

1 ST. AUGUSTINE - ST. JOHNS COUNTY AIRPORT AUTHORITY

2 Regular Meeting

3 held at 4796 U.S. 1 North

4 St. Augustine, Florida

5 on Wednesday, January 4, 2006

6 from 4:00 p.m. to 5:51 p.m.

7 \* \* \* \* \*

8 BOARD MEMBERS PRESENT:

- 9 WAYNE GEORGE, Chairman - Secretary/Treasurer Elect
- BOB COX, Secretary-Treasurer/Chairman Elect
- 10 RANDY BRUNSON
- JOHN "JACK" GORMAN
- 11 SUZANNE GREEN

12 \* \* \* \* \*

13 ALSO PRESENT:

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

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

17 BRYAN COOPER, Assistant Airport Director.

18 \* \* \* \* \*

19

20 JANET M. BEASON, RPR, RMR, CRR  
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1           P R O C E E D I N G S

2           CHAIRMAN GEORGE: Okay. We'll call the --  
3           the regular monthly meeting of the St. Johns  
4           County Airport Authority, you know, to order.  
5           We'll just start with the Pledge of Allegiance.

6 (Pledge of Allegiance.)

7 3. - ELECTION OF OFFICERS FOR CALENDAR YEAR 2006

8 CHAIRMAN GEORGE: This is our first meeting

9 of the year, and our charter requires that the

10 board elect new officers for the coming year. So,

11 we have two positions to fill, chairman and

12 secretary/treasurer. And I'll throw it open for

13 nominations for -- Ms. Green?

14 MS. GREEN: I know we had discussions last

15 year, but if Mr. Cox would accept the nomination,

16 I would like to nominate Mr. Cox for president.

17 CHAIRMAN GEORGE: All right.

18 MR. COX: I accept.

19 CHAIRMAN GEORGE: Accept? Okay.

20 MR. BRUNSON: And I second.

21 CHAIRMAN GEORGE: And you second.

22 Secretary/treasurer? Oh, I'm sorry. Any other

23 nominations for -- for chairman?

24 (No further nominations.)

25 CHAIRMAN GEORGE: Let's go to

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1 secretary/treasurer.

2 MR. BRUNSON: I -- I'd like to nominate Jack

3 Gorman as secretary/treasurer if he will accept

4 it.

5 MR. GORMAN: I'll accept it.

6 CHAIRMAN GEORGE: Okay. We have a nomination

7 for Jack for secretary/treasurer. Do I hear a

8 second? Any other ones?

9 MS. GREEN: Yeah. I'd like to nominate

10 you --

11 CHAIRMAN GEORGE: Okay.

12 MS. GREEN: -- Mr. George, for treasurer.

13 CHAIRMAN GEORGE: I -- I think that with

14 the -- with -- with what's happening in -- in some

15 of our estimates versus our budgets, it's going to

16 be an interesting thing to -- to look at. So,

17 don't mean to step on your toes, but I would

18 accept it.

19 MR. COX: I'll second that, Ms. Green's

20 nomination.

21 CHAIRMAN GEORGE: Any other nominations?

22 (No further nominations.)

23 CHAIRMAN GEORGE: We'll close the  
24 nominations. And we have one for chairman,  
25 Mr. Bob Cox. All in favor, say aye.

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1 MS. GREEN: Aye.

2 MR. BRUNSON: Aye.

3 CHAIRMAN GEORGE: Aye.

4 MR. COX: Aye.

5 MR. GORMAN: Aye.

6 CHAIRMAN GEORGE: Opposed?

7 (No opposition.)

8 CHAIRMAN GEORGE: The ayes have it. The  
9 secretary/treasurer. Mr. Gorman, first. All  
10 ayes.

11 MR. BRUNSON: It wasn't seconded.

12 MR. COX: That's true; it wasn't seconded.

13 CHAIRMAN GEORGE: Oh, okay. You're right.

14 It was not seconded. Thank you. Okay.

15 Secretary/treasurer, Wayne George.

16 MS. GREEN: Aye.

17 MR. BRUNSON: Aye.

18 CHAIRMAN GEORGE: Aye.

19 MR. COX: Aye.

20 MR. GORMAN: Aye.

21 MR. GEORGE: Ayes have it. Okay. So, that's

22 the new -- the new officers. Here, Dad.

23 CHAIRMAN COX: Get out of my seat. No. Just

24 teasing. There's a joke about -- there's a

25 joke -- there's an airline joke that said --

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1 MS. GREEN: Oh, when one --

2 CHAIRMAN COX: The flight engineer says,

3 well -- to the copilot, "What if the captain has a

4 heart attack during the flight"?

5 He turns around and says, "I want you to take

6 the SOB out of my seat."

7 Thank you very much.

8 4. - APPROVAL OF MINUTES

9 CHAIRMAN COX: Moving into approval of the  
10 minutes, the regular meeting for last month's  
11 meeting, which unfortunately I was not at...

12 MR. GEORGE: There was one item that was left  
13 open in those -- from the minutes, but I'll cover  
14 that when we get to the agenda, I'm sorry.

15 CHAIRMAN COX: Is there any -- any exceptions  
16 to the approval of the minutes for last month's  
17 meeting?

18 MS. GREEN: The only concern I have is I  
19 wasn't able to review them, so I think I have to  
20 defer, since --

21 CHAIRMAN COX: Okay.

22 MR. BRUNSON: I move we approve the minutes  
23 as --

24 MR. GEORGE: I second -- I second that.

25 CHAIRMAN COX: Right. Okay. All in favor?

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1 MR. BRUNSON: Aye.

2 MR. GEORGE: Aye.

3 CHAIRMAN COX: Aye.

4 MR. GORMAN: Aye.

5 MS. GREEN: Aye.

6 CHAIRMAN COX: Okay. The approval of the  
7 minutes for the last meeting is accepted.

8 6. - APPROVAL OF FINANCIAL REPORT

9 CHAIRMAN COX: Financial report. I looked  
10 over the financial report for October and  
11 November. We, of course, just got out of  
12 December, and that has not been brought forward to  
13 us yet, and I think that will be reported and  
14 we'll -- we'll have that in writing fairly  
15 quickly. But everything's positive.

16 MR. WUELLNER: Yeah. It will be another week  
17 or more.

18 CHAIRMAN COX: That's very good.

19 MR. GEORGE: I move that we accept the  
20 October and November financial report as

21 presented.

22 CHAIRMAN COX: Is there a second? Actually,  
23 we don't need to really --

24 MR. GEORGE: If nobody makes a comment, we  
25 don't.

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1 CHAIRMAN COX: Okay. Financial report is  
2 approved.

3 6. - MEETING AGENDA APPROVAL

4 CHAIRMAN COX: Meeting agenda approval.  
5 Anybody have any exceptions or additions to the  
6 agenda?

7 MR. GEORGE: At the -- I do, Mr. Chairman.

8 CHAIRMAN COX: Go ahead.

9 MR. GEORGE: At the last meeting, we talked  
10 about our workshop to review the budgets from  
11 several other airports, and we had several people  
12 that had not picked the facilities that they  
13 wanted, and we would like to know -- I think we

14 need to add it to the agenda to --

15 MS. GREEN: I thought we chose it for them.

16 MR. GEORGE: I think it -- well, the way

17 it's -- I read the minutes on that, and it was --

18 it was left that we would let Mr. Cox have his

19 pick and then we would --

20 MS. GREEN: Oh, I thought we gave him the

21 last three.

22 MR. GEORGE: The last three?

23 MS. GREEN: Uh-huh.

24 MR. COX: I would be happy to take the last

25 three. And they are Sanford and Tamiami, and what

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1 was the other one? Actually --

2 MR. WUELLNER: Gainesville.

3 MR. GEORGE: Is it an agenda item or are we

4 going to talk about it now? Because we also have

5 Mr. Martinelli --

6 CHAIRMAN COX: Have you got that list of the

7 other ones?

8 MR. WUELLNER: It's Gainesville and Tamiami.

9 MS. GREEN: I thought Mr. Gorman was --

10 CHAIRMAN COX: Great.

11 MS. GREEN: -- very helpful -- yeah.

12 CHAIRMAN COX: I took Sanford. You can have

13 either one of the other two.

14 MR. GORMAN: Yeah. I -- I thought I had --

15 MR. GEORGE: You already have one, Jack.

16 CHAIRMAN COX: Oh, you did? I thought --

17 okay.

18 MS. GREEN: No, we took --

19 CHAIRMAN COX: Who was it that took -- Henry.

20 MR. WUELLNER: Henry Warner.

21 CHAIRMAN COX: Okay.

22 MR. GEORGE: Okay. Sanford is -- is -- has

23 not been spoken for. Is that the one you're going

24 to take?

25 MR. WUELLNER: He's --

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1 CHAIRMAN COX: Yeah.

2 MR. GEORGE: Okay. Mr. Cox then will take

3 Sanford. That leaves --

4 MR. WUELLNER: Tamiami --

5 MR. GEORGE: -- Tamiami --

6 MR. WUELLNER: -- and Gainesville.

7 MR. GEORGE: -- and Gainesville.

8 MS. GREEN: And I thought there was a

9 comment, and forgive me because I wasn't able to

10 review the minutes, because Mr. Martinelli was at

11 the meeting with regards to the comparisons, and

12 he was not able to be at our last meeting when we

13 discussed this.

14 CHAIRMAN COX: Right.

15 MR. GEORGE: The -- the minutes state that

16 we're going to let Mr. Cox pick one and then we're

17 going to assign the other two.

18 MS. GREEN: To Mr. Martinelli, I thought, was

19 the lucky winner of one of them.

20 MR. GEORGE: So, we have Henry also.

21 CHAIRMAN COX: Yes.

22 MR. GEORGE: We have two other people.

23 MS. GREEN: There were two other people that

24 were -- that's correct.

25 MR. GEORGE: And there's two other airports.

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1 MS. GREEN: Right. That will teach you --

2 MR. GEORGE: So, maybe you can ask --

3 MS. GREEN: -- to miss a meeting.

4 MR. MARTINELLI: Can I have Gainesville?

5 CHAIRMAN COX: Sure. I will.

6 MR. MARTINELLI: Can I have Gainesville?

7 MR. GORMAN: He's asked --

8 MR. MARTINELLI: Can I have Gainesville?

9 CHAIRMAN COX: That's fine.

10 MR. GEORGE: Good. Okay.

11 CHAIRMAN COX: Okay. So then Henry gets

12 Tamiami?

13 MR. GEORGE: Yeah.

14 MR. BRUNSON: Mr. Chairman, I think it'd be a

15 good idea to let the public know what we're doing,

16 if --

17 CHAIRMAN COX: Okay.

18 MR. BRUNSON: -- they didn't have at the last

19 meeting --

20 CHAIRMAN COX: No, let's -- let's just move

21 on with the meeting agenda approval, which is

22 where we're at right now, and we'll move into

23 reports. And I -- you know, at project updates,

24 Ed, if you could kind of get an overview of this

25 project we're talking about.

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1 MR. WUELLNER: Right. I've got, actually

2 from the version, those of you that were lucky

3 enough to actually get the minutes or get the

4 packet before the meeting, since that time, we've

5 added a section under project updates for this.

6 MR. GEORGE: Okay.

7 MR. WUELLNER: It -- it only currently lists

8 when the meeting date or the workshop was, but  
9 we'll add whatever you want under that and moving  
10 forward.

11 CHAIRMAN COX: Mr. Gorman?

12 MR. GORMAN: Just very brief, I'm going to  
13 discuss this handout that I have and just explain  
14 what it is, Ed, wherever you want to insert it in  
15 the agenda. It does have to do with budgets --

16 CHAIRMAN COX: Financial.

17 MR. GORMAN: Yeah. And it does have to do  
18 with the new statutes --

19 CHAIRMAN COX: Oh, you want to insert it in  
20 as --

21 MR. GORMAN: -- concerning budgets.

22 CHAIRMAN COX: Okay.

23 MR. GORMAN: Right.

24 CHAIRMAN COX: Fine.

25 MR. GORMAN: Since nobody's looked at it yet.

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1 CHAIRMAN COX: We can put that at the end  
2 of --

3 MR. GORMAN: That's fine.

4 CHAIRMAN COX: -- Mr. Wuellner's project  
5 updates before we get into action items. Does  
6 that work?

7 MR. GORMAN: That's fine.

8 CHAIRMAN COX: Or housekeeping items, either  
9 one.

10 Let's move it to the end of project updates  
11 for Mr. Gorman's comments on the financial matters  
12 pertaining to political subdivision. Does that  
13 work?

14 MR. GEORGE: Yeah. Sounds good to me.

15 CHAIRMAN COX: Would you remind me? I put an  
16 X under that, but just point it out to me before  
17 we go into action items.

18 MR. GORMAN: Sure.

19 7. - REPORTS

20 CHAIRMAN COX: Reports.

21 MR. WUELLNER: I -- I don't know whether I'm

22 on here or not, but if -- if I am -- all right.  
23 The -- you -- I've been told you have a new  
24 liaison with the Board of County Commissioners,  
25 and that will be Commissioner Bryant.

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1 CHAIRMAN COX: Mr. Jim Bryant?

2 MR. WUELLNER: Instead of Commissioner  
3 Maguire.

4 CHAIRMAN COX: Mr. Bryant?

5 MR. WUELLNER: I don't know whether --

6 CHAIRMAN COX: Is he here today?

7 MR. WUELLNER: -- he's here today.

8 MR. BURNETT: No, he's not.

9 MR. WUELLNER: I don't see him.

10 CHAIRMAN COX: Okay. If he -- if he comes  
11 in, we'll make sure he has available time to  
12 speak. Mr. Slingsluff?

13 MR. SLINGLUFF: We're happy to announce some  
14 news at Aero Sport, that the -- the company is now

15 under new ownership.

16 And with that, I would like to introduce  
17 the -- the new group. It's Galaxy Aviation. And  
18 Mr. Don Kaplan.

19 CHAIRMAN COX: Very nice to meet you, sir.

20 MR. KAPLAN: It's a pleasure. Mr. Cox,  
21 members of the board. It's really a pleasure to  
22 be here. Galaxy Aviation looks forward to a long  
23 and mutually beneficial relationship.

24 Galaxy has five operations, and although some  
25 people think we're a large chain, we're really a

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1 small company. We build on our people. And it's  
2 important that you know the people that we are  
3 involved with.

4 Mark Wantshouse is the president of our  
5 company. He doesn't want to hear this: He's one  
6 of my personal heroes. He started in the aviation  
7 business when he was 17, and it's going on 30

8 years now?

9 MR. WANTSHOUSE: Almost.

10 MR. KAPLAN: Almost 30 years. And he started

11 as a lineman. He became a pilot, a 135 pilot. He

12 came in and took over the FBO, the first one, in

13 Boca Raton, and now he's the president of the

14 company, and he has been for quite some time.

15 And he's a real aviation guy. And -- and I

16 tell you all these things because now you know

17 that Galaxy is not just a business, but it's in

18 aviation. It's made up of aviation people.

19 Do you want to say anything or --

20 MR. WANTSHOUSE: Oh, I'll just be very -- no.

21 I thank you for your kind words. I'll just be

22 very brief. As Don said, I bring 28 years of

23 aviation background. I'm really impressed with

24 the St. Augustine Airport. I'm impressed with the

25 job that Aero Sport's done here.

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1           It's Galaxy's desire just to continue to work  
2           with the Airport Authority to continue to grow  
3           along with the Airport Authority. We have a lot  
4           of positive things we think we can bring to Aero  
5           Sport, and we're looking forward to working with  
6           this organization here.

