

ROLL CALL

Roll call was taken 4:02 pm as follows:

Commission Members Present

Jim Moeny, Chairman
Bill Wade, Vice Chairman
Bill Tinnin, Commission Member
Ron Krumm, Commission Member
Vernon Reed, Commission Member

Staff Members Present

Morgan Scott, Development Services Operations Manager
Kelly Jobe, Administrative Assistant-Public Works

PLEDGE OF ALLEGIANCE TO THE FLAG

Chairman Moeny led the Pledge of Allegiance.

APPROVAL OF MINUTES

Motion was made to approve minutes for January 4, 2017 meeting. All approved.

CALL TO THE PUBLIC –

Al Gradajin would like to know if the Mongini dirt removal can be discussed, he was advised he may comment when the meeting is on that item.

BRIEF SUMMARY OF CURRENT EVENTS

Brief Summary of events is presented by - Morgan Scott, Development Services Operations Manager – No Items to report at this time.

OLD BUSINESS

- 1. Commercial Operating Procedures** – Morgan requested to bump this item as there is a consultant phoning in to answer any questions but will not be available until 4:30. All agreed. Meeting will move to item #2. Lease Reversion Policy and then return to item #1.

Cory Hazelwood, Executive with C& S Consulting joined in via phone to assist with any questions or concerns -

Morgan Scott – stated there are three reasons to implement this policy.

1. Create Business standards
2. Have Businesses absorb the Risks of doing business
3. Economic Engine

Cory stated that every Airport should have Commercial Operating Procedures. He stated the policy should be revisited frequently due to updates from FAA standards and Airport adjustments that may need to be made.

Vernon Reed asked if the city could indemnify the operator – Cory stated he had not seen that before.

Morgan went over the questions on Monday's meeting – Can the Airport revoke a permit if the policy is being violated? Would the FAA have any concerns? Cory stated yes, the FAA would not interfere as long as it has no bearing on anything that would jeopardize grant assurances. The Airport cannot just revoke or discriminate on a whim.

Morgan – question to Cory – some operators have no employees - just contractors. Would each of the contractors need a permit? Cory stated it would be determined on a frequency basis. But normally it would fall on the business owner to make sure his insurance covers that person.

Public Comment - Al Gradajin - stated it needs to have a definition on casual labor – it needs to be put in perspective on who and where we are as a community. Cory responded - There could be a dollar figure to it possibly waiving the fee – just make them have insurance. Anyone operating on the Airport should have insurance.

Would there have to be any required signage at the airport stating the regulations?

Cory responded - there should be a signage standard developed.

Morgan Scott – feels that would be the Airports responsibility

Business street front signage – only if given the equal amount of space but will be paid by the business.

Bill Wade - How is it currently covered if an insurance issue happened and someone gets hurt in a hangar now?

Morgan Scott - each lease has the wording of what kind of work can be performed in each hangar.

Indemnification language – Morgan would like to work with Safford's policy but not Glendale's.

Morgan asked Cory – Are mobile mechanics able to get insurance? Cory stated if they are a sole propriety or if they record taxes, they should be able to get insurance. If they had an issue getting insurance, it should be addressed with the city. Cory stated they should be careful on how this is structured.

Jim Money stated this would be better discussed in a work session instead of a commission meeting as it is taking too much time.

Bill Wade - motioned to table this for a future meeting. Ron Krumm 2nd. All approved

Morgan asked Cory when he would be available again – he stated February 13, 14 or 15th. Morgan stated the meeting would be set up and he will contact him. Cory stated every airport is unique and should be fair and just in their requirements.

2. Long Term Lease Reversion Policy – Morgan handed out a revised lease policy.

Morgan stated - couple issues were brought up at Monday's meeting. The first issue in Section **1a**. This was an item that read “if the current tenant wishes to continue to rent the improvement” may be revised to “extending the term of the lease” the rest of the sentence would remain the same. Another issue was Paragraph C, Morgan stated that it was suggested that it was price fixing. Morgan stated it wasn't because it was based off of a public bid.

Public Comment – Phil McClure – He stated it is price fixing with an established amount against a deadline attached and the deadline is \$0.

Bill Wade – asked Morgan to define “TERM”. Morgan stated it is different in each lease.

Bill Tinnin – stated “TERM” was an agreed upon time period of a lease.

Ron Krumm - stated City Council advised staff the leases were supposed to be consistent.

Bill Tinnin - stated the time cannot be changed without both parties agreeing.

Bill Wade – doesn’t feel like we are stuck with these leases, we just put in lease that everyone could have a 40 year lease, then after 40 years, the hangar would belong to the city.

Morgan Scott – posed the question of the airport users in asking if they are wanting to give up the revenue for 15 years for the hangars. Morgan stated the way several leases currently read, the leases go back to the city after 25 years, and with the improvements, the city could make more revenue. Morgan stated it would be a poor business decision to not take the revenue.

