

19 like. And I would imagine, when he rented -- got

20 money for the lease of that airplane, there was a

21 personal guarantee. I think we ought to have the

22 personal guarantee in it.

23 MR. BRUNSON: Mr. Gorman, let me say this,

24 that in my business experience -- and I'll relate

25 a little bit to you. I was in Atlanta. I had a

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1 \$20,000 earnest money check to loan a guy \$5

2 million in a big board room, and I said, "Well,

3 he's a proprietorship, so we have to get a

4 personal guarantee."

5 And they said, "Well, Mr. Portman does not

6 sign personal guarantees."

7 And I said, "Well, here's your check."

8 And I got up and -- walking out. And this
9 gentleman came from the back room. He said, "Just
10 a minute, I'll sign."

11 And that's Mr. Portman who owned --

12 CHAIRMAN GEORGE: He owns Downtown Atlanta.

13 MR. BRUNSON: -- Downtown Atlanta. And I've
14 found if you believe in what you're doing in the
15 commercial business, then you should ask for the
16 personal guarantee.

17 I always didn't get them all, but good
18 business is to ask for it.

19 MR. GORMAN: Well, I could take that as -- as
20 advice. I'm just not familiar with it.

21 CHAIRMAN GEORGE: Well, let -- let's keep
22 going with the --

23 MS. GREEN: Your motion.

24 CHAIRMAN GEORGE: -- with your three items.

25 Mr. Burnett, you were trying to summarize what

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1 those three items were?

2 MR. BURNETT: Aside from the personal
3 guarantees, then, the -- the one issue that --
4 that -- that I guess I spoke on that I think the
5 Authority members were -- thought was valid for
6 consideration was renewed -- making insurance
7 policies, they have to renew those 60 days before
8 their expiration so you don't wind up in a gap
9 situation. That also gives your staff time to
10 realize that the person hasn't --

11 CHAIRMAN GEORGE: We understand. Yeah.

12 MR. BURNETT: Yeah.

13 CHAIRMAN GEORGE: Okay. That was one of
14 them.

15 MR. BURNETT: And then the other thing was
16 one that wasn't spoken on but one that I had in my
17 mind, to tell you the truth, is now that we've got
18 a policy, I'd like to add a paragraph in the lease
19 that says that the -- the lease is incorporating
20 the lease policy, the terms of the lease policy
21 into the lease. That way, whatever's in the

22 policy, they also have to abide by.

23 And I was taking notes. And that -- that was

24 the sum of what I got out of it, so...

25 CHAIRMAN GEORGE: You're saying that my

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1 signage issue is taken care of?

2 MR. WUELLNER: Well, we'll move -- no. I

3 think you need to note that.

4 MR. BURNETT: Okay.

5 MR. WUELLNER: Because we'll just add that --

6 CHAIRMAN GEORGE: That's four.

7 MR. WUELLNER: -- same sentence to the fixed

8 system.

9 MR. BRUNSON: I second the motion with the

10 modified --

11 MR. WUELLNER: Did y'all resolve the personal

12 guarantee? What do you -- what do you want us to

13 do?

14 MR. GORMAN: I'm going to withdraw the motion

15 because of the personal guarantee caveat. I am
16 not going to be -- not being familiar with it, I
17 will withdraw it and let someone else make the
18 motion.

19 MR. BRUNSON: Okay. I make a motion that we
20 approve the lease agreement with the conditions
21 that we've outlined with the attorney.

22 MR. BURNETT: Being the requirement of
23 personal guarantees, insurance be renewed 60 days
24 prior to expiration, incorporate the policy
25 into -- the lease policy into the individual

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1 leases, and then the signage.

2 MS. GREEN: The signage.

3 CHAIRMAN GEORGE: Okay. We have a motion. I
4 have a second?

5 MS. GREEN: I second.

6 CHAIRMAN GEORGE: Have a motion and a second.

7 Any further discussion?

8 (No further discussion.)

