

AIRPORT DEVELOPMENT BOARD

January 12, 2011

MINUTES

MEMBERS PRESENT: Lawrence Gill, Chairman, Woody Gilliland, Vice Chairman, Joe Crowder, Kirk Thaxton, David Lynn, Michael Redden

MEMBERS ABSENT: Stan Egger, Jim Leonard, Myrna Grigsby, Jimi Coplen, Cindy Haley

AIRPORT STAFF: Don Green, Chris Taylor, Alex Cargile

CITY EMPLOYEES: Mr. Burdine, Assistant City Manager, Dan Santee, City Attorney

VISITORS:

REGULAR SESSION

1. Call to order.

Mr. Gill called the Airport Development Board meeting to order at 3:38 pm.

2. Introduce visitors

There we no visitors in attendance.

3. Consideration and Action approving minutes of the December 2010 meeting

Mr. Gill asked if there were any corrections to the minutes of the December 2010 meeting. Hearing none, the December 2010 meeting minutes stood approved as distributed.

4. Finance and Operations Sub Committee Report

Mr. Lynn presented the Finance and Operations Sub Committee Report. The subcommittee reached a consensus on Richard Baxter's hangar. Polasek Helicopters is asking for \$94,000 in improvements abated with a 20 year lease term and \$150/mo in rent. Based on that amount, it would take 14 years for the abatement to end and to start paying on the lease. The committee approved to abate \$47,000 over 15 years, with a rent at \$261/mo with \$261/mo abated, separately. The committee also received a budget update. Payroll and utilities are 71% of the entire airport budget.

5. Economic Development Report

Mr. Burdine presented the Economic Development Report. The board has awarded a contract for the new EASI hangar construction. The initial contract is for \$4.5 million. Eagle Aviation approached the City to build a new hangar due to the increase in CRJ jets added to the fleet. There is a competing base in Michigan, but those flights are empty, while Abilene's flights generate revenue. After the addition of the second dock line, there will be additional space, which may allow for additional expansion.

6. Airport Management Report:

a. Review and acknowledgement of Statistical Reports

Mr. Green presented the Statistical Report. American Eagle revenue enplanements are flat for December. The airport is 10% down for the year. Parking lot revenue is down 8.5% for the year. This is still within the projection for the 15 year debt service schedule. Rental car revenues are rebounding from earlier in the year.

b. Budget Update

State sales tax is up 16% above last year.

c. TRACON Consolidation

The FAA has promised a stakeholders meeting. They are currently redoing their business case. The stakeholders meeting will take place in mid-February. Congressman Neugebauer will be in attendance.

d. Update on Current Projects:

Air Carrier Ramp Area E - 70% Complete

T-Hangar Taxilane Area C – 32% Complete

Airfield Lighting Control System/Beacon Replacement – 11% Complete. Approximately \$670,000.

New Control Tower – Projected completion date is March 2012

Wildlife Hazard Assessment – Still in progress.

Projects in design – Taxiway C and ARFF Vehicle designs are in progress. The ARFF Vehicle will cost \$604,000.

e. Air Service and Business Development Update

- Airline pricing -

- Social media update -

- Advertising program – The student advisory board is looking at students travel plans for spring break. The airport is looking to take advantage by promoting spring break travel options.

- Restaurant/Gift Shop – Rusty with the gift shop is looking at working with the airport to have art shows, where artists can bring in and display their works. The restaurant is doing well. The airport has not received any complaints about service. The gift shop and restaurant are now closed on Saturdays due to low sales. From 5:00 to 8:00 am Ann with the restaurant will now serve coffee and breakfast in the gate area.

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.

7. Consideration and Action to recommend approval of a ground lease with Richard Baxter.

In order to renew the ground lease for the Saddle Tramp hangar, Mr. Baxter is required to get all rent up to date. He would also need to pay a deposit for the new ground lease, which is 2 months of rent and the first month's rent. Mr. Baxter did pay these fees. The new ground lease rate is a 15 year lease at \$110.67 at \$0.177 per square foot. The airport also required the disclosure of mortgage holder contact information. The ground lease area is reduced, but the overall rate is higher.

Motion to accept made by Mr. Lynn and Seconded by Mr. Thaxton. Motion passed.

8. Consideration and Action to recommend approval of a building lease for Hangar 2 with Polasek Helicopter Service.

This is the second RFP for Hangar 2. There were two proposals for the hangar. Polasek was the winning proposal. They did not have any exceptions to the lease terms. Polasek requested an abatement of \$94,000. The business will be run out of the hangar and would need to be presentable to customers. All windows will be replaced and the hangar will be repainted. The heaters will be replaced and other repairs and renovations. Polasek did work on the old terminal building and did a good job.

At the request of the Finance and Operations sub-committee the airport requested \$47,000 abated instead of \$94,000. This work must be completed within 6 months. The rent will be \$261 abated and \$261 paid each month. There will be approximately \$6,000 invested by the airport to renovate the electrical work on Hangar 2.

Motion to accept made by Mr. Crowder and Seconded by Mr. Redden. Motion passed.

9. Consideration and Action to recommend approval of a ground lease with Omni Helicopters.

Omni Helicopters has operated at the airport for many years. The new lease rate will be approximately \$200/mo at \$0.177 psf.

Motion to accept made by Mr. Lynn and Seconded by Mr. Thaxton. Motion passed.

10. Adjourn.

Motion to adjourn at 4:37 pm made by Mr. Crowder. Seconded by Mr. Thaxton. Motion passed.

Signature of Chairman to confirm minutes: _____ Date: _____