7           We're also hopeful that we'll bring -- in the  
8           past, we've been recognized as -- some of our  
9           locations, as top 10 locations in the country.

10          And we hope to also put this location in the top  
11          10 as far as service and safety.

12          And it's a pleasure meeting you and look  
13          forward to working with you.

14          CHAIRMAN COX: Thanks very much for coming  
15          out and visiting with us.

16          MR. KAPLAN: I'd also like to introduce you  
17          to Ken Bray. And Ken Bray is our safety officer.

18          And Ken visits each and every one of our  
19          locations. He's an integral part of our team.

20          He comes to us with 35 years of experience,  
21          and those 35 years of experience are with a  
22          company that I think you've heard about that's

23 called Grumman, Northrop Grumman, 28 years in fire  
24 rescue. He was the chief of aircraft fire  
25 recovery for 28 years.

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1 He sets the standards for our company in the  
2 safety and operations point of view. Mark  
3 obviously sets the standards for everything else.  
4 But Galaxy is a company that will spend the time,  
5 the money, the effort to make sure that it follows  
6 along the potential standards set for it.

7 Now, it doesn't always help us out. We have  
8 to spend some money in the beginning. But Galaxy  
9 is a long-time player. It likes to look at what  
10 occurs down the line, and we're willing to invest  
11 and set standards that really work.

12 And with that, we're here for you anytime you  
13 need anything. We'll always be available 24/7.

14 Thank you very much.

15 CHAIRMAN COX: Thank you very much.

16 MR. WUELLNER: Thank you.

17 CHAIRMAN COX: I can speak personally that  
18 every one of the Galaxy FBOs I've been in to have  
19 been just tremendous service and stuff. And Aero  
20 Sport's done a tremendous job here in  
21 St. Augustine.

22 Welcome aboard. We're -- we're glad to see  
23 you guys here.

24 MR. KAPLAN: Thank you very much.

25 CHAIRMAN COX: Thanks. Mr. Nevadomsky,

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1 Northrop?

2 MR. NEVADOMSKI: Nothing to report at this  
3 time.

4 CHAIRMAN COX: Okay. Thanks very much.  
5 SAPA, John Roderick? Or Mr. Martinelli, have you  
6 attended the meeting, by any chance --

7 MR. MARTINELLI: No, I haven't.

8 CHAIRMAN COX: -- for SAPA?

9 MR. MARTINELLI: No, I haven't. I just -- I  
10 can tell you this: We're coming up with a new  
11 slate of officers pretty soon. It's in our  
12 charter, so...

13 CHAIRMAN COX: Thanks very much. Bjorn?

14 (Mr. Ottesen absent.)

15 CHAIRMAN COX: Mr. Burnett?

16 MR. BURNETT: I have something to report. I  
17 guess I'll -- I'll add to something when we get to  
18 one of the items that Ed already has on his items  
19 to talk about on update items related to the  
20 acquisition in Araquay Park. But other than that,  
21 I don't have anything to report.

22 CHAIRMAN COX: Okay. Mr. Knight?

23 MR. WUELLNER: He is not here, but I have his  
24 magnificent charts.

25 CHAIRMAN COX: Do we have the stats from him?

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1 MR. WUELLNER: Yes. I gave you a copy of

2 the -- the monthly report, as well as the annual  
3 synopsis of operations for the airport. You --  
4 you have a copy of that. I don't know whether  
5 it -- make it in the agenda packet or it was  
6 handed out here. I'm not sure which, but --

7 CHAIRMAN COX: It was handed out here.

8 MR. WUELLNER: There's a couple of -- couple  
9 of sheets here. Gives you the day-to-day numbers  
10 for the -- for the past month, for the month of  
11 December. It also gives you an idea of how that  
12 stacks up for the previous 12 months in comparing  
13 previous years.

14 In addition to that, as -- as he always does,  
15 he loves to baffle us with the latest and greatest  
16 charts. This completes this particular chart for  
17 the year.

18 And you get -- if you can interpret that,  
19 basically what we're -- we're being led to believe  
20 is we're about 4,600, if my memory's correct,  
21 about 4,600 ops below last year's numbers in -- in  
22 total. That's a calendar year, based on December

23 to -- January-to-December period, which it looks  
24 like was consistent through -- we -- we had an  
25 upsurge in the winter months around Super Bowl,

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1 and then it dropped off to a little lower than  
2 expected. I mean, you're talking a few hundred  
3 ops a month, is really the -- the difference here,  
4 which occur to any number of anomalies. I  
5 wouldn't even hazard a guess for that -- for that  
6 percentage of operations.

7 And -- and the last one he likes to baffle us  
8 with is to take last year's operations, which is  
9 the yellow line with the little red Xs in it, and  
10 compare it to the forecasts and the previous  
11 couple of years. Actually, I think what I did was  
12 reverse the two charts, so...

13 CHAIRMAN COX: So, we're beating the  
14 forecast.

15 MR. WUELLNER: Yeah. Oh, yeah. We've been

16 doing that since they were done.

17 MS. GREEN: Mr. Chair?

18 CHAIRMAN COX: Yes.

19 MS. GREEN: I have a question. We had  
20 somebody, a resident that had asked earlier about  
21 getting comparisons. Were we able to provide  
22 that?

23 MR. WUELLNER: Yeah. We -- we provided them  
24 up to date as of the -- I think we had through  
25 November at the time of the request.

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1 MS. GREEN: I don't see her. I just want to  
2 make sure we were --

3 MR. WUELLNER: Get it once a month.

4 MS. GREEN: -- able to do that.

5 MR. WUELLNER: Usually within two days of the  
6 first of the month, they pass them out, so...

7 MR. GEORGE: I think also along with that  
8 request, a suggestion to them was to go to the

9 tower --

10 MS. GREEN: Yes.

11 MR. GEORGE: -- and count. Did they -- did

12 anybody show up at the tower to --

13 MR. WUELLNER: I'm unaware of it. If they

14 did, I'm not aware of it.

15 MR. GEORGE: I talked to Mr. Knight --

16 CHAIRMAN COX: That's true.

17 MR. GEORGE: -- I guess about a month ago,

18 and no one had shown up yet, so...

19 CHAIRMAN COX: Several people indicated they

20 wanted to go.

21 MR. GEORGE: Yeah.

22 CHAIRMAN COX: Okay. That's the end for

23 reports.

24 8.A. - MPO

25 CHAIRMAN COX: Member committee reports.

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1 MPO? Who is the MPO?

2 MR. GORMAN: MPO. I am not prepared for  
3 that; however, let's --

4 MR. GEORGE: While he's getting prepared for  
5 it, I would like to suggest that we -- since we're  
6 going over these reports, that we see if we want  
7 to change the representation of the board to some  
8 of those organizations, because --

9 CHAIRMAN COX: That's a very good idea.  
10 We've got the MPO, the --

11 MR. GORMAN: You're going to have to move  
12 that up.

13 CHAIRMAN COX: -- Intergovernmental. Does  
14 anybody that's not on one of those committees now  
15 would like to be? Or represent anything?

16 MS. GREEN: How often do they meet and at  
17 what times?

18 MR. GEORGE: The MPO, I kind of -- I was the  
19 assigned to it, and I kind have been letting Jack  
20 and Randy go to it. And I think it's typically a  
21 once-a-month, you know, type of thing. And --

22 MR. BRUNSON: It's usually at 9 a.m.

23 MS. GREEN: Oh, okay.

24 CHAIRMAN COX: On -- on what day?

25 MR. WUELLNER: In Jacksonville.

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1 MR. BRUNSON: In Jacksonville.

2 MR. GEORGE: Usually on a Wednesday, isn't  
3 it, Tuesday or Wednesday?

4 CHAIRMAN COX: I might do that. Leave that  
5 for discussion.

6 MR. GEORGE: Well, I think that Randy has got  
7 a --

8 CHAIRMAN COX: Randy's pretty -- pretty well  
9 ensconced in --

10 MR. GEORGE: Well, his background is, you  
11 know, into construction and everything, and --

12 CHAIRMAN COX: That's fine.

13 MR. GEORGE: -- he understands --

14 MS. GREEN: That would be my concern, if  
15 someone's really into it and had been to the  
16 meetings and actually knows where --

17 MR. GEORGE: Yeah. He's already keeping  
18 abreast of where the county's growing and stuff  
19 like that, so I'd -- I'd like to suggest we change  
20 that to -- to Randy, if you'd --

21 MR. BRUNSON: Oh, I definitely would. It's  
22 very interesting and I think very informative and  
23 needs -- we need to stay a member. And -- and  
24 there's a lot going on.

25 I just called Bruce Maguire, who is very

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1 involved in the MPO. And as Jack knows, and  
2 Wayne, this month, they have not had a meeting,  
3 and it's just been most administrative things.  
4 So, there's really nothing new other than what was  
5 reported in November and December.

6 CHAIRMAN COX: Okay. Mr. Gorman indicates  
7 that he's ready.

8 MR. GORMAN: I'm going to do a quickie  
9 overview, actually. We -- the MPO voted in Lad

10 Daniels, which is a member of the Jacksonville --  
11 anyway, he was voted in as chairman of the MPO,  
12 and vice-chair was voted in -- vice-chairman  
13 was -- Bruce Maguire was voted in, even though the  
14 whole board complained he never showed up. But  
15 then they said -- but they voted him in as  
16 vice-chair, so he must do a heck of a job when  
17 he's there. That's the only thing I can say. So,  
18 they seem to have a lot of faith in him, which is  
19 good.

20 It's amazing what goes on there. I'd like to  
21 stay as second on this if we're going to give  
22 Randy that, because I do travel more than anyone  
23 here. But it's amazing what goes on. It's  
24 amazing how much I feel in the future will go on,  
25 because of the -- the planned roadway is through

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1 this county, simple as that.

2 The planned roadway is through this county,

3 and the Intelligent -- the Intelligent  
4 Transportation System. And that is going to be  
5 key to moving everybody through this area and  
6 through the area of Jacksonville without  
7 rebuilding in North Florida what has been built in  
8 South Florida.

9 And so, that sums it up. That's why it's so  
10 key to have this county there. And I could go on  
11 with lots of -- lots of details, but that is  
12 the -- the crux of the matter.

13 MR. GEORGE: The -- the problem with  
14 reporting back to this board is that there are so  
15 many integrate, you know, things that goes on --

16 MR. GORMAN: Yeah.

17 MR. GEORGE: -- intersections and things,  
18 it's hard -- it's hard to really, you know, give a  
19 concise report on what should be important to the  
20 Airport Authority. But I think it's great. We  
21 need to have somebody there to --

22 MR. GORMAN: You'd have -- you'd have to  
23 build the context before anybody would understand

24 what -- what you're talking about.

25 MR. BRUNSON: And -- and they analyze and

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1 evaluate each project, and they grade them of who

2 gets it first. And it's important to -- to be

3 there.

4 CHAIRMAN COX: Who is the EDC rep?

5 8.B. - EDC

6 MR. GEORGE: That would be me. I think I'm

7 all three of these. I wouldn't mind keeping the

8 Economic Development, you know.

9 CHAIRMAN COX: Okay.

10 MR. GEORGE: Okay.

11 MR. BRUNSON: Great.

12 CHAIRMAN COX: Is there anything to --

13 MR. BRUNSON: And I'd like to back you up on

14 that, because I go anyway, as you know.

15 MR. GEORGE: Okay. Yeah, the last function

16 they had was a luncheon, you know, just trying to

17 get the new businesses, you know, acclimated and  
18 get in to spread the -- the joy around, you know,  
19 who you are and what you could -- and can -- and  
20 can do some help to each and every one, but there  
21 was nothing specific that was going on at that  
22 meeting, so...

23 CHAIRMAN COX: Intergovernmental?

24 8.C. - INTERGOVERNMENTAL

25 MR. GEORGE: Intergovernmental, we had at

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1 3 o'clock today, a good turnout for a 4th of, you  
2 know, January. And we just basically went around  
3 the room and talked to, you know, as we all do,  
4 talked to each one of the government agencies that  
5 are there. And they all reported on the things  
6 that they're doing, which there wasn't that much  
7 that -- that stood out that I thought would really  
8 impact the airport.

9 CHAIRMAN COX: Great. Before we move into

10 project updates, I'm told our county --

11 MR. GEORGE: Yeah.

12 CHAIRMAN COX: -- liaison, Mr. Bryant --

13 MR. GEORGE: Do you want to change the

14 intergovernmental agency rep? If not --

15 CHAIRMAN COX: Do you want to stay?

16 MR. GEORGE: Ms. Willis gives me some very

17 good cumquats, and so I could --

18 MR. GORMAN: And I'd like to stay on as

19 alternate for that.

20 MS. GREEN: Oh, I was going to just suggest,

21 because I could do that at 3 o'clock --

22 CHAIRMAN COX: Okay. Well, if you --

23 MS. GREEN: -- but if you want to stay on,

24 that's fine.

25 MR. GORMAN: That's fine. I can do it.

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1 MR. GEORGE: Okay.

2 CHAIRMAN COX: Keep representation the same,

3 then.

4 MR. GEORGE: Right.

5 CHAIRMAN COX: Okay.

6 MS. GREEN: If you get stuck, just let me

7 know.

8 MR. GORMAN: Exactly. As long as it's --

9 CHAIRMAN COX: Our county liaison, I am told,

10 county commissioner has arrived, and we -- we

11 allot you some time to speak if you have anything

12 to talk about.

13 MR. BRYANT: I don't need to speak. I'm

14 liaison and that's it.

15 CHAIRMAN COX: That's fine. We just --

16 MR. BRYANT: I'm here. I'm here to bridge

17 from here to the county for you guys.

18 CHAIRMAN COX: We just wanted to see if you

19 had anything to talk about of the bridge. Okay.

20 MR. BRUNSON: Right. You will, Jim.

21 CHAIRMAN COX: No -- no problem.

22 All right. Project updates.

23 9. - PROJECT UPDATES

24 MR. WUELLNER: Okay. The items on the

25 project update list today is land acquisition in

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1 Araquay Park; south hang -- south apron area  
2 development; the hangars 8, 9, and 10 project,  
3 very briefly; small business development units;  
4 the marketing and public relations; the airport  
5 leasing activities; the Master Plan; and I added,  
6 as I mentioned earlier, an item now for a budget  
7 comparative analysis. And we can -- we can tweak  
8 that as we move forward.

9 First item is land acquisition for Araquay  
10 Park. Wanted to let you know that mediations are  
11 currently being scheduled, with the first one that  
12 I'm aware of to be conducted next Tuesday at  
13 mediator's office in Jacksonville. So, we'll be  
14 attempting to get many of these individual  
15 property owners satisfied from a financial  
16 perspective, get that final valuation negotiated  
17 in advance of having to take this to the scheduled

18 court date in April.

19 So, we've got a window of opportunity here to

20 meet individually with each one of the affected

21 owners and see what -- see how it works out.

22 MR. GEORGE: We've had some -- some questions

23 over the radio, you know, about people not

24 receiving their money. I think it's worthwhile

25 that everybody understands where we are in that

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1 process. And, Ed, correct me if I get things out

2 of line.

3 Back in April or so when we implemented, you

4 know, the acquisition of that property, the courts

5 gave the titles over to us at that time. At that

6 time, we had to deposit \$1.8 million, \$2.8

7 million, something like that.

8 MR. WUELLNER: Basically, the full appraised

9 value.

10 MR. GEORGE: Yeah, the full appraised value

11 of the property, we had to deposit that with the  
12 courts.