9 CHAIRMAN GEORGE: All in favor, say aye.

10 MS. GREEN: Aye.

11 CHAIRMAN GEORGE: Aye.

12 MR. BRUNSON: Aye.

13 CHAIRMAN GEORGE: All opposed?

14 MR. GORMAN: Nay.

15 CHAIRMAN GEORGE: Say aye.

16 MR. GORMAN: Why would I? Because I have a

17 caveat.

18 CHAIRMAN GEORGE: Okay. The vote carries 3

19 to 1.

20 9.C. - LAW FIRM CONTRACT REVIEW - DISCUSSION

21 CHAIRMAN GEORGE: Law firm contract review.

22 MR. BRUNSON: May we take a one-minute break?

23 MR. GORMAN: Yeah. Can I -- can I address

24 this issue right now? In other words, both the

25 law contract review --

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1 CHAIRMAN GEORGE: Okay. Before we do the law

2 firm, we need to take a --

3 MR. GORMAN: Oh.

4 CHAIRMAN GEORGE: Let's take a five-minute

5 break.

6 MR. GORMAN: I'm going to move that agenda

7 item up, anyway.

8 (Whereupon, a recess was had.)

9 CHAIRMAN GEORGE: Okay. We'll reconvene

10 the -- the Airport Authority meeting.

11 Okay. Mr. Gorman, you had some --

12 MR. GORMAN: Well --

13 CHAIRMAN GEORGE: -- comments as we went into

14 the contract review?

15 MR. GORMAN: Okay. The contract -- I'd just

16 like -- are we ready? I'd just like a -- I'd just

17 like a date for the contract review. And I don't

18 need to discuss it now, because I think we're --

19 we're about half worn out, and we want -- I'd like

20 to move this to the front of an agenda, rather

21 than behind, you know, because I think it needs to

22 be discussed at -- in some length.

23 Also, in -- in addition to that, I was asking
24 for, at the last meeting, and I was told it wasn't
25 put on the agenda because of I did not get with

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1 Mr. Burnett, who did call me a few hours before
2 this meeting about the litigation costs.

3 CHAIRMAN GEORGE: Okay.

4 MR. GORMAN: And that's another thing I
5 wanted to discuss.

6 CHAIRMAN GEORGE: Okay.

7 MR. GORMAN: And so, I've got to get with --
8 I've got to get with Doug. I'll get with him
9 again. We'd -- and I'd like to move both those
10 items up to the next meeting and put them in the
11 front of the agenda so we have some time to talk
12 about them.

13 CHAIRMAN GEORGE: Do we have any problem with
14 putting the contract review in the front of the
15 agenda?

16 I think we need to be very aware that we have
17 a litigation that is ongoing, and for us to sit
18 here and talk about litigation costs.

19 MR. GORMAN: There's only --

20 CHAIRMAN GEORGE: We have the ability, if you
21 want to call a strategy meeting, we can do it, you
22 know, there, if that's what you want to do. But
23 I -- I think that that is a wrong place. Since
24 that litigation is still in process, it is the
25 wrong place for us to talk about it at this open

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1 meeting.

2 MS. GREEN: Absolutely. I would -- if you
3 want to do this, great, let's do it at a shade
4 meeting, because that's one of the terms you use
5 in mediation, and when you're on the table in
6 litigation, they don't know what you've expended
7 yet, and it's --

8 MR. GORMAN: Right.

9 MS. GREEN: You can't do that.

10 MR. GORMAN: Well, as far as -- as far as the
11 acquisition of homes, it -- the -- the amount
12 would be buried in the total acquisition costs,
13 anyways. However, I could agree with you, and the
14 point taken.

15 And as far as the other litigation, that
16 would be -- that's something that is neither here
17 nor now. It's not compromised by the amount. The
18 litigation itself is not compromised by the amount
19 of costs. So, I would disagree with you, although
20 let's agree. In just 20 minutes, we'll get it
21 over with. How about 20 minutes of shade meeting
22 in the beginning of the meeting?

