

AIRPORT DEVELOPMENT BOARD

October 14, 2009

MINUTES

MEMBERS PRESENT: Woody Gilliland, Vice Chairman, David Lynn, Vince Swinney, Kirk Thaxton, Stan Egger, Joe Crowder, Jim Leonard, Cindy Haley

MEMBERS ABSENT: Lawrence Gill, Chairman, Jimi Coplen, Vic Corley

AIRPORT STAFF: Don Green, Melissa Murphy, Alex Cargile

CITY EMPLOYEES: Richard Burdine, Assistant City Manager, Dan Santee, City Attorney

VISITORS: Robert Briley, Abilene City Council

REGULAR SESSION

1. Call to order.

Mr. Gilliland called the meeting to order at 3:35 pm

2. Introduce visitors

Mr. Gilliland introduced Robert Briley, Abilene City Council to the board.

3. Consideration and Action approving minutes of the September 9th 2009 meeting

Mr. Gilliland asked if there were any corrections to the minutes of the September 2009 meeting. Hearing none, the September 2009 meeting minutes stood approved as distributed.

4. Economic Development Report

Mr. Burdine presented the Economic Development Report to the board. Eagle Aviations jets will be adding first class seating to some aircraft at the Abilene EASI locations.

5. Facilities and Planning Sub Committee Report

Mr. Lynn presented the Facilities and Planning Sub Committee Report. The FY'10 expense budget is at \$1.7 Million, which is a 6% decrease over the FY'09 budget. Revenue only decreased 2.5%. Maintenance and equipment projects were cut. Parking revenue is higher than last year which helped the revenue side of the budget. Encumbrances have been carried over from previous years.

6. Airport Management Report:

a. Review and acknowledgement of the September 2009 Statistical Report

Mr. Green presented the statistics report. Enplanements overall are down 10%. The percent change for American Eagle for the month of September is 15% up. American Eagle is up 6% for the year. Car rental is the airports second largest revenue source and is down approximately 24%. This is due to a decline in passenger traffic and available cars due to an off airport site. Parking lot revenue continues to be strong at approximately \$40,000 per month.

b. Update on Current Projects –
Air Carrier Ramp Areas C – Complete

Air Carrier Ramp Area D – 15% complete. Lime stabilization down.
T-Hangar Taxilane Area B – 1st phase completed. Started demolishing the second phase.
New Control Tower – Bids should be on the street.
Runway 17R Localizer – Slowed due to weather.
Projects in design – Waiting on contract with URS for FY'10 projects. Contract is going through City Hall for signatures.

c. Air Service and Business Development Update

1. Restaurant and Gift Shop – Mr. Green has picked up a signed agreement with Alley Cats restaurant. The Gift Shop is currently operating on a previous contract.
2. SCASD Grant – Grant expired in August of 2009. The airport was able to extend the grant for another year for western service.
3. Marketing Plan – Mrs. Murphy discussed the marketing budget along with trades and sponsorships.

d. T-Hangar 7 Lease Update

Abilene Aero was the existing tenant. The lease is going to involve rent abatement for repairs and alterations, but due to the economic environment at the City, Mr. Green and Mr. Crawford agreed to start abatement at a later time, possibly during the next fiscal year depending upon the economy.

Executive Session:

Pursuant to Govt. Code Section 551.072, a governmental body may conduct a closed meeting to deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person. Additionally, Section 551.087 allows a governmental body to discuss or deliberate on commercial or financial information that has been received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the City and with which there may be ongoing negotiations or deliberate the offer of a financial or other incentive to a business prospect. Further, Section 551.071 provides that a governmental body may seek advice from its attorney regarding a pending or contemplated litigation subject, settlement offer, or attorney-client privileged information. After discussion in executive session, any action or vote will be taken in public.

Executive session was entered into at 4:29pm and exited 4:43pm.

7. Consideration and Action on a recommendation to City Council to award Hangar 2.

During the summer there was a RFP for Hangar 2 rental. There were three proposals. Mr. Baxter, the existing tenant made a proposal. Ravin Aircraft, who sells custom built aircraft and aircraft kits also proposed. The third was a proposal for another fixed based operator (FBO). These businesses were evaluated by the Facilities and Planning Subcommittee meeting. The committee made the selection of Ravin Aircraft. Mr. Woodward with Ravin Aircraft has been working with airport administration to wrap up lease negotiations. Effective date would be January 1st. Mr. Woodward would relocate operations to Abilene. There will be rent abatement up to \$15,000 due to the poor condition of the hangar. The rent will be \$550 per month. The lease term will be 15 years with a CPI-U adjustment. Mr. Burdine discussed the DCOA support. With job creation and sustainability the DCOA provides economic benefits to the company. Mr. Green checked with the City of Llano and discovered that he was behind payment for three months. There is a deposit requirement in the airport's contract for 2-3 months lease. There were concerns about viability and sustainability in this economic climate. It was discussed that Ravin Aircraft might need to make their own presentation addressing concerns.

Motion to accept made by Mr. Swinney. The motion was not seconded.

Amendment: Work performed with abated funds for Hangar 2 restoration to be completed within 12 months with receipts provided monthly.

Motion to accept made by Mr. Swinney and Seconded by Mr. Egger. Motion passed.

8. Consideration and Action on a recommendation to City Council to the control tower lease.

This is an informational item and not going to City Council. In 2004 the city did approximately \$300,000 in mold remediation for the air traffic control tower. The FAA was paying \$100,000 back at \$20,000 per year. That addendum ended September 2009. This will impact the revenue budget. The rate will revert back to the \$8.76 psf at that time. With the CPI-U adjustment from 2005-2008 and came up with \$9.74 psf. The net revenue shortfall comes to \$15,087.

9. Announcement of the next Economic Development and Public Relations Subcommittee, **Wednesday November 4, 2009 at 12:00 PM**, to be held in the Abilene Regional Airport Training and Conference Room.

10. Announcement of next Airport Development Board meeting scheduled for **Wednesday November 11, 2009 at 3:30 p.m.**, to be held in the Abilene Regional Airport Training and Conference Room.

11. Adjourn.

Motion to adjourn at 4:35 pm made by Mr. Swinney. Seconded by Mr. Egger. Motion passed.