13 So, this mediation that is going on is with  
14 the courts and the property owners to see what is  
15 a fair and -- and just value for it. It affects  
16 us, because if we're short from what we have  
17 deposited, you know, we'll have to belly up, you  
18 know, with the rest of the money that the  
19 courts -- but we are not -- we don't have anything  
20 that we are doing that's stopping people from  
21 getting their money or not. It's just in the  
22 court system. And is that basically --

23 MR. WUELLNER: That's essentially it.

24 MR. GEORGE: Okay.

25 MR. WUELLNER: You're dealing with the

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1 difference at this point, not the base amount.

2 MR. BURNETT: That -- that part's accurate.

3 And if I could, I think I may be stealing some of

4 Ed's thunder, because he's clicked up on the  
5 next -- the next bullet point, but let me just say  
6 this, that Judge Berger did, at the hearing in  
7 November, set the trials for April, and as well,  
8 ordered that the mediations occur, and appointed  
9 Larry Smith as the mediator.

10 So you know, Mr. Smith is a former county  
11 court judge, and has pretty extensive experience  
12 on condemnation matters, both representing  
13 property owners and representing government  
14 entities.

15 MR. GEORGE: Good.

16 MR. GORMAN: Question for clarification. All  
17 of the -- all of the areas in white don't  
18 represent any eminent domain and closures, does  
19 it? I mean, what --

20 MR. WUELLNER: No.

21 MR. GORMAN: What are we looking at?

22 MR. WUELLNER: I probably need to update the  
23 drawing. Everything from --

24 MR. GORMAN: All right.

25 MR. WUELLNER: Assuming this is going to work

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1 here.

2 MR. GORMAN: That's fine.

3 MR. WUELLNER: Everything from this line over

4 (indicating), that was identified in white at one

5 time, was the subject of the eminent domain action

6 the Authority took. To the left of that, or west

7 of it, was an area that's still -- we're doing

8 voluntary stuff, but it was not subject to

9 anything eminent domain.

10 And apron development, south hangar,

11 obviously, based on last meeting, we are at about

12 the final stage here of working with the tree and

13 site prep contractor, which was Davey Tree, and we

14 expect that work to begin very shortly.

15 We're trying to schedule something with

16 Mr. Gorman here either Thursday, Friday, Monday,

17 somewhere around there, to walk through it one

18 more time. The trees right now programmed to be  
19 relocated have been flagged in a unique color at  
20 this point, and so they're easy to find if you  
21 know what you're looking for out there.

22 We've done at least one more walk-through  
23 that I recall through that neighborhood and talked  
24 logistics of specific trees and the like, and I  
25 think we're -- we're real close to just being able

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1 to let that work begin here. I wouldn't expect to  
2 be more than a couple of weeks, I would think,  
3 depending on Davey's schedule, before they can  
4 actually get in here and start moving stuff around  
5 and -- and get going.

6 MR. GORMAN: Question: What is your schedule  
7 for all -- removal of all? In other words, do we  
8 have any bottom line where everything has to be  
9 removed? I can discuss that with you --

10 MR. WUELLNER: The -- the area impacted with

11 the --

12 MR. GORMAN: Right.

13 MR. WUELLNER: -- the actual apron area  
14 construction, pavement construction at this point,  
15 is -- obviously just got to be completed in time  
16 for whatever schedule we get with -- with FAA.

17 So, it's --

18 MR. GORMAN: Then that answers my question.

19 MR. WUELLNER: We have a little more latitude  
20 on that.

21 MR. GEORGE: Are we going to notify the  
22 county that we are going to be removing some of  
23 these trees so if they want to come by -- I think  
24 they have a tree removal pan, or whatever they  
25 call that.

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1 MR. WUELLNER: Yeah, spade.

2 MR. GEORGE: Spades, in other words, so they  
3 can come --

4 MR. WUELLNER: I don't know that we have --  
5 they -- we certainly can. They can come by and  
6 grab the little stuff that would otherwise be --  
7 be bulldozed out, if they -- if they want to do  
8 that. They're not typically --

9 MR. GEORGE: I think we need to officially --

10 MR. WUELLNER: We'll ask them.

11 MR. GEORGE: -- offer it to them, anyway.

12 MR. WUELLNER: Yeah. They have a very  
13 small --

14 MR. GEORGE: Then we can ask Mr. Bryant why  
15 they didn't do it.

16 MR. WUELLNER: -- spade that let's them get  
17 basically small saplings. Now, they've come and  
18 gotten quite a few of them over the last couple of  
19 years, but we haven't extended the invitation in  
20 advance of this.

21 MR. GEORGE: Yeah.

22 MR. WUELLNER: We can certainly -- we can  
23 certainly do that.

24 And as we have been accustomed to reading up  
25 here, we're still awaiting the grant information

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1 with FAA.

2 I can tell you, since the last meeting, in an  
3 effort to expedite FAA's understanding of this  
4 project and the assistance we've been looking for  
5 to Congressman's office, we have filed what's  
6 called a preapplication document with FAA, which  
7 gets a project number on the books with them and  
8 kind of resubmits the basic facts and information  
9 on the project and puts it back front and center  
10 and allows a much more easy identification and  
11 help from the Congressman's office.

12 So, I'm hoping that that also signaled --  
13 because they got the information, I know they  
14 did -- that that signals that they've begun their  
15 hunt to make sure that it gets funded.

16 So, they just recently got money released to  
17 begin the -- the allocations. That was back very  
18 early December. So, it's -- this is about the

19 time stuff starts to fall out. And we'll, of  
20 course, keep you informed.

21 Eastside area, or hangars 8, 9, and 10, we've  
22 got a specific agenda item to address this a  
23 little bit later, and I'll defer discussion on  
24 that until later, if you don't mind.

25 Marketing and public relations, let you know

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1 the air show work is still ongoing. We're having  
2 discussions on a much more frequent basis with  
3 primarily Pilots Association at this point,  
4 because they're spearheading the operational side  
5 of the airfield for this event. So, we've been  
6 talking at a staff level about how to lay things  
7 out and considerations for entrances, exits, you  
8 know, what pavements are available, how to -- how  
9 to work things out on the ground. And the Pilots  
10 Association has, I believe, charge over that at  
11 this point.

12 And awaiting a couple of pieces of  
13 information and we'll be ready to -- and this  
14 thing will be finalized for that Master Plan  
15 insert, so hopefully still this month, this  
16 will -- there will be a point where this has gone  
17 to press, so...

18 Leasing activities, you've got a return of  
19 the restaurant lease for some additional guidance  
20 from the board. And that's a regular agenda item,  
21 also. Going to defer that.

22 And Master Plan update, I can tell you FAA is  
23 actively involved in looking it over as -- kind of  
24 as we speak. They've been reenergized to get some  
25 kind of a -- not really determination, but get a

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1 final approval back to us.

2 I really do expect that in the next two weeks  
3 or less, at which point we'll begin the scheduling  
4 with the Board of County Commissioners to get in

5 the -- the revision process for the Comprehensive  
6 Plan and -- and all the other things that need to  
7 occur to make that consistent with the county --  
8 county's planning efforts.

9 And I'm sure at some point we'll do a  
10 briefing to the Board of County Commissioners  
11 itself on the Master Plan just so they have some  
12 idea what's in there, also.

13 MR. GEORGE: At one time, we had talked about  
14 once the FAA action was final, that we were going  
15 to set up multiple open houses. And I've been  
16 asked to be on the agenda for one of the groups,  
17 you know, around town, when that is -- is done,  
18 that we can sit down and go over the Master Plan  
19 and have questions and answers, so...

20 MR. WUELLNER: Great idea. As soon as we  
21 know it's approval, we'll --

22 MR. GEORGE: Okay. It just didn't -- one's  
23 fine, but I didn't -- I didn't see the open house  
24 as a bullet there, so...

25 MR. WUELLNER: I'll be sure to get it added.

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1 MR. GEORGE: Whatever.

2 MR. WUELLNER: And the only note I had on  
3 your budget comparative analysis was that your --  
4 reminder of your workshop at the end of February,  
5 and I think it's scheduled for 3 o'clock. This is  
6 not your regular board meeting, so you have  
7 whatever time you allocate for it. But it does --  
8 it is scheduled currently for 3 o'clock.

9 And if there's something else you want,  
10 although you won't meet again until right before  
11 that, but if there's something else you want added  
12 on this -- on this particular slide to --

13 CHAIRMAN COX: 27th.

14 MR. WUELLNER: -- keep you -- keep you up to  
15 speed, well, let us know, would you?

16 MR. GORMAN: This -- and this meeting you're  
17 talking about is the comparative --

18 MR. WUELLNER: This is in theory where you --

19 you sit down with everybody having done their look  
20 if you will at each airport and start to have  
21 discussion.

22 MR. GORMAN: Let me be a little bit acidic  
23 with my fellow board members, and myself, too.  
24 We've got to have the discipline to actually do  
25 the homework before we get to this board meeting

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1 here. And it's not easy, because I've already  
2 tried to plan, and it's going to take a little bit  
3 of each of our individual time --

4 MR. WUELLNER: Got a little less than 60 days  
5 to get the --

6 MR. GORMAN: Exactly. That's --

7 MR. WUELLNER: Okay. That concludes project  
8 updates.

9 CHAIRMAN COX: Project updates. Moving into  
10 action items on the agenda.

11 MR. GORMAN: All right. And I'm supposed to

12 remind you right now --

13 CHAIRMAN COX: That's correct.

14 MR. GORMAN: -- of this little handout.

15 CHAIRMAN COX: That's correct. And I even

16 had a star there, Jack, so...

17 MR. GORMAN: Right. And that's okay. I

18 just -- I wanted to get my way here.

19 CHAIRMAN COX: Suspend the action items point

20 for just a second here. And Mr. Gorman has some

21 input concerning financial matters on the

22 political side.

23 MR. GORMAN: It -- it looks like -- and I

24 will let Doug Burnett review this and we'll let

25 everyone -- and Mr. Martinelli would probably want

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1 to take a look at this, this handout, and

2 everything else.

3 But looks like effective 7/05, that it

4 requires a committee to be -- and we are already

5 kind of doing this with this comparative analysis,  
6 so possibly this committee could be retroactive  
7 and -- and actually supply that need or -- or  
8 conform with that need. But the auditor selection  
9 procedures has to be done by committee. And it  
10 looks like that we, as a local government entity,  
11 are under that auspice. Looks like we have to do  
12 it that way.

13 And this handout was handed to me as being  
14 something that we may not be in compliance with,  
15 and to be looked at and to see if we are in  
16 compliance. And possibly already this committee  
17 that we're doing for this comparative analysis  
18 then can be retroactively fitted to that. And we  
19 can further discuss auditor selection.

20 CHAIRMAN COX: We'll direct our --

21 MR. GORMAN: Right.

22 CHAIRMAN COX: -- legal representatives to  
23 look into that and give us a report back at the  
24 next meeting.

25 MR. BURNETT: Sure.

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1 CHAIRMAN COX: If that will work for you.

2 MR. BURNETT: Be happy to.

3 CHAIRMAN COX: Thanks a lot. Good point,

4 Jack.

5 Action items, agenda item number 1.

6 10.A. - RESTAURANT LEASE

7 MR. WUELLNER: Yeah, the first item I've got

8 is somewhat of a revisit of the Fly-By Cafe and

9 catering lease.

10 At the conclusion of the December meeting or

11 at -- during the course of the December meeting,

12 direction was provided to Staff to -- by unanimous

13 vote of the board, to provide language in the

14 lease prior to signing, having it signed by the

15 tenant, that provided them individually liable for

16 the lease in the event of -- in the event of lease

17 failure.

18 We worked with the attorney, created language

19 that would accomplish that, and presented it to

20 the -- to the facility. They have informed us  
21 that at this point, they do not intend to sign  
22 that. They do not intend to be personally  
23 responsible for the lease.

24 I understand indirectly that conversations  
25 were had by that tenant and individual Authority

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1 members pursuant to that and that perhaps there  
2 was some interest in revising either the language  
3 of the lease or having a discussion as to how we  
4 proceed from here.

5 The restaurant is open conditionally at this  
6 point. They are actively serving meals as -- in  
7 accordance with the lease, as though it were in  
8 effect. And I did want you to be aware of they  
9 were recently awarded the catering contract for  
10 one of the corporate jet chains, as I understand  
11 it.

12 The issue is really personal guarantee. The

13 other issue that was brought to light was the  
14 length of the reduced rent. And we've given a  
15 six- to eight-month-period window to work that  
16 back in. They were agreeable and -- to that.  
17 However, we still have the personal guarantee  
18 matter to -- since we're at a bit of an impasse,  
19 you folks need to provide direction as to whether  
20 we're continuing to pursue the personal guarantee  
21 language, in which case we need to notify the  
22 tenant who's in there conditionally that he needs  
23 to make plans to move on, or we need to come to  
24 some additional direction provided to Staff.

25 CHAIRMAN COX: So, you're looking for

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1 direction from the board as to whether the  
2 language needs to continue to contain the personal  
3 guarantee, or we could move in another direction  
4 and --

5 MR. WUELLNER: Or look at anything else,

6     yeah. Any other ideas you might have, I'm sure we  
7     could present to the tenant.

8           CHAIRMAN COX: For discussion?

9           MS. GREEN: I don't think it contained  
10    personal guarantee language, so it wouldn't  
11    continue. It would be we were asking to add it.

12          MR. WUELLNER: Add it, that's correct.

13          CHAIRMAN COX: Added as personal guarantee.  
14    And what was the other option for them? As a  
15    company guarantee?

16          MS. GREEN: That's it.

17          CHAIRMAN COX: Okay. I'll entertain  
18    discussion on the -- on that matter and see what  
19    we can come up with to -- I mean, I'd like to see  
20    the -- see the folks stay in there and continue  
21    to -- with the airport.

22          MR. GEORGE: I'd like to know what's typical.

23          MS. GREEN: Typical is a personal guarantee.

24          MR. GORMAN: For a restaurant?

25          MS. GREEN: For commercial rental, yeah.

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1 MR. GEORGE: Yeah, I had always --

2 MS. GREEN: I know we need a restaurant.

3 MR. GEORGE: I always thought that it was for  
4 a new business venture that's getting started, you  
5 know, like leasing space.

6 MS. GREEN: Huh-uh. No.

7 MR. GEORGE: Okay.

8 MS. GREEN: But that doesn't -- I mean, we  
9 need a restaurant; there's no question. I brought  
10 it up because, in the industry, it is very  
11 standard that when a business leases a space or  
12 conducts a business, that there is a personal  
13 guarantee by whatever officer or shareholders of  
14 the company.

15 But that doesn't mean we have to follow it.  
16 I'm just -- I brought it up because it's a  
17 standard --

18 MR. GEORGE: What's our exposure?

19 CHAIRMAN COX: I should have opened this up

20 to public comment before we went into discussion.

21 But let me -- let me offer that to the public.

22 Any public comment on this particular agenda

23 item, please?

24 (No public comment.)

25 CHAIRMAN COX: Seeing none --

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1 MR. WUELLNER: Okay. I would also just

2 insert, too, just -- just for your edification --

3 it's not -- not opinion or anything else, but in

4 your -- your actual lease policy does not address

5 the issue of personal guarantees. So, if it's --

6 if it's something that the board wants to pursue,

7 I would suggest, too, we also develop some

8 language and get it inserted into the lease policy

9 document, too, so that we -- you know, you

10 provided direction to Staff from that point

11 forward, that that will --

12 CHAIRMAN COX: Their position is they're

13 absolutely dead set against personal guarantees,

14 so --

15 MR. WUELLNER: Well, they're being advised by

16 their attorney not to accept the language --

17 CHAIRMAN COX: Okay.

18 MR. WUELLNER: -- you know, which would be --

19 I would expect.

20 MS. GREEN: Standard -- standard response.

21 CHAIRMAN COX: At that point, that means --

22 MR. GEORGE: Exactly. That's what they pay

23 them for.