23 MS. GREEN: Well, that's fine. I think a
24 shade meeting would -- would be great, but --

25 CHAIRMAN GEORGE: Okay.

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1 MS. GREEN: -- I disagree with you. The

2 litigation is definitely contemplated with the
3 costs of what we're expending.

4 MR. GORMAN: Not in the Earth Tech. Why?

5 MS. GREEN: Absolutely, and we'll discuss it
6 in the shade meeting.

7 CHAIRMAN GEORGE: Okay. Yeah.

8 MR. GORMAN: Fine.

9 CHAIRMAN GEORGE: We'll get in discussion
10 there.

11 MS. GREEN: Yes.

12 CHAIRMAN GEORGE: Do you agree we need to
13 have a -- you know, a shade meeting, say 30
14 minutes prior to the next meeting?

15 MR. BRUNSON: You know, what strikes me is
16 when you're in litigation, it's hard to talk about
17 how much money you're spending, how much money
18 you're going to spend, but, yeah, I -- I'm in
19 agreement that we can have a 30-minute --

20 MS. GREEN: Sure.

21 MR. BRUNSON: -- shade meeting. But I tell
22 you what --

23 CHAIRMAN GEORGE: Could you hold your
24 comments for that shade meeting?

25 MR. BRUNSON: -- as far as litigation, I

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1 wouldn't want everything that I do aired.

2 MR. GORMAN: And I -- I would concede the
3 fact that -- that there's no way that then if we
4 air the laundry, that there is going to be any
5 compromise to anything. I would disagree that
6 you're going to compromise anything, but...

7 CHAIRMAN GEORGE: Why take the exposure?

8 MR. GORMAN: But why take the exposure?

9 CHAIRMAN GEORGE: -- by itself?

10 MR. GORMAN: There's zero exposure that way.

11 CHAIRMAN GEORGE: It looks like we're all in
12 agreement that 30 minutes prior to the next
13 meeting, we'll have a shade meeting.

14 MR. BURNETT: Beginning at 3:30 then?

15 CHAIRMAN GEORGE: Yes.

16 MR. GORMAN: These are huge sums. We need to
17 talk about them.

18 CHAIRMAN GEORGE: I think that they're small
19 sums. I'm not going to get into that, though.

20 Okay. The other thing -- do you have a
21 comment to make on this agenda item, the law firm
22 contract, or this is Mr. Gorman? Okay.

23 MR. WUELLNER: Other than, did you guys get
24 together? I mean, you guys left this -- the
25 reason this is on here is that at the -- at the

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1 last meeting, Mr. Gorman had agreed to get with
2 Doug and they were going to get something together
3 and bring back. That was how they got here. You
4 may have already talked --

5 MR. GORMAN: That is what I was going to get
6 with Doug on, was litigation costs. And then
7 we've just done that right now.

8 MR. WUELLNER: Okay.

9 MR. GORMAN: As far as the -- as the renewal
10 of the contract, that's a separate issue. There
11 was no onus about me getting together with Doug on
12 that. I think that that needs to be discussed
13 probably after a litigation discussion.

14 MR. WUELLNER: Okay.

15 MR. GORMAN: And -- and just as far as when
16 we're going to have a performance review for this
17 firm. Simple as that.

18 MR. BURNETT: With -- with that said, would
19 it be appropriate then to have -- and I know you
20 wanted it early in the agenda. Would it be
21 appropriate then to have that law firm contract
22 review as the first agenda item of the next
23 meeting that would start at 4 o'clock? So, right
24 after the shade meeting, we would have that.

25 MR. GORMAN: That's fine, Doug. Why not?

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1 CHAIRMAN GEORGE: Okay. So, we will table

2 this particular item to a shade meeting 30 minutes
3 prior, and also have this as the first item on the
4 next agenda.

5 MR. BRUNSON: First item.

6 MR. GORMAN: Excellent.

7 MS. GREEN: Okay. Well --

8 MR. BURNETT: And -- and I guess then, is
9 the -- the agenda item to go with that will be our
10 engagement letter from what the most recent one
11 is, our engagement, so you can review that as
12 well.