24 CHAIRMAN COX: That means that they would

25 cease operation here, correct?

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1 MR. WUELLNER: Well, we -- we have the

2 ability to, since they're operating effectively

3 without benefit of a lease -- they're on a

4 month-to-month lease, in a sense. We have the

5 upper hand on what we do. We'd have to provide

6       them, I believe it's 15-day or 30-day notice,  
7       and -- and they need to vacate if -- if you choose  
8       to take that kind of a stand on it, which is --

9           CHAIRMAN COX: Would a guarantee as a company  
10       be more preferential than having a 30-day --

11          MR. WUELLNER: Typically not, because  
12       typically the company --

13          MR. GEORGE: Is the individuals.

14          MR. WUELLNER: -- is the -- if the company  
15       fails, there's nothing that -- that's what we've  
16       run into every other -- but one of -- you know,  
17       just -- just to -- and I'm not -- again, it's not  
18       really an opinion either way.

19          We don't do it currently and I -- I'm not --  
20       it's not as common on airports, and only because  
21       typically the facilities are readily re-leasable,  
22       if I could create a term there. And that, you  
23       know, we -- there's very little exposure  
24       ordinarily. It's simply a matter of getting the  
25       tenant out of there and a new one in.

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1       There's a couple of months' rent typically  
2       involved. Beyond that, we -- we typically can  
3       have another tenant in there pretty quick. And in  
4       most cases, restaurants have proven to be a little  
5       bit of an anomaly. But ordinarily, it's actually  
6       in our benefit with a new tenant, because they  
7       come in at a -- usually an escalated rent scenario  
8       from what the previous tenant was in, in this  
9       particular area.

10       MR. GORMAN: Don't we have to look it -- I'm  
11       sorry. Go ahead. It is my -- can it be my turn?

12       CHAIRMAN COX: Yes. Yeah.

13       MR. GEORGE: I -- I think we have an  
14       obligation to the taxpayer to run this like a  
15       business, and -- and if that's standard language  
16       that is done in these types of leases, then I kind  
17       of feel like the personal lease -- personal  
18       guarantee should remain there.

19       I could make some concession, like what is  
20       the lease term?

21 MR. WUELLNER: The length of the lease?

22 MR. GEORGE: Yeah.

23 MR. WUELLNER: I want to say it was ten

24 years.

25 MR. BURNETT: It's ten-year renewable for an

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1 additional ten years.

2 MR. GEORGE: Fine. Then I could do it -- I

3 could go along with a personal guarantee for the

4 first five. That lets them off the hook at some

5 point in time.

6 But the problem, you know, that they're going

7 to have is when they're in business in the first

8 few years, is when there is an exposure there.

9 CHAIRMAN COX: Mr. Gorman?

10 MR. GORMAN: I think you have to look at one

11 thing, in other words, as long -- it's my

12 opinion -- and this goes against the grain of run

13 it like a business. It's still running it like a

14 business, but I think you've got to make sure that  
15 you don't incur any loss at all, or I think the  
16 restaurant as an entity is almost a public  
17 service. It tends to be a traffic builder for the  
18 FBO. It tends to be a traffic builder for the  
19 flight school. And overall, it tends to increase  
20 the utility of the airport as a whole.

21 And so, it's -- I don't -- I wonder if we  
22 should subject that to the same -- the same  
23 pressure of scrutiny as to its, you know, return  
24 on investment and everything else that we should  
25 subject other normal business to because of its --

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1 fact that, one, restaurants are volatile  
2 businesses, they fail often, and because they have  
3 low profit margins; and two, that it is a utility  
4 in fact to this airport.

5 So, I mean, I'm -- I'm actually arguing,  
6 trying to effectively argue with your -- your

7 point to the standard.

8 MR. GEORGE: One of the arguments in -- in  
9 favor of what you're saying is, nobody else, no  
10 other lease that we have with anybody, any  
11 individual, or anything, you know, has a -- has a  
12 personal guarantee.

13 MR. GORMAN: That's true, yeah.

14 MR. GEORGE: But at the second point, we're  
15 giving them eight months' worth of reduced rent,  
16 and we are also giving them all of that equipment.

17 In the last lease, because they did have  
18 personal guarantees on that, we were able to --  
19 did they?

20 MR. WUELLNER: There was no -- no personal  
21 guarantee that we -- we were able to -- don't want  
22 to use the word "attach," but they willingly  
23 forfeited corporate assets.

24 MR. GEORGE: Okay. Fine.

25 MS. GREEN: Equipment, is what --

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1 MR. GEORGE: Yeah. So, that equipment  
2 that -- so, we're helping this guy get in business  
3 by giving him equipment. I'm sure he's got to  
4 have more equipment that's there.

5 MR. WUELLNER: Yeah.

6 CHAIRMAN COX: Do -- we retain all the  
7 equipment, anyway, though, right? Or --

8 MR. WUELLNER: We wouldn't retain anything  
9 that belonged to them.

10 CHAIRMAN COX: No, I understand that.

11 MR. WUELLNER: But, yeah, we'd certainly  
12 retain ours.

13 CHAIRMAN COX: But I -- I tend to agree with  
14 Mr. Gorman's position on it. I -- I like the idea  
15 of having a restaurant. And I think from what  
16 Mr. Wuellner was saying, we -- we have very little  
17 liability -- I mean, it's not very little, but I  
18 mean, we have a minor amount in comparison. We're  
19 looking at two months, or a month of loss, if in  
20 fact it --

21 MR. WUELLNER: Well, yeah. I don't want to  
22 paint that as a positive thing.

23 CHAIRMAN COX: No. And I understand what  
24 you're saying. It's definitely not.

25 MR. WUELLNER: The reality is, with, you

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1 know, continued interest in leasing property on  
2 the airport that -- that -- you know, with waiting  
3 lists and those kind of things serving in evidence  
4 of that, you know, it -- we certainly don't  
5 usually have a problem finding someone to rent any  
6 available square inch that's -- that's made  
7 available out here. That's not to say that  
8 couldn't change.

9 CHAIRMAN COX: Mr. Brunson?

10 MR. BRUNSON: Here's my opinion: In the  
11 corporate world, you definitely ask for personal  
12 guarantees when are you're borrowing money. And  
13 my -- and if the company doesn't believe in their

14 company, they -- they should not sign personal  
15 guarantees.

16 I think this restaurant lease is a little bit  
17 different. I think the assets and the -- of  
18 having them on the airport outweighs the norm of  
19 asking these people to sign a personal guarantee.  
20 I think our exposure is very limited. And they've  
21 already proven that they're operating, and they  
22 have -- they have acquired a contract for  
23 catering, and we desperately need them.

24 I don't know of anybody else that's waiting  
25 in line to do what they'll do. So, that's my

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1 opinion.

2 CHAIRMAN COX: My -- my personal feeling is  
3 reflecting Mr. Gorman and Mr. Brunson's position  
4 on it, also. Do you have anything further to add?

5 MS. GREEN: Yeah.

6 MR. BRUNSON: I'd like to make a motion --

7 MS. GREEN: I would like to add --

8 CHAIRMAN COX: I want to open it up --

9 MS. GREEN: -- a little more discussion --

10 CHAIRMAN COX: I want to add it up to -- we

11 need to open up --

12 MS. GREEN: -- because I was the one that

13 brought up the personal guarantee. And the

14 airport -- I mean, they need a restaurant.

15 There's no question. I frequent it because I'm at

16 the courthouse all the time; it's very convenient

17 for me. And I try and get more traffic there.

18 But I think what Mr. Wuellner brought up is

19 we need to revise our policy then. In this

20 situation, we presented them with one lease that

21 didn't have it, the personal guarantee. To go

22 back and now request it, of course they're not

23 going to agree to it. I mean, no good lawyer

24 representing them would say, all right, now let's

25 do it.

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1 MR. BRUNSON: You wouldn't let them.

2 MS. GREEN: No. Absolutely, I wouldn't. So,  
3 what I'm saying is we do need to revise the policy  
4 to at least say, all right, we need to present  
5 that, so that I agree with you; the restaurant is  
6 a little different than some of our other  
7 leaseholds that we have with regards to hangars  
8 and what have you.

9 We have lost money. We have companies that  
10 have gone -- I don't know if they went bankrupt,  
11 but have lawsuits for not paying their sales tax,  
12 payroll tax -- taxes, et cetera. And there's  
13 nothing to get to get our lost revenues.

14 And they are not chomping at the bit, as you  
15 said, about people coming in to want to run this  
16 restaurant.

17 MR. GEORGE: Right.

18 MS. GREEN: I mean, it hasn't been that easy.  
19 It sat for a while.

20 There are setoffs in the statute. If we  
21 re-lease it, you don't get the rest of your rent.

22 You abate it for what you get with the new person.

23 So, the exposure to the tenant is really not as

24 great as you think. We're not going to get a

25 ten-year lease with all the months rent when we

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1 leased it out two months later.

2 But I'm just saying, in the future, I think

3 we really should present that at least in a

4 restaurant, or let's say you have gift shop or --

5 I mean, a different type of thing. Not a hangar

6 lease, is what I'm talking about.

7 MR. WUELLNER: Commercial leases.

8 CHAIRMAN COX: For this particular agenda

9 item, what you're looking for is Authority

10 approval to go on a month-to-month basis, if

11 that's the way we --

12 MR. BRUNSON: No.

13 CHAIRMAN COX: If that's -- you're looking

14 for airport -- Authority approval for what,

15 exactly?

16 MR. WUELLNER: Actually, it's --

17 MR. GEORGE: Either leave it in or take it

18 out.

19 MR. WUELLNER: Sure.

20 MR. BRUNSON: To waive the personal --

21 MR. WUELLNER: Yeah. To either --

22 MR. BRUNSON: To waive the personal

23 guarantee.

24 CHAIRMAN COX: We're not looking to change

25 language in the policy right now at this

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1 particular agenda item?

2 MR. WUELLNER: Right.

3 CHAIRMAN COX: Okay.

4 MR. WUELLNER: No. That -- that is correct,

5 that we're not dealing with --

6 CHAIRMAN COX: Right. Okay.

7 MR. WUELLNER: -- a policy issue right now.

8 CHAIRMAN COX: Right.

9 MR. WUELLNER: But it -- it's something we do  
10 need to deal with, if that's the general direction  
11 you want to do in -- for future leases. What's on  
12 the table today is whether we continue to press  
13 for the personal guarantee --

14 CHAIRMAN COX: All right.

15 MR. WUELLNER: -- provision that you directed  
16 us to place in the lease last month.

17 MR. BRUNSON: I'd like to make a motion --

18 CHAIRMAN COX: Wait. We're in -- I need to  
19 open it up to public comment before we --

20 MR. BRUNSON: I thought we had already.

21 CHAIRMAN COX: Not for this particular agenda  
22 item, I don't believe.

23 MR. BRUNSON: I thought we did.

24 CHAIRMAN COX: Did we?

25 MR. WUELLNER: Yeah, I think you did.

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1 MR. BRUNSON: Yeah.

2 CHAIRMAN COX: Did we? Okay. That's fine.

3 Good. Very good.

4 MR. BRUNSON: I'd like to make a motion that  
5 we waive the requirement for personal guarantees  
6 on the Fly-By Cafe.

7 MR. GORMAN: I'll second --

8 MR. GEORGE: Raise or erase?

9 MR. BRUNSON: Erase.

10 MR. GEORGE: Okay.

11 CHAIRMAN COX: Erase. And you second it?

12 MR. GORMAN: Yes, sir.

13 CHAIRMAN COX: So, we have a motion on the  
14 table. It's been seconded. Any discussion?

15 (No further discussion.)

16 CHAIRMAN COX: All in favor, say aye.

17 MR. BRUNSON: Aye.

18 CHAIRMAN COX: Aye.

19 MR. GORMAN: Aye.

20 CHAIRMAN COX: All against?

21 MR. GEORGE: Aye.

22 MS. GREEN: Aye.

23 CHAIRMAN COX: Okay. They ayes have --

24 MS. GREEN: If I can -- since we have it

25 right here, can we make an agenda item to look at

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1 the lease policy? I would rather be in the  
2 position as the board to require it and it's there  
3 presented to the tenant, and then if we look at  
4 financials and say, all right, we'll choose to  
5 waive it, to kind of cross that way, rather than  
6 present it --

7 MR. WUELLNER: So, you would like us to come  
8 up with some draft language for consideration to  
9 add that guarantee to commercial leases?

10 MS. GREEN: Correct.

11 MR. WUELLNER: I just want to try to make  
12 sure I understand. Okay. We'll close the -- then  
13 you guys can create, you know --

14 MR. GORMAN: One question: I don't mean to

15 beat -- beat this thing to death. But, I mean, do  
16 any of our other commercial leases, they all have  
17 personal guarantees?

18 MR. WUELLNER: No.

19 MS. GREEN: That's what we're talking about,  
20 to...

21 MR. WUELLNER: Is making that a policy to  
22 require that moving forward, or waive it, you  
23 know.

24 MR. GEORGE: I think we'd like to hear your  
25 recommendations and Mr. Burnett's as far as what

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1 is standard within the industry before that.

2 MR. WUELLNER: We can --

3 MS. GREEN: Right. Just make it an agenda  
4 item and talk about it.

5 MR. WUELLNER: We can make some calls and see  
6 what --

7 MR. GEORGE: We don't need to -- we don't

8 need to be a -- you know, while we're talking

9 about this --

10 MR. WUELLNER: I really don't know. That's

11 not an issue I've run across.

12 MR. BURNETT: Just -- just two quick points.

13 One is, to a certain extent on some of your leases

14 you have personal guarantees, in that individuals

15 have entered into the lease and obviously they're

16 individually liable. So, to that extent, I -- I

17 know it's semantics, but to -- to that extent,

18 there are folks that could be individually liable

19 under the leases. But a lot of your other tenants

20 are entities of one form or another.

21 And one thing that you aptly bring up, I

22 guess, is I know from experience that most

23 commercial leases require personal guarantees

24 unless there's other factors in there related to

25 the parties know each other or the tenant is

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1 known -- or the financial ability of the tenant is  
2 known.

3 I don't know how it relates to airports  
4 specifically. And I guess that's something that  
5 we can do some research on and find out --

6 MR. BRUNSON: And, Jack --

7 MR. BURNETT: -- either in the area or  
8 nationwide or -- requiring personal guarantees.  
9 You know, what types of rental property that --

10 MR. GEORGE: I think what we're looking for  
11 is Staff to get with you and come up with -- want  
12 you to make a recommendation to us.

13 MR. GORMAN: We can discuss it at that time.

14 MR. WUELLNER: We'll do a little research and  
15 then --

16 MS. GREEN: Right.

17 MR. WUELLNER: -- bring it back, and y'all  
18 can decide what you want to do.

19 MR. BRUNSON: And, Jack, what -- what we're  
20 saying is that every note I sign to borrow money  
21 has a provision in there for personal guarantees.

22 Whether I sign it or not is -- is -- it's -- and

23 even a lease.

24 CHAIRMAN COX: Let's discuss it --

25 MR. BRUNSON: So, that's what she wants to

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1 do.

2 CHAIRMAN COX: Let's discuss it when we get

3 to that.

4 MS. GREEN: Right.

5 CHAIRMAN COX: Move on to the next agenda

6 item. Policy waiver request?