13 MS. GREEN: That's what I would ask, that we
14 have the engagement letter for the annual renewal,
15 and also for the shade meeting, if you can do, on
16 your, I guess billing program, whatever, to date,
17 expense to date so we have that for our shade
18 meeting? You know, run your tabs program,
19 whatever, so we get it per litigation. I'm sure
20 you've got it separated out by item number.

21 MR. BURNETT: We do.

22 CHAIRMAN GEORGE: Okay. Without any more
23 discussion on it, you know, if you need something

24 specific for it, would you mind getting in touch
25 with him? We're going to end the subject of that

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1 right now, so... sorry.

2 The next agenda item is an agenda item that I
3 wanted to added, I think, Ed --

4 MR. WUELLNER: Yes, it is.

5 CHAIRMAN GEORGE: Is that correct?

6 MR. WUELLNER: Yes, it is.

7 9.D. - TEN-YEAR FINANCIAL PLAN

8 CHAIRMAN GEORGE: Okay. And the agenda item
9 was basically to talk about the need for a
10 workshop meeting to update the master 10-year --
11 scratch the word "master." The 10-year financial
12 plan.

13 This is a plan that we did a year and a half
14 ago, a year and five months ago, and we also
15 updated it this past year with the -- with the
16 numbers that we had, and we said we could be off

17 the tax rolls in six years.

18 I think it's -- with the advent of what it
19 cost us to build the three hangars on the other
20 side, we need to readdress that. I think
21 Mr. Wuellner's already done some preliminary work
22 on that. But I think we need a workshop, because
23 we're all making decisions on where we're going to
24 go, and I think that all of us want to get off the
25 tax roll as soon as possible.

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1 So, I think it's inherent, you know, in our
2 responsibilities that we have that meeting.

3 Now, in -- at that particular workshop, I
4 would like to suggest that we have one of the
5 members from the Ft. Myers Port Authority -- I
6 forget the gentleman's name. But if we have to
7 pay his expenses up here, from my investigation,
8 that was my airport, they are in the black. They
9 are not taking any money from -- from the county.

10 They are getting services from the county, from
11 county management and stuff like that. But they
12 also run an FBO. And on our plan somewhere down
13 the road, we're planning on having a second FBO
14 here.

15 And I think it would be very informative if
16 we had them here, you know, and -- and us pay for
17 their expenses to come up and -- and give us an
18 overview of how they did it and -- and what the
19 numbers really mean that are there.

20 Another aspect of it is if -- if we're going
21 to lose some revenue because it's going to cost us
22 more in capital to get these buildings done, it's
23 going to take longer to get them done, then we
24 need to look at other alternatives, like renting
25 tie-down space, setting up transit aircraft

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1 parking, overnight fees, comparison of the rental
2 rates of our hangars and everything, you know,

3 bring it up -- us all up to date on how that
4 compares with the other airports around us to make
5 sure that we're in line.

6 MR. GORMAN: Do you mean a comparative
7 analysis?

8 CHAIRMAN GEORGE: Of the rental rates, yes.

9 MR. GORMAN: I'm being smart. I'm sorry.

10 CHAIRMAN GEORGE: Yeah. Anyway, I think that
11 it's important. I'd like to get your input. Any
12 public comment?

13 (No public comment.)

14 CHAIRMAN GEORGE: Okay. Mr. Brunson, do you
15 feel that it's --

16 MR. BRUNSON: I think any workshop, that if
17 we can sit down and -- and address these items,
18 it's -- it's needed. I'm really concerned --
19 concerned about construction costs. And -- and
20 getting off the tax rolls is my main thing. So,
21 I -- I'm ready anytime the board's ready.

22 MS. GREEN: Yeah. Just --

23 MR. GORMAN: It certainly is a timely time to

24 do it. I'm sorry, Suzanne.

25 MS. GREEN: No, I just --

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1 MR. GORMAN: It's a timely time to do it

2 before the actual construction starts on these --

3 these -- for instance, these three eastside

4 hangars. You've got an ROI that's changed.

5 CHAIRMAN GEORGE: Well, that one's basically

6 done.

7 MR. WUELLNER: We redid the ROI on that one.

8 We gave you that.

9 CHAIRMAN GEORGE: Yeah.

10 MS. GREEN: Right.

11 CHAIRMAN GEORGE: But I think for all the

12 rest of it, you know. Plus, Mr. Wuellner went to

13 a lot of trouble to put together, what I call a

14 Gantt chart, or some people call it a PERT chart.

15 If you want to get a building done because of

16 the approval cycle, you've got to start doing

17 things, you know, back, you know, 18 months, two
18 years prior. And I'd like to see in our Master
19 Plan that dovetail into the financial plan of when
20 those buildings are going to come on line so that
21 we -- so we have a good, you know, detailed plan
22 behind it.

23 Okay. So, you guys are in agreement we
24 need -- we need to do it, that it would be wise to
25 do a workshop?

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1 MR. WUELLNER: Yeah. And I would -- I would
2 also recommend you combine that with your -- some
3 of your preliminary budget information. And my
4 suggestion would be you schedule about a two-hour
5 block before your May meeting. Let's -- let's put
6 it out -- put it right about there and do it.

7 CHAIRMAN GEORGE: Okay.

8 MR. WUELLNER: And that gives you June and
9 into July to get to a point where you'd be -- have

10 a number for your TRIM.

11 CHAIRMAN GEORGE: I don't know if -- if
12 everybody can stand a long next meeting.

13 MR. WUELLNER: Well, you could have another
14 date. I was just going to say you -- I think you
15 need a minimum of about a two-hour block --

16 CHAIRMAN GEORGE: Yeah.

17 MR. WUELLNER: -- to do this, whether you do
18 it at the same time or not.

19 CHAIRMAN GEORGE: Anybody have any --

20 MS. GREEN: I think we stay -- maybe the
21 May -- June meeting, May meeting. We've already
22 got April with our shade.

23 CHAIRMAN GEORGE: Yeah.

24 MS. GREEN: And then maybe Mr. Wuellner by
25 then could have whatever information, as far as

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1 comparing --

2 CHAIRMAN GEORGE: You're right.

3 MR. WUELLNER: You've got updated

4 construction costs.

5 CHAIRMAN GEORGE: Ed, that would dovetail in

6 with -- you know, with getting the -- the plan of

7 the budget for next year.

8 MR. WUELLNER: Uh-huh. Yeah.

9 CHAIRMAN GEORGE: And that means if we wait

10 and do it, you know, in front of the -- the June

11 schedule, we're going to have a four-hour meeting.

12 MR. WUELLNER: I think you do some

13 preliminary budget work and you combine with this,

14 because they do interface very well. They're, you

15 know, the same -- the same issue.

16 CHAIRMAN GEORGE: Okay. Let's do this:

17 Let's set a -- set a date for -- for this workshop

18 for this as an agenda item for next meeting, to

19 set that date. Because you guys will just be back

20 from that convention, too. And you might have

21 some other ideas.

22 MR. WUELLNER: No, they'll be just going.

23 MS. GREEN: No, the meeting's before.

24 MR. WUELLNER: They'll be just going.

25 CHAIRMAN GEORGE: Huh?

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1 MR. WUELLNER: They will not have gone yet.

2 CHAIRMAN GEORGE: Oh, you're right. At the

3 next meeting, they will not have gone --

4 MS. GREEN: Right.

5 CHAIRMAN GEORGE: -- but by the following

6 meeting --

7 MR. WUELLNER: By May meeting.

8 CHAIRMAN GEORGE: -- they would. But if we

9 have another discussion of it, maybe they'll come

10 up with some ideas. Okay. Good.

11 MR. WUELLNER: Okay. So, you're going to put

12 the date -- at the April meeting, you're going to

13 set a date for May for the actual workshop.