7 10.B. - WAIVER REQUEST - OPERATING AGREEMENT

8 MR. WUELLNER: Okay. I provided you quite a

9 bit of background on this, but basically we have

10 an individual who is working under the name of

11 Wind Dancer, LLC. They do aircraft maintenance.

12 They have -- in an effort to legitimize the

13 business on the airport, they have properly asked

14 us to construct an operating agreement since they

15 do not currently lease property from the Airport

16 Authority.

17 Now, we have looked through and -- and  
18 reanalyzed and addressed all of the existing  
19 policies of the airport that you -- that the  
20 Authority has directed to Staff, include the  
21 airport rules and regulations of lease policy, as  
22 well as our minimum operating standards, which is  
23 in itself a -- a separate policy incorporated by  
24 reference into the lease policy.

25 We cannot find a way, within the current

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1 policy that you've given us, to facilitate that  
2 business as it stands today, because of their  
3 lack -- you require in your -- your rules and  
4 your -- your policies that they be a -- a tenant  
5 of the airport, in -- in addition to -- in order  
6 to get an operating agreement for that type of  
7 business.

8 In other words, you've set up a standard that

9 says if you want to be in the aircraft maintenance  
10 business, you need to do these things and you need  
11 to have a leasehold of this size and -- in order  
12 to be in business as a commercial tenant on the  
13 airport. That's what your minimum operating  
14 standards effectively do. And your other policies  
15 back that up.

16 We -- because of the way he's doing business  
17 currently, which is essentially working out of his  
18 car and going to individual hangar units and doing  
19 work on aircraft, he does not have a lease with  
20 the Airport Authority to do that. And there's no  
21 basis to give him a lease for his car. I don't  
22 own his car.

23 The alternate -- the alternatives we have are  
24 to; one, if we can't waive or come up with a way  
25 to make this work, then we have already told him

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1 that we'll have no choice, based on the policy and

2 the rules, to tell him to take the business and go  
3 somewhere else; you're not legitimately in  
4 business here. That's the, in my opinion, the  
5 least desirable direction we want to go.

6 The other alternative, we've got facilities  
7 that will come on line or eventually become  
8 available on the airport. Do you want to consider  
9 waiving your existing policies to facilitate this  
10 guy being able to continue to do business, using  
11 the airport, while facilities are either built or  
12 become available in the future, at which point, my  
13 thought is, the waiver would expire and you'd  
14 require someone to execute a lease and become  
15 permanent on the airport and it would self -- take  
16 care of itself, self-resolve.

17 CHAIRMAN COX: Wait.

18 MR. WUELLNER: That -- that's essentially it.  
19 Because it's a policy matter, I don't have the  
20 latitude to just unilaterally tell him, yeah, keep  
21 driving on the airport and working out of  
22 somebody's hangar. That's clearly against the

23 rules and policy you've given me.

24 Only you five collectively can determine

25 whether that policy gets waived or is modified in

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1 any way. So, it's really, you know, a decision

2 you five need to come to.

3 I -- I would suggest if you do anything, you

4 do it in a -- in a temporary nature and it's tied

5 to some future event that forces, you know, an

6 ultimate end, conclusion of this, even though it

7 may not be date certain. We may not know it's

8 going to happen in July of this year or July of

9 next year. But at least, when we present him with

10 a legitimate facility to lease that meets the

11 needs of that business, that he agrees to enter

12 into a lease or stop operating on the airport.

13 CHAIRMAN COX: Okay. I'd like to ask for

14 public comment on this particular agenda item.

15 Mr. Ciriello?

16 MR. CIRIELLO: Joe Ciriello, 5318 Shore  
17 Drive. I'm not sure if I understand this Wind  
18 Dancer. I thought when Ed started talking about  
19 it, was this company that come in that was  
20 supposed to be testing -- or not testing, but  
21 using those military airplanes, this -- what  
22 you're talking about here is somebody with an  
23 A & E license wanting to work out of his car.

24 MR. WUELLNER: Correct.

25 MR. CIRIELLO: I believe -- Mr. Martinelli

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1 can correct me that a while back the Authority  
2 went through some rules and stuff to get another  
3 FBO on the field that did maintenance work and  
4 everything. They had to have a certain minimum of  
5 tools and all of that kind of stuff, which was  
6 pretty high. What, about a hundred thousand  
7 dollars, Vince (sic)?

8 MR. MARTINELLI: Oh, I don't remember the

9 amount, but --

10 MR. CIRIELLO: Yeah.

11 MR. MARTINELLI: But that's what Ed was

12 referring to earlier, so...

13 MR. CIRIELLO: But in any case, if you go

14 along with this, what I -- my question to you guys

15 is what's to stop any A & E graduate from

16 Embry-Riddle to come up here and ask for the same

17 thing, and you end up having a field full of

18 garage -- you know, garage mechanics, so to speak,

19 working on everybody's airplane, when you have

20 a -- a tenant on the field who does maintenance

21 work? I don't know what his rent or anything is.

22 But that would be affecting him, and he has a

23 certain amount of equipment and everything he has

24 to maintain.

25 So, to put somebody's foot in the door to

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1 have other people come in and do the same thing, I

2 think would be a bad idea.

3 CHAIRMAN COX: Thank you, sir. Any other  
4 public -- further public comment? Mr. Martinelli?

5 MR. MARTINELLI: Victor Martinelli, 24  
6 Carriage Lane, Ponte Vedra Beach. What Joe has  
7 said, I think, is correct. And I think -- correct  
8 me if I'm wrong, but I think Mr. Wuellner is going  
9 beyond that in saying we will have facilities  
10 available as we build out, and it is our desire to  
11 have operations like this fellow is providing on  
12 the field when we are built out.

13 So, that then tells me that you look at two  
14 things. One, is he willing to commit himself to a  
15 lease when that buildout occurs? And if he is,  
16 then condition number two, is he financially able  
17 to live up to it?

18 So, has he presented any kind of financial  
19 data, balance sheets, whatever, so you know his --  
20 his strength, his financial strength, and whether  
21 or not he's just one of those guys operating out  
22 of his car or whether he's in earnest, wanting to  
23 start a bona fide business and has the capability

24 to do it?

25 CHAIRMAN COX: Very valid point. Thanks very

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1 much. Is there any other further public comment?

2 Mr. Slingluff?

3 MR. SLINGLUFF: Historically at airports this

4 has been a very contentious topic. And -- and

5 this is really the basis of why minimum standards

6 are -- are adopted and developed and -- and

7 amended on -- on a continuous basis. It's to

8 ensure that the -- the infrastructure development

9 is commensurate with the -- the development that

10 the airport has done.

11 It is such a prevalent problem, the FAA

12 actually uses a formal term for it, which is a

13 hole-in-the-fence operation. They are totally

14 against it. They would advise going back and

15 looking at the minimum standards and enforcement

16 of the minimum standards.

17 In my opinion, once you get into a waiver  
18 situation, where does it stop? Are we going to  
19 ask for waivers for safety issues? Is -- is -- if  
20 you grant a temporary waiver, are other covenants  
21 still going to be imposed, such as liability  
22 insurance?

23 And it -- it just opens up a never-ending  
24 sort of Pandora's box. Just topic for further  
25 discussion. Thanks.

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1 CHAIRMAN COX: Very good points. Yes, sir.

2 MR. THOMPSON: Mike Thompson, 895 Roberts  
3 Road. As an aircraft owner, I always like having  
4 choices. As a businessman, I'm a firm believer in  
5 a level playing field.

6 Without knowing anything about any of this,  
7 if an FBO operator has to pay a lease each month  
8 to operate on the field, to have hangars and  
9 facilities, then the through-the-fence operation

10 has got a built-in advantage.

11 And if you're going to make a level playing  
12 field, then there's some formula need to be -- you  
13 know, I don't know this gentleman. May be the  
14 best mechanic on the planet. But you need some  
15 sort of formula so that he doesn't have a -- an  
16 unfair advantage over other people on the field  
17 providing the same service. Thank you.

18 CHAIRMAN COX: Thank you very much. Yes,  
19 sir.

20 MR. CAMERON: Jerry Cameron. You know, in a  
21 perfect world, I'd like everybody to have the  
22 liberty that's, between you and I, if my plane  
23 falls out of the sky, that was my decision.

24 But one of the things we haven't brought up  
25 here is there's some real liability issues with

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1 workmen's comp and things of that nature if you  
2 knowingly allow a person that doesn't have

3 workmen's comp to operate on your property.

4 You -- you raise some real liability issues.

5 CHAIRMAN COX: Thank you very much, sir. Any

6 other public comment?

7 (No further public comment.)

8 CHAIRMAN COX: Okay. Open up to the board

9 discussion. Mr. Gorman, you had some comments.

10 MR. GORMAN: Do you really want to take me

11 first?

12 MS. GREEN: Yes.

13 CHAIRMAN COX: You had your hand up most.

14 MR. GORMAN: Let's deal with small airport

15 realities. It's --

16 CHAIRMAN COX: But keep it pointed and --

17 MR. GORMAN: Let's deal with -- we're going

18 to deal with realities. We need to discuss it in

19 terms of realities. It's been my observation

20 through many, many airports -- now, I agree that

21 you've got -- you need to -- you need to level the

22 playing field.

23 Our liabilities as an airport are -- for

24 instance, are environmental. You've got paint  
25 disposal. You've got oil disposal. You've also

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1 probably got -- as Mr. Cameron says, you might  
2 have as a -- as an airport, some type of workmen's  
3 comp disposal -- liability.

4 But what you have when you do that, and what  
5 I've observed through many airports -- and there's  
6 even several papers written on it at Herlong, is  
7 if you stop -- let's say you tell the director  
8 right now, okay, no more through-the-fence, that  
9 won't happen, that won't happen; you will  
10 create -- you create an underground --

11 CHAIRMAN COX: And you get really through the  
12 hole.

13 MR. GORMAN: -- of maintenance facilities.  
14 You do. You do. And it won't stop them. The  
15 nature of the beast in an airport, and with all of  
16 these individual plane owners, is that they will

17 continue to come through the fence. They will use  
18 the owner's card. They'll do whatever. That's  
19 what will happen. That's an observable  
20 historic -- historical past.

21 Okay. That said -- and that is really the  
22 truth. You can see that through so many places.  
23 You do need to level the playing field, and we do  
24 need to have environmental issues complied with  
25 and everything else. That's one of the reasons

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1 I've been talking about and wanted to push and  
2 keep putting it on the board for some type of an  
3 incubator situation; in other words, an incubator,  
4 meaning that this -- this gives the need -- this  
5 allows single operators to meet minimum standards,  
6 because they're going to be in a facility, they're  
7 going to lease a facility, they're going to lease  
8 part of a facility that does meet minimum  
9 standards, that does have paint and oil disposal,

10 and this small business incubator also does grow  
11 business, it does grow jobs. Also levels the  
12 playing field.

13 But if you just cut it off, and you say,  
14 well, this is our policy, we'll just cut it off,  
15 it won't do a damn thing. It's an observable,  
16 historical, provable fact. Truth.

17 CHAIRMAN COX: Very good point.

18 MR. GEORGE: But we'll be covered.

19 MR. GORMAN: You'll be covered as far as your  
20 vote on a liability on a board?

21 MR. GEORGE: Yes. If we leave --

22 MR. GORMAN: I'll leave that --

23 MR. GEORGE: If we leave -- if we leave the  
24 policy that's there, the reason for that policy is  
25 to protect us and also to protect our other

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1 tenants who have gone out of their way to spend  
2 the money, you know, to -- to build those

3 facilities and do that. So, if they keep coming  
4 through the fence, then that's a -- that's a slap  
5 on our hands of not enforcing the policies that we  
6 have.

7 Now, one of the things that we did in our  
8 Master Plan was we established a need to incubate  
9 these types of businesses. I think that's a good  
10 term. Maybe we need to take a look at our policy,  
11 and maybe there is some -- something that we need  
12 to do when we have the facilities.

13 There's been some point that we had some  
14 discussions about the possibility of taking the  
15 row of T-hangars that is closest to U.S. 1, when  
16 we build the new ones here, and let's turn those  
17 over to small businesses. That's a smaller space  
18 that they could use to get started with.

19 MR. GORMAN: That's exactly --

20 MR. GEORGE: But it --

21 MR. GORMAN: -- the incubator idea.

22 MR. GEORGE: Okay. Yes.

23 MR. GORMAN: That's it in a nutshell.

24 MR. GEORGE: But what I'm saying is because

25 we want to foster something like that, maybe we

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1 need for Staff to take a look at the policies that  
2 are there and maybe there should be another level,  
3 an incubator level, you know, of space that's  
4 needed and stuff like that.

5 CHAIRMAN COX: Mr. Wuellner can --

6 MR. WUELLNER: I agree.

7 CHAIRMAN COX: I'd like to ask you, just go  
8 over for us what we -- we would require from this  
9 particular individual, as far as liability  
10 insurance and protection for the airport, on all  
11 of the issues that have been brought up here.

12 MS. GREEN: Licensing and everything like  
13 that.

14 MR. WUELLNER: Yeah. You've got eight items.  
15 Then you've got some specific numbers attached to  
16 a few things. It says sufficient space to house  
17 any aircraft for which you're performing service

18 on, which I'll -- let me touch on the numbers here  
19 in a second.

20 Suitable space to store airplanes awaiting  
21 maintenance and delivery for repairs. Adequate  
22 shop space to house the equipment adequate to do  
23 the job, you know, which is tools, jacks, lifting,  
24 test equipment, those kind of things.

25 At least one FAA certified air frame and

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1 power plant mechanic and one AI available during  
2 eight hours of a day, five days a week. In other  
3 words, it needs to be open and in business,  
4 ordinarily.

5 The facilities for washing and cleaning  
6 aircraft. Storage for under -- on aircraft  
7 undergoing repair. And it says something here  
8 about you can't store them for salvage operations.

9 Any aircraft undergoing repair needs to be in  
10 an airworthy -- or in a nonairworthy condition for

11 30 days needs to be screened from the public.

12 Aircraft touchup painting is required.

13 And it cites here that it may require other

14 approvals from other governmental entities.

15 Insurance requirements as determined at the time

16 and negotiation of the lease.

17 Then you go back, and specifically requires

18 7,000 square foot of hangar, a thousand square

19 foot of office/shop space, minimum of one handicap

20 restroom, which may -- may not quite -- may only

21 satisfy for our requirements, may not satisfy

22 county.

23 Ramp tie-down to support ten aircraft. And

24 parking, paved parking to accommodate at least ten

25 aircraft.

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1 That's -- plus, there are some generic

2 requirements that I -- I don't see being

3 problematic in and of itself.

4           CHAIRMAN COX: Yeah. The individual is  
5           trying to do it the right way with the Authority,  
6           and that's the -- you know, it's a very positive  
7           point. He's -- he has agreed, I think with the  
8           director, to any of the insurance requirements  
9           that are placed, you know, the typical insurance  
10          requirements, and to do whatever we want. So,  
11          he's trying not to be -- very hard not to be a  
12          through-the-fence type of an operation. So, you  
13          know --

14          MR. WUELLNER: Well, you've got an  
15          excellent -- the direction that Mr. Gorman is  
16          suggesting, and I think I'm hearing Mr. George  
17          say, is an excellent direction to head.

18          We -- the current policy does not, because we  
19          weren't envisioning the last revision at the last  
20          revision time, the incubator -- incubator idea, we  
21          didn't incorporate how a business would move into  
22          that, how they would qualify in that, what  
23          those -- you know, what space would be provided  
24          ordinarily within that context.

25 Is it, you know, likely to be something less

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1 than what would be required to just walk in and --  
2 and be full scale in business? You're -- you're  
3 in a sense nurturing that business to a point  
4 where they can assume all the requirements and  
5 minimum operating standards. That's the whole  
6 concept behind it.