14 CHAIRMAN GEORGE: Exactly.

15 MR. WUELLNER: Got it.

16 CHAIRMAN GEORGE: And that way, you'll be

17 more up to spec on where you fit in the overall

18 plan.

19 Okay. That concludes all the agenda, except

20 housekeeping?

21 10. - HOUSEKEEPING

22 MR. WUELLNER: Actually, looking at the list,

23 you -- most of this you already know. Mentioned

24 last month going to Phillips 66. Looks like

25 mid-April is the transition date at this point.

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1 CHAIRMAN GEORGE: Do we take their sign down,

2 the Chevron sign?

3 MR. WUELLNER: No. It's Chevron's problem if

4 they want it back. But yes, there will be another

5 sign. Those aren't our expenses. Those go with

6 the company.

7 CHAIRMAN GEORGE: Okay. Good.

8 MR. WUELLNER: But it looks like mid-April

9 right now.

10 And we already mentioned the gate cards are,

11 you know, till after the April meeting.

12 And reminder, AAAE is 23rd through the 27th.

13 And air show is the 6th and the 7th.

14 11. - PUBLIC COMMENT

15 CHAIRMAN GEORGE: Okay. Any public comments

16 before we -- have not been made before we close

17 the whole meeting?

18 (No public comment.)

19 CHAIRMAN GEORGE: Okay. Board members'

20 comments. Mr. Brunson?

21 12.A. - MR. RANDY BRUNSON

22 MR. BRUNSON: Okay. Most of these little

23 comments I had probably could be handled with Ed

24 without -- but at the Pilots Associating --

25 Association meeting last Saturday, we're all aware

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1 that the call-in, AWOS, to where we get

2 preliminary information on weather, is going away.

3 And it's really entertaining and informational

4 when I call the Airport Authority, and if I'm put
5 on hold for 30 seconds, I can hear ATIS.

6 CHAIRMAN GEORGE: Yeah.

7 MR. BRUNSON: And I would like -- I've asked
8 Ed to look into the possibility of --

9 CHAIRMAN GEORGE: Of keeping that.

10 MR. BRUNSON: -- legally and not have
11 liability, that we're giving out information,
12 that -- that the ATIS is broadcast over this --
13 the telephone line, and might be a benefit to the
14 pilots --

15 CHAIRMAN GEORGE: Okay.

16 MR. BRUNSON: -- okay?

17 The other thing, as I said last Monday, I
18 gave a -- Ed did a PowerPoint presentation for me
19 that was excellent, that I gave to the North Shore
20 Improvement Association. There were about 35
21 people there, that -- and my presentation lasted
22 from about 7:05 to 7:30.

23 But to make a long story short, I --
24 questions and answers and complaints and praises

25 and -- lasted until quarter till 9:00. And I can

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1 report that I personally don't think that we're
2 violating any patterns or any problems with our
3 approaches, but -- but the homeowners think we
4 are. They think we're 300 feet coming over their
5 homes.

6 And -- and -- and then they have some
7 legitimate gripes, I think, in the hush box of the
8 Grumman, and -- and with the E-6B coming, that's
9 even going to be more noise.

10 So, what I would like to meet with Ed on
11 is -- is maybe he can tell me what we might can
12 do. But -- so, if me, as a pilot, and the Pilots
13 Association, if we could be mindful of that, we
14 might could help 10 percent.

15 CHAIRMAN GEORGE: Even 1 percent's good.

16 MR. BRUNSON: Or -- or if the tower might
17 open up, too, more often than they've been doing,

18 and 3 and 31. And I wish David was here to
19 address that. But maybe I can talk to David. The
20 tower could help just a little bit. Instead of a
21 three-mile final on 31, you could maybe get a
22 little closer in and not over the waterway, and
23 then come in.

24 So, that's something that I promised the
25 homeowners. And by the way, these people were

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1 very polite, and they're -- and they realize that
2 the airport's probably been here before they are.
3 And I had -- we had some good comments, and -- and
4 they're proud of the airport. So, I just think
5 something they want us to help them with.

6 Having said that, there's a little web site
7 that's called airnav.com. And great site. You
8 can put in an identifier and pull up what they're
9 selling gas for or any NOTAMs, how far it is from
10 SGJ to RDU and -- and on and on.

11 And also, they ask for comments. And I
12 thought it was interesting. This is a comment
13 from Bruce Payne on the 15th of March. And he
14 says in this web site, it said, St. Augustine
15 Airport:
16 The most convenient and easiest towered
17 airport fuel stop on the south Atlantic coast. No
18 problems using the self-service, \$2.89 a gallon as
19 advertised, receipt printing pump. No problems
20 using the very clean, 24hr/7 day a week accessible
21 restroom at the base of tower; and with picnic
22 benches, it looks like a scenic overlook
23 rest-stop. A must-stop for anyone making the long
24 mid-to-south Atlantic crossing.
25 Stopped here yesterday -- here's another one,

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1 Bill Heybruck: Stopped here from CLT, Charlotte,
2 to PBI, West Palm. Controllers VERY friendly.
3 Gas cheap at bottom off of tower. CLEAN rest

4 room. Drink machine. Easy to operate. A REAL
5 short taxi to runway of -- off to west (as I was).
6 Worth the extra time if you need to stop close."

7 And it goes on and on. And it brags about
8 our FBO, if they need more service. And for -- I
9 printed out -- and I saw not one negative comment
10 from our fellow pilots that pass through here.

11 And I'm very proud of these comments.

12 The only other comment I want to make is that
13 I really want us to not give up on this incubator,
14 that I think there -- there has to be a way that
15 we can benefit the airport as long as it makes us
16 money.

17 And I think we can work with Mica and we can
18 work with -- and I hate to bring this up and I
19 hate to say that we're going to let the county put
20 their foot in the door, but we might have to
21 partner a little bit, maybe, and keep an open mind
22 of what we might can do. And -- and that's what's
23 on my mind. So, that's all my comments.

24 CHAIRMAN GEORGE: Okay. Ms. Green?

25 12.B. - MS. SUZANNE GREEN

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1 MS. GREEN: Just briefly. I spoke with John
2 Roderick at Pilots. Do we have any type of press
3 release or anything for this air show? Because, I
4 mean, I'm trying to get back to the marketing
5 thing.

6 And I had suggested before I will take care
7 of north St. Johns County. I will pound the
8 newspapers, whatever. We can release and get that
9 information. I think the more the airport's
10 marketed, that people will come and see what we
11 have to offer. So --

12 MR. WUELLNER: I'm glad you brought that up.
13 We -- we're not involved with the PR of that event
14 in and -- in and of itself. However, we have
15 been -- we've requested -- actually, Bryan
16 attended the last meeting with the -- the air show
17 group and requested that they make some space
18 available for the Airport Authority, if you'd like

19 to be available -- make yourselves available,
20 during the event to be at a booth to, you know,
21 hand out material relative to the airport, to be
22 open to just talk to the public in general about
23 the airport.

24 So, if you'd like to take advantage of that,
25 we can make sure that happens for that, if y'all

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1 are interested.

2 But I -- but I think it would be very
3 important that y'all make some appearance or some
4 time during that event to -- to be there for --
5 for an hour or something.

6 CHAIRMAN GEORGE: I think that's a great
7 idea.

8 MS. GREEN: I do. But I also think it's good
9 to get that information out to the public, that
10 there will be board members there, we will answer
11 your questions. Ask us about the airport.

12 So, whatever I can take, press release-wise,
13 if we need -- doctor it up a little bit. He's
14 given -- we've been in contact.

15 MR. WUELLNER: Good.

16 MS. GREEN: I'll get with Sandy and what have
17 you.

18 CHAIRMAN GEORGE: Wayne, just a quick
19 comment?

20 MR. HICKOX: Wayne, maybe I can suggest to
21 John or somebody from the Pilots Association, why
22 don't you arrange to get on the Kerry McCarthy
23 show? Talk about the air show.