7 So, we -- we do need to develop some sort of  
8 standards, be it, you know, now -- I don't mean  
9 today -- but, you know, at this juncture, or, you  
10 know, in another year as we approach completion of  
11 a facility, ideally.

12 You know, at -- at some point, you've got to  
13 be ready to go with it. And, you know, waiting  
14 till the first tenant shows up that -- that is,  
15 you know, in our mind a candidate for the -- for  
16 the incubator and hoping we get it right the first  
17 guy out of the blocks is probably not the approach

18 that I would suggest.

19 Let's -- let's work on those. Let's talk  
20 those through now, you know, over the next meeting  
21 or two, come to some direction of where we insert  
22 it into the lease policy, and how we, you know, in  
23 a vanilla form, create the -- the method for a  
24 business seeking to do it right, that's clearly a  
25 startup business, that can't walk in and assume 7-

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1 or 8,000 square foot of building lease and -- and  
2 all of the obligations that go with it, but are  
3 willing to do it right, and we're willing to allow  
4 them to do it right within the context of a  
5 revised document. For a specified period of time,  
6 allow them to grow their business, to which point  
7 the overall goal of both entities is to get them  
8 out of the incubator and into a full-blown  
9 business operation here.

10 CHAIRMAN COX: Any further discussion?

11 (No further board discussion.)

12 CHAIRMAN COX: I'll entertain a motion,  
13 consideration of a waiver.

14 MR. GEORGE: I make a motion that we deny the  
15 waiver and that we give Staff direction to  
16 identify within that leasing policy what we could  
17 be protected by the -- the airport and the other  
18 tenants, but allow someone to come in for specific  
19 time periods to grow their business.

20 MR. WUELLNER: Okay. Which -- I have no  
21 issues with trying to develop that language.

22 My -- my question is, you've still got on the  
23 table today an individual here. Are you telling  
24 him to get lost till we get ready for you, or are  
25 we, you know -- you know, just delaying that to

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1 where he could possibly comply with a revised  
2 minimum standard? What are -- what are you  
3 telling me to tell him?

4 MR. GEORGE: I hate to use the word "get  
5 lost," but, you know, get lost. That's bad  
6 terminology. But we need to get this thing down  
7 in black and white that's going to -- that's going  
8 to be applicable for lots of people. Otherwise,  
9 we're waivering (sic) ourselves to death without,  
10 you know --

11 MR. WUELLNER: I would be -- I would --

12 MR. GEORGE: -- our policies working.

13 MR. WUELLNER: I would certainly be more  
14 inclined to -- to be interested in waiving things  
15 if, for instance, the building or the leasehold  
16 was available to him, it was 3,000 feet, you know,  
17 and you didn't meet the 7- yet, but got him, you  
18 know, in here legitimately in business. And that  
19 at this point, you're talking about somebody  
20 operating out of T-hangars illegally --

21 MS. GREEN: Right.

22 MR. WUELLNER: -- which you don't allow any  
23 of that activity by outside vendors, and still  
24 operating out of a vehicle.

25 You know, you've got liability issues.

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1 You've got, you know, in the event an aircraft  
2 he's worked on has a problem -- you know, she --  
3 they've got two of them right here that will tell  
4 you that the shotgun approach to who has liability  
5 will -- will hold up for a couple of years and  
6 we'll spend a lot of money defending what may or  
7 may not be any liability there, or at least our  
8 insurance company will.

9 MR. BURNETT: I don't --

10 MR. GEORGE: What I'm saying is in running --  
11 in running any kind of a business you've got to  
12 have some guidelines.

13 MR. WUELLNER: Agreed.

14 MR. GEORGE: If the guidelines don't make a  
15 particular situation and it's a small waiver,  
16 yeah, you can do that.

17 You're talking about a major philosophy  
18 change here. And I'm sorry this gentleman has to

19 stand off to the side until we can get that -- in  
20 my opinion, has to stand off to the side till we  
21 can get that policy revised.

22 MR. WUELLNER: And it is a significant policy  
23 change. It's not just changing the numbers to  
24 make one person work.

25 MR. GORMAN: Right.

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1 MR. WUELLNER: It's a whole different  
2 approach to qualified incubator-type businesses.

3 MR. GORMAN: Question: You've got probably a  
4 dozen people on the field that work individually  
5 for individuals on their aircraft in hangars right  
6 now. Are you going to preclude their entrance to  
7 this airport?

8 MR. WUELLNER: As they're identified to us,  
9 they have the exact same -- we have the same  
10 policy for all of them.

11 MR. GORMAN: You're painting yourself in an

12 impossible corner, historically.

13 MR. WUELLNER: I understand that.

14 MR. GORMAN: I know you know that.

15 MR. WUELLNER: Believe me, I understand that.

16 MR. GORMAN: Yes.

17 MR. WUELLNER: And, you know, the activity

18 goes on because no one talks to us about it. Duh.

19 You know, that -- but that's the way it. You

20 know, when we -- someone's identified to us as

21 conducting activity, we go talk to them.

22 MR. GEORGE: If you bring it up to this board

23 and ask our opinion, we have to implement the

24 policies that we have. We can't sit here and say,

25 "Well, Ed, don't look -- don't look for the

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1 following five people."

2 MR. WUELLNER: Frankly, that's what I have to

3 do, is implement the policy. You guys get the

4 privilege of developing the policy and telling me

5 what that's going to be. And, you know, if  
6 collectively, as you -- you know, as an entity  
7 matures, the airport matures, those things need to  
8 be looked at periodically and revised and made to  
9 continue to fit and be productive and useful for  
10 the airport. You know, maybe it's time --

11 MR. BRUNSON: I think --

12 MR. WUELLNER: I can tell you, minimum  
13 operating standards haven't been touched in the  
14 ten years I've been here.

15 MR. BRUNSON: I think she -- we should look  
16 at changing the policy in some way, not bring a  
17 Wind Dancer in here that I know nothing about,  
18 financially or their quality of work, and it's  
19 just -- we should direct Staff to --

20 MR. GEORGE: And that's what my motion was.

21 MR. BRUNSON: -- start looking to changing  
22 the policy.

23 CHAIRMAN COX: I -- yes, ma'am.

24 MS. GREEN: Along with Mr. George's motion, I  
25 have concerns over the airport's liability issues.

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1 And just like Mr. Gorman said, they're out there.

2 I don't know who they are, fortunately or

3 whatever, because I'm not on the airport that

4 often. But they're out there, and I am very

5 concerned that -- now, this -- this guy's been

6 trying to operate legitimately. He's coming

7 before the board, trying to do the right thing.

8 But I would want to hear from our attorneys

9 what type of liability we have or what's going to

10 be necessary to allow people like this to operate.

11 But they're going to need licenses, insurance, you

12 name it.

13 MR. GORMAN: Watch what you're doing.

14 MR. GEORGE: That's part --

15 MR. GORMAN: Watch what you're doing here.

16 You're letting one person -- I'm just telling

17 reality here. No, you're letting one person

18 that's coming up in front of the board trying to

19 legitimize himself, fine. And of course there's  
20 lots of reasons to say, well, you're not meeting  
21 those minimum standards. And you're going to now  
22 make Mr. Wuellner a policeman -- a policeman. And  
23 it's not going to work.

24 MS. GREEN: But I don't want the board --

25 MR. GORMAN: I understand.

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1 MS. GREEN: -- and the airport to be  
2 responsible for one faulty mechanical issue, and  
3 the airplane goes down and -- look what happened.  
4 It was several years ago. We had -- hang on,  
5 Mr. Gorman.

6 We had an accident out on U.S. 1. There was  
7 construction being done on that road back there,  
8 and there was a truck that was not ours, it has  
9 hauling dirt or some kind of construction onto the  
10 side road onto airport property, but it was not  
11 our construction. We were not dealing with it.

12 And a woman who wasn't paying attention runs into  
13 the back of it. I think she died.

14 MR. WUELLNER: Yeah.

15 MS. GREEN: Right. And we get sued. And we  
16 have paid lots of money. And that wasn't even  
17 anything on our airport. So, the exposure is  
18 huge.

19 MR. GORMAN: Now, as far as maintenance goes,  
20 it's my understanding that -- that the maintenance  
21 issue, liabilitywise -- I don't know. Now -- but  
22 the maintenance issue, liability, lies between the  
23 aircraft owner and the FAA.

24 MS. GREEN: Well, that's why I'm asking.

25 MR. GORMAN: Well, we do need to ask that

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1 question.

2 MS. GREEN: That's why we're asking for  
3 direction.

4 MR. GORMAN: We do need to ask the question,

5     yeah.

6           MR. GEORGE: That's why the portion of -- of  
7     the --

8           MR. GORMAN: And I believe that's true.

9           MR. GEORGE: -- motion was come up with your  
10    recommendations that is specifically oriented  
11    towards, you know, the incubation of new  
12    businesses --

13          MS. GREEN: Right.

14          MR. GEORGE: -- but also protection,  
15    liability-wise.

16          MR. GORMAN: That's fine.

17          CHAIRMAN COX: Have you got any comment on  
18    that, Mr. Burnett? Or you need to research it?

19          MR. BURNETT: No. There's -- there's so many  
20    different components there --

21          CHAIRMAN COX: Right.

22          MR. BURNETT: -- I guess it's hard to get --  
23    get my hands around it. I mean, there's all kinds  
24    of liability issues from the function of simple  
25    maintenance of changing lubricating fluids or

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1 those kinds of things for the aircraft engines and  
2 potential environmental liability that could  
3 arise.

4 There is one thing that I'll throw out there  
5 is, and I leaned over to Ed to ask him is, there  
6 are other options potentially for this person  
7 or -- or someone else to come onto the airport and  
8 operate through some sublease --

9 MS. GREEN: Right, independent --

10 MR. BURNETT: -- from an existing airport  
11 tenant that, you know, could be reviewed by the  
12 airport and approved by the airport. But there is  
13 the opportunity there.

14 One thing -- and I know this isn't the case,  
15 but one thing I will throw out there is there  
16 isn't -- the -- the way the policy is written, the  
17 way we are contractually obligated with the  
18 existing FBO, there isn't the opportunity to have  
19 an incubator-type FBO, for what that's worth.

20 I know that's not what we're talking about  
21 here. But I just want to add that in case that  
22 thought was out there, as well.

23 MR. GORMAN: The incubator-type thing is an  
24 out-of-the-box situation. It doesn't exist at  
25 this time. Right.

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1 CHAIRMAN COX: Mr. Wuellner, if we -- if we  
2 did this, if we tabled this issue for -- until the  
3 next meeting and -- and it gave us some time to  
4 research our options and see where we could go  
5 with that, and just see what we -- see what we can  
6 do with -- with Wind Dancer, LLC during that time  
7 period to make it so that it's copacetic for the  
8 airport and -- and us -- and us, or we need to  
9 explore the options that we have that will be  
10 available to us. And also if we could find the  
11 options that Mr. Burnett's talking about, possibly  
12 a sublease from a --

13 MR. WUELLNER: Well, not -- not to throw  
14 water on a part of that, but that option was  
15 already suggested --

16 CHAIRMAN COX: Oh, really?

17 MR. WUELLNER: -- and explored --

18 CHAIRMAN COX: Yeah.

19 MR. WUELLNER: -- to no -- to no benefit at  
20 this point. It -- it still exists. I mean, if --  
21 if there's a bona fide commercial tenant on the  
22 airport who has the ability within their lease to  
23 sublease, and they're -- one that I know of, maybe  
24 there's two, I don't know, but I know there's only  
25 one that I'm aware of -- they -- they would need

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1 to work out those arrangements with that  
2 individual tenant and then talk to us.

3 MS. GREEN: But I think my concern is, in a  
4 short-gap period, is that if Wind Dancer is  
5 servicing certain people, certain hangars, that we

6 might have to do some type of a -- if you're going  
7 to do that -- and it's kind of police work --  
8 until we get this incubator policy, that that  
9 owner of the aircraft or the hangar is absolutely  
10 totally responsible for any action --

11 MR. GEORGE: And will hold us harmless.

12 MS. GREEN: Right. Any action of Wind  
13 Dancer, unless we come up with something in the  
14 near -- I'm just putting a Band-Aid on  
15 something --

16 CHAIRMAN COX: Right.

17 MS. GREEN: -- if you want to keep them --

18 MR. WUELLNER: Is there a way it can -- I  
19 mean, this is more up you two's alley than mine.  
20 But is there any way to construct such an  
21 instrument that protects the Airport Authority?

22 MS. GREEN: Well, it'd have to be an  
23 agreement with the other parties. It'd have to --

24 MR. WUELLNER: Well, obviously. I mean, is  
25 it --

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1           MR. BURNETT: There -- there is a way that we  
2           can contractually obligate them, if they agree to  
3           it, and assuming -- I'd have to check the FAA regs  
4           related to this, and assuming we change the -- the  
5           airport were to change its policy, there's a way  
6           to -- to contractually have that person indemnify  
7           the airport, maintain liability insurance that  
8           would be to the benefit of the airport, and then I  
9           guess there's functions of logistically where they  
10          work out of or what areas of the airport they have  
11          access to, where they perform maintenance and what  
12          kind of maintenance they perform, or other  
13          functions they perform at the airport.

14          CHAIRMAN COX: How long would it take you to  
15          generate that type of language in an official type  
16          of paper? I mean, are we talking weeks or are you  
17          talking a couple of days?

18          MR. BURNETT: A couple of weeks.

19          MS. GREEN: Oh, yeah.

20 MR. BURNETT: Because the main thing that's  
21 going to take some work is looking at -- it's not  
22 just your policy, but the FAA policy.

23 CHAIRMAN COX: I'd be inclined to consider  
24 the waiver based on those types of parameters if  
25 we could move forward, you know, and like as a

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1 Band-Aid towards moving into the incubator type of  
2 area.

3 MR. GORMAN: What you'll get is, this  
4 gentleman on the FBO over here, you're going to  
5 get them complain bitterly that now we do not have  
6 minimum standards. I mean, this is the -- this is  
7 the angst that will come out immediately.

8 But I do agree with you; we need a waiver for  
9 the time being to study the problem. I mean, but  
10 this is -- these gentlemen on the -- that have  
11 just been introduced to us, that's going to be  
12 their angst.

13 MS. GREEN: Well, I'm not sure the waiver's

14 going to happen for a couple of weeks anyway.

15 It's not going to be there.

16 MR. GEORGE: I don't even think we ought to

17 entertain a waiver, you know?

18 MS. GREEN: Yeah.

19 MR. GEORGE: We -- other people have invested

20 a lot in their business to be out here, and

21 they've followed all the rules.

22 My thought about taking what we have as

23 minimum requirements, is we make a checklist, and

24 here's a paragraph on this liability, here's a

25 paragraph on this liability. Here's a paragraph

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1 on this. Here's a paragraph that says personal

2 guarantees.

3 And we say, okay, somebody wants to come in

4 to the -- to the airport, we will allow you to not

5 have a thousand square feet, but 500 square feet.

6 We'll allow you to do this, we'll -- we'll waiver  
7 half of the parking ramp, you know, stuff that you  
8 have. But you're going to have to give me a  
9 deposit against those facilities and everything,  
10 like two, three months, and sign personal  
11 guarantees and everything.

12 So, anything that affects our liability, you  
13 know, that should be in this little waiver that  
14 you've got here.

15 MS. GREEN: Right. And that's pretty  
16 involved, because Mr. Burnett's going to have to  
17 look at our insurance policies to see what's  
18 there, if we're violating any of that, along with  
19 FAA. So, it's a -- it's not that simple.

20 MR. BURNETT: Yeah, it's not --

21 MR. GEORGE: Well, we know that our -- we  
22 know that the leases that we just got through  
23 signing covers all of the FAA requirements. Start  
24 right there. Why go back and reinvent the wheel?

25 CHAIRMAN COX: Any further discussion? I --

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1 I think you got your direction that the waiver is  
2 denied.

3 MR. BURNETT: And is it then that we bring  
4 this back to you at the next regular meeting?

5 MS. GREEN: I think so.

6 MR. BRUNSON: If possible, yes.

7 MS. GREEN: Because I think we want to -- we  
8 want to explore it. We want to make something  
9 like this possible for small startup businesses.

10 CHAIRMAN COX: We'll put it this way: The  
11 waiver is denied at this meeting and we'll table  
12 the -- the issue until the next meeting.

13 MR. GORMAN: Well, did we vote on whether we  
14 denied the waiver?

15 CHAIRMAN COX: I don't think we need to. We  
16 didn't -- it didn't come up with a --

17 MR. WUELLNER: I guess technically you're  
18 just tabling the motion.

19 CHAIRMAN COX: Right.

20 MR. WUELLNER: You're not denying it.

21 MS. GREEN: Right.

22 CHAIRMAN COX: Okay.

23 MS. GREEN: Is that enough time for counsel

24 to -- I mean, I don't think you have to come up

25 with -- would be nice if you came up with a

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1 written document, but I mean, at least some kind

2 of direction as to we have to explore this, this,

3 and this, as much as you can do in this --

4 MR. BURNETT: Yeah. I'm at least going to

5 come back with a good solid update for you.

6 MS. GREEN: Okay.

7 CHAIRMAN COX: Does that work?

8 Action item hangars 8, 9, and 10.

9 10.C. - HANGARS 8, 9 & 10

10 MR. WUELLNER: Since we had such an easy time

11 with the last one, this one -- this one will --

12 I'd like to think it's easier, but I doubt it will

13 be.

14 At the last meeting, I mentioned that we  
15 had -- had bid hangars 8, 9, and 10, which is the  
16 three-unit corporate building that we were  
17 planning to build on the east side. I mentioned  
18 that we had received bids for that job. The  
19 lowest bid was approximately \$2.1 million. I'm  
20 going to just use some round numbers right now.

21 I mentioned that we were going to approach  
22 our design/build contractor independently from  
23 that and see if there were other alternatives  
24 available to try and get the bid price, get either  
25 a stand-alone bid, a design/build contract to

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1 build the building for substantially less than  
2 that, or -- and/or work with the low bidder to try  
3 to value-engineer some solutions that brings the  
4 total dollar value down.

5 The revised total is now approximately \$1.9  
6 million. The design/build contractor, that being

7 Danis, has indicated to us that they did not see,  
8 in looking the job, that there was any way for  
9 them to jump in with an alternate method of  
10 construction and bring this project in for  
11 anything less than that kind of a number.

12 They felt like the additional A & E fees  
13 required to change the method of construction from  
14 that which was built, basically going to a  
15 masonry-type building or other exterior material,  
16 from a metal pre-engineered building. When you  
17 put that back in, it offset -- more than offset  
18 what -- what it would save, if it could save.

19 The reality is the exterior costs of the  
20 metal building are in the area, as they explained  
21 it to me, about \$3 a square foot. When you go to  
22 masonry, you're up in the \$9 -- as we were looking  
23 at, in the \$9 to \$10 a square foot range for the  
24 exterior alone.

25 Plus, you've got to redesign the building

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1 from an engineering standpoint in order to allow  
2 it to be permitted with the county. So, you have  
3 all of those A & E fees to pay again. So, it  
4 didn't make any sense to continue discussions with  
5 the design/build contractor.

6 Where it does make sense is to continue to  
7 discuss with the low bidder on the job and see if  
8 we can continue to explore value-engineering  
9 alternatives that may come up as -- as the project  
10 begins to get permitted, should you choose to move  
11 forward.

12 Now, that's just the -- the bid side of this,  
13 and there's several other components to get to a  
14 decision. So, you're now in the \$1.9 million  
15 range.

16 I've provided you a whole stapled package of  
17 some of the conversations going back and forth  
18 between the engineers, copy of the bid tabulation,  
19 and his recommendation. I don't -- I don't think  
20 we included the recommendation letter, but it's --

21 it's in the file.

22 You now have the issue of the project still  
23 exceeding the budget as it was set forth within  
24 what we adopted, or you adopted, moving into  
25 October of this year. It still exceeds that

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1 number.

2 In addition to that, we have only identified  
3 by specific grant a total of \$325,000 of state  
4 matching funds, which means that you have  
5 approximately \$1.6 million, \$1.5-something that's  
6 available that still has to be funded by the  
7 Airport Authority instead of jointly with the  
8 state.

9 Now, I have found a way within our existing  
10 work program, using a couple of other stand-alone  
11 grants that we have, that I can get to the number  
12 of \$950,000 of state money. So, in effect, we'd  
13 be splitting the cost with Florida DOT. So, now

14 the Authority's share of this is -- is in the

15 \$950,000 range.

16 Using the \$950,000, you'll see that one of  
17 the sheets you have is the ROI calculation, return  
18 on investment calculation, and coupled with what I  
19 would -- we built these, if you recall at your  
20 direction, as a commercial hangar, meaning they  
21 could be leased for commercial purposes.

22 As such, we can put commercial-type leases in  
23 there, which command a significantly higher rental  
24 base. So, we can get a minimum -- at a minimum of  
25 \$5.75 a square foot, and we can probably do better

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1 than that, but at a minimum of \$5.75 a square  
2 foot, we can meet the ROI requirements that you  
3 have in your lease policy for new construction of  
4 7 percent.

5 I don't believe, other than just -- I'm  
6 thinking for cash flow purposes, we can contain

7 the project within this year, and there may be  
8 some tail-over in the next fiscal year because the  
9 construction will go on well into October,  
10 November at this time, you know, just based on  
11 when they get -- start on construction.

12 So, you may have a little tail-over into next  
13 year's budget, but I think from a cash flow  
14 management standpoint, we really wouldn't have any  
15 issues moving forward.

16 In any event some windfall of other projects  
17 shows up, you've got the ability to respond to it  
18 using your -- your line of credit, if you would  
19 choose to do that later on. Those are decisions,  
20 if -- if they happen, would be later on.

21 So, bottom line is we can make -- within the  
22 \$1.9 million, we can, if you choose, work with DOT  
23 and repackage the grants that we have on the books  
24 with them to allow us to get to a 50 percent  
25 margin with FDOT.

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1           With the budget adjustment, we can facilitate  
2           the project and still get an acceptable minimum  
3           ROI of 7 percent on the job if you choose to move  
4           forward. If you choose to move forward, you need  
5           to award the contract at the \$1.9 million level  
6           to -- to the contractor that low bid; we'll  
7           need -- you'll need to instruct me to make those  
8           changes with the grants or make -- attempt to make  
9           those changes with FDOT; and you'll also need to  
10          effectively allocate the \$950,000 of local funds  
11          to match the state in order to -- to capitalize  
12          the project. I know it's complicated, but it's --

13          CHAIRMAN COX: Public comment, please?

14                   (No public comment.)

15          CHAIRMAN COX: Seeing none, board discussion?

16          Mr. Gorman?

17          MR. GORMAN: Well, I've got to ask one thing.

18          Why the large disparity in what we thought and

19          what we projected? And, you know, that's the

20          question that begs to be, you know --

21          MR. WUELLNER: Well, the --

22 MR. GORMAN: -- answered right now.

23 MR. WUELLNER: The simple answer is that when

24 the -- when the -- if you recall the original

25 project over there was for something about 10,000

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1 square feet.

2 When we looked at -- that resulted in a whole

3 lot of discussion over the last nine months -- I

4 don't even remember, but a long time -- which

5 ended up at the end of the day with a three-unit

6 building that totaled about 21,000 square foot

7 instead of the original 10-. So, it -- the scope

8 of the project more than doubled over the course

9 of the nine months to what it is now.

10 By putting -- there were some economies of

11 scale in putting the three buildings, the three

12 units, if you want to call it that, into one

13 building, which there still are some savings to

14 doing that, versus constructing three separate

15 buildings.

16 The bottom line is, you've doubled the size  
17 of the project. The budget did not go -- the  
18 original grant project with FDOT did not double  
19 with it, nor did our budgeting for the project do  
20 it. It was not -- we did not have the realities  
21 of what the budget numbers were when the project  
22 was bid, and when the budget was set, for that  
23 matter.

24 MR. GORMAN: So, that begs the question, can  
25 the project be scaled down and still meet the same

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1 ROI within the same existing original budget  
2 parameter?

3 MR. WUELLNER: Well, you're literally looking  
4 at probably -- because it's less than half, you're  
5 probably only going to be able to build one of the  
6 three units. I don't know what the ROI numbers --  
7 I have not run them. But you've still got --

8 you've still got substantial costs in there,  
9 because not only that, you've got to reengineer a  
10 portion of the job for -- for permitting purposes.

11 MR. GORMAN: And the last question and I'll  
12 be done. Can you get -- for instance, if you got  
13 an ROI and you've got to have it, you've got \$5.75  
14 at 7 percent, \$5.75 a square, can you get a  
15 20-year lease before construction from people? Is  
16 there that kind of demand?

17 MR. WUELLNER: We could, sure.

18 MR. GORMAN: You could --

19 MR. WUELLNER: It -- there --

20 MR. GORMAN: Because I -- I'm looking at the  
21 FBO people over there and I'm wondering what  
22 they're getting for a square foot. You know, I  
23 was just --

24 MR. WUELLNER: It's in excess of that.

25 MR. GORMAN: Don't want to be speculative,

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1 you know?

2 CHAIRMAN COX: Mr. George?

3 MR. WUELLNER: You're getting more than --

4 well, you're getting almost that amount directly

5 across from it today.

6 MR. GEORGE: I think there's a correction in

7 order. When we were originally talking, we were

8 talking two hangars over there, which I think

9 those two hangars were 8,000 square feet apiece,

10 16,000.

11 MR. WUELLNER: Yeah, that is --

12 MR. GEORGE: We then said, why should we

13 waste that space between the two hangars? Let's

14 put three. So, we went to 20,000. So, we didn't

15 go double the --

16 MR. WUELLNER: I stand corrected. You're

17 right.

18 MR. GEORGE: Okay? We only went up a

19 quarter.

20 MR. WUELLNER: Well, a third.

21 MR. GEORGE: I -- I think that we need to

22 look at this, you know, do we build the two and  
23 leave the one in the middle and come back later on  
24 and do that? But before we do that, I have a real  
25 concern about our ten-year financial plan and our

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1 six-year plan of getting off the -- the tax rolls.

2 We had budgeted -- bear with me -- \$1  
3 million, Department of Transportation paying half,  
4 or \$500,000, and we're paying \$500,000. Well, now  
5 it's up to \$1.9. We're paying \$950- and they're  
6 paying \$950-. We just hit our budget by \$450,000  
7 on this one project.

8 Now, because of the foresight of this board  
9 two years ago, we did not take the rollback, and  
10 we did crank in another \$334,000 per year to take  
11 care of contingencies. So, some of that is there.  
12 But if this one is 50 percent overstated, what are  
13 the rest of them that we're planning on all of  
14 this expenditures of new facilities? Are they

15 also going to be a hundred percent over?

16 MS. GREEN: Well then, my concern is, too, if  
17 we're going to revamp -- and I'm not sure I'm  
18 using the correct word -- of other DOT monies from  
19 other slated areas, what are we doing --

20 MR. GEORGE: Yeah. What are we losing there?

21 Right.

22 MS. GREEN: Right.

23 MR. GEORGE: Yeah.

24 MR. WUELLNER: Yeah. But this was --  
25 actually, those -- the two other grants were for

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1 small corporate facilities, also. You're not  
2 really changing -- you're not really losing  
3 anything. You're just in effect building it all  
4 at one time.

5 MR. GEORGE: Yeah.

6 MR. WUELLNER: That's -- the money was for  
7 those kind of projects. They were just

8 originally, if you recall, set up as single hangar  
9 projects. We didn't do, you know, multiple bay  
10 unit such as this. So, there's no -- there's no  
11 reason why it couldn't be combined. It's just the  
12 existing -- the existing original grant for that  
13 project was, you know, a single unit.

14 MR. GEORGE: Well, if you look at these  
15 numbers they've given, it's not like this one  
16 company is, you know, charging us higher. It's  
17 across the board.

18 MR. WUELLNER: Oh, it is. And -- and really,  
19 we found -- I say we, you know, using Passero, we  
20 found the items that were driving, you know,  
21 200-plus thousand dollars, those have been, you  
22 know, revised with the agreement of the  
23 contractor, and that's where your savings is.

24 There's -- there's no real meaningful benefit  
25 in altering the building at all, especially the

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1 square footage, because now you're into changing  
2 the -- the ultimate revenue from it also, because  
3 it is square-foot based.

4 We've looked at reducing the building height  
5 slightly. We looked at dimensions within the  
6 hangars. We -- we looked at a number of things in  
7 trying to find ways that didn't compromise the  
8 overall leasability of the project, but gave us  
9 the best bang for the buck. And I -- frankly, you  
10 know, I think we're staring at a number that's  
11 pretty close to where the end -- where it is.

12 Now -- and I'm sure Mr. Brunson could attest  
13 to what construction materials have done in just  
14 the last year. You know, I know we've watched  
15 concrete costs go through the roof. We've watched  
16 the availability and cost of steel products go  
17 through the roof, let alone just, you know,  
18 everybody's busy working on things, and the cost,  
19 you know, proffered by constructor -- by  
20 contractors has gone up, too.

21 Now, do we need to address it in future  
22 projects? I think that's a real valid concern,

23 and I think that's something that, you know, makes  
24 a nice task back to Passero, is to take our  
25 five-year work program and take a relook at the

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1 constructability dollars of it and let's make the  
2 tweaks moving into the budget cycle.

3 I mean, it's a real concern, and I -- I think  
4 you're dead on it. There's -- there's -- we need  
5 to keep monitoring this.

6 MR. GEORGE: Well, we --

7 MR. WUELLNER: But so are the rental rates.  
8 They --

9 MR. GEORGE: We have tenants waiting for  
10 these, you know --

11 MR. WUELLNER: Well, there's --

12 MR. GEORGE: -- for these facilities. And I  
13 think that that was the concept, that we would  
14 invest more in the infrastructure of the  
15 facilities of the airport, which would in turn

16 bring in more revenue, and that's what gets us off  
17 the tax roll.

18 MR. WUELLNER: And this is about --

19 MR. GEORGE: I think we have to -- we have to  
20 proceed with the project. It just means we need  
21 to go back and redo that plan and relook at  
22 everything we're going to be doing three years  
23 down the road or four years down the road.

24 MS. GREEN: Do you think we need to do what  
25 Mr. Gorman was talking about, is presell the

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1 leases, or do we have enough --

2 MR. WUELLNER: I'm not really worried  
3 about --

4 MS. GREEN: -- or we have so many waiting --

5 MR. WUELLNER: -- the tenant part of it. But  
6 if -- you know, if it's a concern, we can -- we  
7 can certainly do that. I don't think that's --

8 MS. GREEN: Not an issue.

9 MR. WUELLNER: I mean, to my -- that's the  
10 least of the concerns I have, is tenant, being  
11 able to lease it.

12 MS. GREEN: Yeah.

13 MR. WUELLNER: The -- you know, the bottom  
14 line is you're about \$350,000 of Authority money  
15 difference from where we started at the budget  
16 time to where we are today.