24 CHAIRMAN GEORGE: Absolutely.

25 MR. WUELLNER: Talk about the air show.

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1 MR. RODERICK: Warren RauHofer, I mean, there
2 is a whole group of people that are supposedly
3 getting the word out.

4 CHAIRMAN GEORGE: Well, if you could pass on

5 our comments, then, John, we would appreciate it.

6 MR. RODERICK: Sure.

7 MR. WUELLNER: We called about getting

8 some --

9 MR. BRUNSON: We want to focus on the Airport
10 Authority.

11 MR. WUELLNER: We called -- called about
12 getting some banners on the fence, too, out here.
13 They're going to be doing that shortly.

14 MR. BRUNSON: Mr. Chairman, I could -- I'd
15 like to publicly say that the air show, I'm going
16 to be out of town on that continuing education for
17 Builders Association, and I will not be here for
18 the air show.

19 CHAIRMAN GEORGE: Okay. Ms. Green, is that
20 all?

21 MS. GREEN: Yes.

22 CHAIRMAN GEORGE: Mr. Gorman?

23 12.C. - MR. JOHN GORMAN

24 MR. GORMAN: Well, I think Suzanne's -- Ms.
25 Green's comment about -- about marketing and

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1 public relations for the air show, I mean, this is
2 an opportunity for the public perception of the
3 airport to be raised by the proper media
4 distribution about this air show, in other words,
5 to bring the public's perception of this airport
6 up. And I think public perceptions are moved
7 around by media, and this is a good opportunity.
8 So, I thought her -- that was a very apropos
9 comment.

10 And again, the incubator, I just think we
11 don't need to spend a lot of money; we just need
12 to design a situation so we can make money renting
13 space. It's as simple as that.

14 And, really, I'd like -- and now you know
15 that Ed and I butt heads a lot, but on this one,
16 I'd like you to trust him, because I think he's on
17 to something.

18 CHAIRMAN GEORGE: Anything else?

19 MR. GORMAN: Very simple as that.

20 MR. WUELLNER: Are you okay?

21 MR. GORMAN: Yeah. I'm feeling a sweat here,

22 but...

23 CHAIRMAN GEORGE: Can we get those comments

24 underlined?

25 MR. WUELLNER: I'd really like a larger

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1 typeface or something.

2 MR. GORMAN: No, it wasn't, because I believe

3 him.

4 MR. WUELLNER: Thank you.

5 MR. BRUNSON: Would you say that again? I

6 didn't get it.

7 12.D. - MR. WAYNE GEORGE

8 CHAIRMAN GEORGE: Okay. I have no further

9 comments to make about the, you know, the meeting

10 at all, so meeting is adjourned.

11 MS. GREEN: April 17th?

12 CHAIRMAN GEORGE: I'm sorry. April the 17th.

13 MR. WUELLNER: You've got to wish -- remind

14 you to wish happy birthday to Bryan. It's -- was

15 his birthday over the weekend.

16 MS. GREEN: 25th?

17 CHAIRMAN GEORGE: Can we sing? 38 again.

18 MR. WUELLNER: 40 again.

19 13. - NEXT MEETING DATE

20 CHAIRMAN GEORGE: Nobody has a problem with

21 April the 17th. It got by real quick, but --

22 okay. Good.

23 MR. GORMAN: April the 17th is -- say again.

24 CHAIRMAN GEORGE: April the 17th is the next

25 meeting.

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1 MR. GORMAN: 4 p.m.

2 MS. GREEN: 3:30 with the shade meeting.

3 (Whereupon, the meeting adjourned.)

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1 REPORTER'S CERTIFICATE

2

3 STATE OF FLORIDA)

4 COUNTY OF ST. JOHNS)

5

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

7 that I was authorized to and did stenographically

8 report the foregoing proceedings and that the

9 transcript is a true record of my stenographic

10 notes.

11

12 Dated this 4th day of April, 2006.

13

14

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

15

Notary Public - State of Florida

My Commission No.: DD102224

16

Expires: April 30, 2006

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