17 MR. GEORGE: Okay. Right.

18 MR. WUELLNER: I mean, that -- that's -- you  
19 had \$650,000 identified for this.

20 The other two projects are projects that  
21 would have been done in future years, and  
22 additional funds would have been allocated for  
23 each of those -- those buildings.

24 So, it -- it's not necessarily a net loss at  
25 the end of the day here. It's -- it's not a loss.

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1 You're actually improving the revenue side of it a

2 smidge because you're building them sooner than  
3 you would have under -- under the --

4 MR. GEORGE: Well, that's what has to be  
5 cranked into the plan, Ed, is --

6 MR. WUELLNER: Agreed.

7 MR. GEORGE: You know, we could always not  
8 move two trees.

9 MR. WUELLNER: This is -- this is a hundred  
10 and -- you know, this is, round numbers, \$135-,  
11 \$140,000 a year in revenue.

12 MR. GEORGE: Yeah.

13 MR. WUELLNER: I mean, that's -- that's --  
14 that's what this project nets annually.

15 CHAIRMAN COX: So, Staff reflects the  
16 recommendation of Passero to go forward with the  
17 \$1.9 award?

18 MR. WUELLNER: Frankly, I think the  
19 re-rentability of these facilities, you know,  
20 we -- even though someone executes a 10- or  
21 20-year lease, the reality is not all of them stay  
22 10 or 20 years.

23 MS. GREEN: Agreed.

24 MR. WUELLNER: You always get these

25 adjustments in what the valuations of the

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1 buildings are moving forward, which always improve

2 the ROI on it from -- when you look backwards on

3 it.

4 CHAIRMAN COX: Okay. And you're looking for

5 direction from us?

6 MR. WUELLNER: Your policy says 7 percent.

7 The project meets the criteria. The only issue is

8 do you -- do you care to allocate -- say

9 "allocate," but reappropriate, if you will, the

10 funds for this project versus something else?

11 I found in looking at the -- you know, this

12 year's capital budget, I mean, right off the bat,

13 you've got \$125,000 that's allocated for a project

14 we're a hundred percent sure won't happen this

15 year in terms of funding. And that's the Taxiway

16 Bravo extension. It won't happen in this fiscal  
17 year. So, there's \$125- in there that could be  
18 reallocated in a future year.

19 It doesn't -- it doesn't eliminate the  
20 expense, but it defers when you -- what budget  
21 year you deal with it.

22 MR. BRUNSON: It's a pretty simple thing to  
23 me. If I own this land and wanted to build these  
24 three hangars and could get the money from our  
25 line of credit or from our grants and so forth,

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1 and it returns the 7 percent, then we -- we should  
2 go forward.

3 And sure, I'm upset that we're \$350,000 that  
4 we've got to allocate, but we can't back up now on  
5 this.

6 CHAIRMAN COX: Go ahead.

7 MR. GORMAN: Go ahead? Not to beat the horse  
8 here, but, I mean, the idea of a presold lease, to

9 me, shows a tremendous responsibility to the  
10 taxpayer, and so we are not speculating.

11 MR. WUELLNER: We can do that. I have no  
12 issues doing it. I'm just --

13 MR. GORMAN: I mean --

14 MR. WUELLNER: That's not the area of worry  
15 for me.

16 MR. GORMAN: -- before personally I could  
17 vote for it, it'd have to be presold. I mean,  
18 that's the way I feel about it. I don't want to  
19 speculate. Just a thought.

20 CHAIRMAN COX: Okay. But the direction  
21 you're looking from us for this particular agenda  
22 item...

23 MR. WUELLNER: You'd need to award --

24 CHAIRMAN COX: Right.

25 MR. WUELLNER: If you choose to move forward,

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1 you need to award it to C.C. Borden, at the

2 renegotiated number of 1.9125 --

3 CHAIRMAN COX: Yeah, 1.916545 --

4 MR. WUELLNER: The -- you need to just

5 provide Staff direction --

6 CHAIRMAN COX: Okay.

7 MR. WUELLNER: -- to change -- to modify the

8 capital grant program to facilitate a 50 percent

9 match from Florida DOT.

10 CHAIRMAN COX: Anybody wish to discuss it --

11 MS. GREEN: Make a motion. Oh, did you want

12 a motion?

13 CHAIRMAN COX: Go ahead. I'll entertain a

14 motion.

15 MR. WUELLNER: And to re -- reapportion the

16 capital budget to make it happen.

17 MS. GREEN: I make a motion that we direct

18 Passero to award the contract to C.C. Borden for

19 the figure presented, \$1.9 and --

20 MR. GEORGE: And change.

21 MS. GREEN: -- exponential change, that we

22 direct Staff to modify the capital grant budget so

23 that we have at least 50 percent of the funds from

24 other projects, and that to use all good-faith  
25 efforts to Staff and direct them to get some

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1 presold lease --

2 MR. WUELLNER: Okay.

3 MS. GREEN: -- leases.

4 MR. GORMAN: This will -- I mean, the project  
5 will go forward without the presold leases, or the  
6 presold leases will be contingent to the project?

7 MS. GREEN: I didn't make it contingent. I  
8 don't think it's an issue either. My motion did  
9 not say it's contingent upon. I'm directing Staff  
10 to go ahead and go -- go do that.

11 CHAIRMAN COX: To go forward with it --

12 MS. GREEN: Correct.

13 CHAIRMAN COX: -- and do presold leases if we  
14 can --

15 MS. GREEN: Correct.

16 MR. GEORGE: If I can add to your -- your

17 motion, that to have Staff, within the next 60  
18 days, redo our master financial plan -- don't wait  
19 till next September -- so that we know what the  
20 impact of this is, then I can second that.

21 MS. GREEN: Okay. Absolutely. Accept the  
22 amendment, not that it matters, but...

23 CHAIRMAN COX: Amendment accepted?

24 MS. GREEN: Yes, sir.

25 CHAIRMAN COX: There's a motion on the table

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1 and you seconded it?

2 MR. GEORGE: And I seconded it.

3 CHAIRMAN COX: And it's been seconded. All  
4 favor?

5 MS. GREEN: Aye.

6 CHAIRMAN COX: Aye.

7 MR. BRUNSON: Aye.

8 MR. GEORGE: Aye.

9 CHAIRMAN COX: All opposed?

10 MR. GORMAN: Aye.

11 CHAIRMAN COX: One. The ayes have it. The  
12 motion moves forward.

13 All righty. Housekeeping items, please.

14 11. - HOUSEKEEPING ITEMS

15 MR. WUELLNER: A couple of housekeeping  
16 items. Just wanted to -- which we already became  
17 aware of earlier, that the FBO ownership changed.  
18 I did want you to -- just wanted to follow up with  
19 you real quick that the loan documents that we --  
20 that you approved at last month's meeting are  
21 being prepared now, and I -- I would hope that  
22 we'll have that for the February meeting.

23 And also just wanted to remind you that we  
24 will be making the repayment of the original loan  
25 over the next couple of weeks. So, that will, of

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1 course, be reflected in the financial statements.

2 MS. GREEN: That's our line of credit?

3 MR. WUELLNER: That -- that's what the loan  
4 documents are covering, is the --

5 MS. GREEN: Right. We are revising it.

6 MR. WUELLNER: -- the new -- the new line of  
7 credit, if you will. The other pays off the old.

8 MS. GREEN: Right.

9 MR. WUELLNER: And that's all I had on  
10 housekeeping, anyway.

11 CHAIRMAN COX: Okay.

12 MR. WUELLNER: And you guys now.

13 12. - PUBLIC COMMENT

14 CHAIRMAN COX: Unless -- unless anybody has  
15 any exceptions to it, I'd like to move public  
16 comment in front of our comments. So, I'd accept  
17 public comment in a general nature from anybody in  
18 the audience? Yes, sir. Mr. Martinelli.

19 MR. MARTINELLI: Further, to Mr. Gorman's  
20 suggestion that you prelease commit, if you will,  
21 on the new structures.

22 And then going back to the discussion on the  
23 waiver, the level playing field, if you want to

24 really make it level, in the past, all of these

25 tenants never had to put any money into the

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1 construction. The Airport Authority built the

2 buildings, provided the facilities, and then

3 leased those facilities.

4 It seems to me that the -- without violating

5 any of your -- your rules, you can go ahead and

6 prelease, provided of course that the lessor --

7 lessee, rather, is financially capable and can

8 stand behind what he signed; then you go ahead and

9 say, okay, until that building is available, you

10 are allowed to do thus and so. But as soon as

11 that building is available, you move in, because

12 you've already leased it.

13 So, I think there could be a solution, taking

14 Mr. Gorman's suggestion, and -- and putting it

15 together with the original --

16 CHAIRMAN COX: Thank you very much. Any

17 further public comment? Yes, sir.

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

19 Respectfully, I say to you that most of us live on

20 a budget. And the fact of the matter is when

21 things get too expensive, we cut things out.

22 You may have to really consider on some of

23 these projects standing pat. You can't build and

24 have every piece of chocolate you'd like when you

25 want it. The economy is weak and we're running

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1 into a tough time. And in whatever decision you

2 make, I hope you keep that in mind.

3 CHAIRMAN COX: Thank you very much, sir.

4 Anyone else?

5 (No further public comment.)

6 CHAIRMAN COX: All right. Open up to board

7 comments. Mr. Brunson?

8 13.A. - MR. RANDY BRUNSON

9 MR. BRUNSON: Okay. I have no comments,

10 except that I, too, would like to welcome Galaxy.

11 And I hope we -- a new person seeing the

12 operations that we do here, we would really

13 appreciate your input, good and bad.

14 And I'd like to make that suggestion to

15 anybody in the audience, that we really would like

16 to hear from you as to what we're doing right and

17 what we're doing wrong, and come up with some

18 suggestions. And -- but I have no comments. So,

19 I've had a good meeting.

20 CHAIRMAN COX: Ms. Green?

21 13.B. - MS. SUZANNE GREEN

22 MS. GREEN: Briefly, definitely welcome

23 Galaxy. And I understand, if not all, a majority,

24 I might gather at least, of Aero Sport staff is

25 staying, which is -- which is nice to have the

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1 connection still there and the people that we do

2 know, not that we don't know you, but I've been on

3 this board for over five years and worked with  
4 Mr. Slingsluff. So, that's nice to have that  
5 camaraderie still there and trust.

6 And, Mr. Hickox, to your comment, I think  
7 you're absolutely right, which is why Mr. George  
8 and I were saying let's find out where those  
9 matching funds are coming from, because those  
10 projects may not get done. Absolutely right.

11 And I think that if we did not reiterate it  
12 correctly or clearly, that's what we were looking  
13 at. So, thank you.

14 CHAIRMAN COX: Mr. Gorman?

15 13.C. - MR. JACK GORMAN

16 MR. GORMAN: I like the idea of -- of input.  
17 I'd like to have input from Galaxy. I'd like  
18 their idea of more input about -- they've got to  
19 be concerned with level playing fields. They've  
20 got to be concerned with minimum standards. But  
21 then, of course, there's the reality push.

22 And I'd like their -- I'd love it if they had  
23 a -- their input. Just unbiased and forthright.

24 So -- but I do welcome them in. Very important on

25 the field. Anything we can do to help them would

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1 be a good thing.

2 CHAIRMAN COX: Mr. George?

3 13.D. - MR. WAYNE GEORGE

4 MR. GEORGE: We were asking for comments, you

5 know, good and bad. Let Mr. Brunson have the bad

6 ones. It's his time in the barrel.

7 MR. BRUNSON: I'll get them.

8 MR. GEORGE: Welcome. You'll find that we're

9 easy to deal with, not -- you know, Mike, what he

10 tells you, you can't trust that, so...

11 But I would like to also just recognize that

12 Mr. Gorman lost his mother.

13 CHAIRMAN COX: Very sorry to hear that.

14 MR. GORMAN: Thank you.

15 MR. GEORGE: Yes. Sorry to hear that.

16 CHAIRMAN COX: Is that it?

17 MR. GEORGE: Yes, sir.

18 13.E. - MR. BOB COX

19 CHAIRMAN COX: Welcome aboard. Really  
20 excited to have you all here.

21 Also, I want to say in starting this new  
22 year, that I think Buzz George did a tremendous  
23 job as the Chair this preceding year, and I just  
24 want to thank him for all his effort and his work  
25 and --

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1 MR. BRUNSON: Here-here.

2 CHAIRMAN COX: -- both of you guys on those  
3 committees that you've chaired, all three of you,  
4 or been going to, not, you know, necessarily.

5 So, looking forward to working with  
6 everybody. So, sir?

7 MR. GORMAN: Are you going to be easier to  
8 get along with than Buzz?

9 CHAIRMAN COX: Probably not. Any other  
10 thing?

11 MS. GREEN: You're going to miss me at one  
12 point in time.

13 MR. GEORGE: We -- we're looking to have our  
14 next meeting dates.

15 CHAIRMAN COX: Yes. That's correct. We've  
16 got to set that.

17 14. - NEXT MEETING DATE

18 MR. GEORGE: Yeah. I'd like to --

19 CHAIRMAN COX: Next meeting date.

20 MR. GEORGE: February the 13th is -- is a  
21 problem. I have had a talk with the St. Johns  
22 Civic Round Table and Homeowners Association,  
23 which is a very influential platform for us to  
24 keep those people informed. And their meeting is  
25 on that day, the second Monday, you know, of the

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1 month, at -- at 4 o'clock in the afternoon. So, I  
2 would like to suggest that we --

3 MR. BRUNSON: Are you sure about that?

4 MR. HICKOX: It's at 9 o'clock.

5 MR. BRUNSON: It's 9 o'clock.

6 MR. CIRIELLO: 9:00 to 11:00.

7 MR. GEORGE: Oh, fine. I retract. That's  
8 fine.

9 CHAIRMAN COX: February 13th. How about  
10 anybody? Ms. Green?

11 MR. BRUNSON: That's fine.

12 MS. GREEN: No, I'm saying, don't change,  
13 don't change.

14 CHAIRMAN COX: Okay. Right.

15 MS. GREEN: We may miss you, but --

16 MR. GEORGE: Okay.

17 CHAIRMAN COX: It works for me. How about  
18 you?

19 MR. GEORGE: Well, I appreciate you changing  
20 it.

21 MR. GORMAN: Go through that one more time.  
22 February 13th?

23 CHAIRMAN COX: February 13th at 4 p.m.

24 MS. GREEN: That's already -- right. That's

25 previously set.

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1 MR. GORMAN: Okay.

2 CHAIRMAN COX: Mr. Brunson, that's okay?

3 MR. BRUNSON: That's perfect.

4 CHAIRMAN COX: Okay. Great. Well, the  
5 regular meeting's February 13th. Our workshop for  
6 the comparative analysis for our airport analysis,  
7 February 27th at 3:00. Anybody have any conflicts  
8 with that?

9 (No board comment.)

10 15. - ADJOURNMENT

11 CHAIRMAN COX: Okay. No other issues to  
12 cover, with that, the meeting is adjourned. Thank  
13 you very much.

14 (Thereupon, the meeting adjourned at 5:51 p.m.)

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1 REPORTER'S CERTIFICATE

2

3 STATE OF FLORIDA )

4 COUNTY OF ST. JOHNS )

5

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

7 that I was authorized to and did stenographically

8 report the foregoing proceedings and that the

9 transcript is a true record of my stenographic

10 notes.

11

12 Dated this 15th day of January, 2006.

13

14

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

15

Notary Public - State of Florida

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