Bill Wade – It would be in the best interest of the public that the leases all read the same. Bill stated the city does not know they are giving up revenue, he stated there is no guarantee of what they will be making or possibly losing.

Bill Tinnin – asked the average increase in revenue for the 15 year difference –

Morgan replied – it would depend on the economy.

Jim Money - stated the city says they do not want to be in the hanger landlords but they are pushing to do so. It seems the action the city is taking; it is difficult to understand the purpose of this reversion.

Morgan Scott - nowhere in the policy does the city take ownership- it is bid out in public bid.

Bill Wade – wanted to know if this will be the new lease agreement for all new leases.

He asked if the city were to write a new long term lease today, would it be for 25 years or 40 years, Morgan stated it depended on the negotiations. Ron Krumm – asked where the city stands now on the options that would be available. Morgan stated it would be bid out – he stated his preference would be five years.

Vernon Reed – stated he doesn’t have a snapshot or vision of leases going forward – no one will build a building on a five year lease.

Morgan Scott – Morgan stated they may on an existing building. He stated the only thing that makes our lease different is that it allows the current owner to have a right to remove the building.

Vernon Reed - The term “not greater than” it seems like the city is price fixing somewhat with that wording.

Morgan – stated he can strike that wording out. It will not change the process.

Bill Tinnin - The value of the bid on the leases will be determined on how popular the airport is.

Bill Wade asked who wrote these original leases from 1995-2008 – He feels that these leases had a common understanding with who wrote and approved and signed them that they would be getting a fair deal.

Vernon Reed - The range could be \$200 a month or \$1500 a month – the building can only be use for aviation. That constrains the market of availability.

Bill Tinnin – looking to rent a hangar - the commission stated they would not pay \$1500 a month for hangar rent.

Jim Money – stated that Hangar B sat empty for years because no one would pay \$1000 a month.

Morgan – stated that there is a tenant now in hangar B and will be involved in the bid process once the Commercial Standards Policy is adopted.

Ron Krumm - making an assumption of the difference in values – could be different times; qualities could possibly be the same.

Morgan – but what they would be giving up is the difference in rent.

Ron Krumm – question - If someone wanted to lease just airport land then why doesn't the city set a price on square footage and include an escalator.

Morgan – stated it depended on what is stated in the lease.

Bill Wade - stated 25 years is just not enough time for an expensive investment.

Morgan – Morgan stated the 25 year lease was agreed on and signed.

Bill Tinnin – asked Morgan to define gifting.

Morgan- read aloud the State of Arizona gifting clause.

Bill Tinnin – the idea of the value of a gift is not available until there is an actual amount to be paid – there is no value that is set to be lost and feels this is bad business that is being conducted.

Ron Krumm – motioned to table this item to the next meeting, Bill Wade 2nd motion – all approved.

3. Draft Proposal of Land Trades – Mike Mongini –

Morgan stated the city is working with C & S Consulting. He stated there are 3 different companies involved in this proposal that hold the 100 year lease, not just Mr. Mongini. One requirement is the height requirement which west of Hangar B is 37'. C & S is putting that together for the city.

Public Comment – Al Gradajin – is hoping the city will take the time and make a deal that will benefit the airport and the airport tenants. He asked about going further south than Mongini has offered. Al said he was concerned because he was told that the city has regulations on dust control and they will be able to enforce them. The dust that Mongini has been making just west of the Airport has not been controlled or enforced and would only get worse as he is working on the airport. Therefore, when he is taking the hill down and losing vegetation – that will create a dust bowl.

Bill Wade - asked if we could go further south.

Morgan - stated that there is a land that is owned by another party farther south. He stated the city no longer owns it, Grosetta owns it. It is in Airports 5 year plan to acquire the land.

Morgan stated as far as the dust, the area of the removal of dirt would have to be seeded or graveled.

Public Comment - Phil McClure – asked if the dust issue can in fact be enforced.

Morgan asked if there was a dust issue now – he stated there have been no complaints.

Public Comment – Ron Burden - he stated that the dust issue has been going on for the last two years. His hanger is on the very south side and has absorbed a large amount of dust as well as his home in Cottonwood Ranch. He stated he has called Public Works several times and nothing had been done even though he was told it was against City Code. He is concerned it will get worse being closer and is wondering what will be done. He stated his equipment was coated daily with dust last June & July.

Morgan – stated that there is a City Code, he did take one complaint last year, ADEQ was involved, and there were not any issues.

Jim Moeny –asked Morgan if he could get the issue resolved on the current dust situation, Morgan stated as far as he knew there are no operations going on now but

stated that he could. Jim clarified with Morgan that he would contact him on making sure there are no dust issues.

- 4. Letter to Non-Worthy Aircraft** – Morgan stated he wants confirmation from the FAA That the City can ask for their annuals and current registration. Then the letters will go out. Vernon Reed stated he believes the city does have the right to ask for the information. Jim Money wanted to verify that the letters would be going out soon, Morgan stated as soon as it is verified that we can ask for the information stated previously.

NEW BUSINESS

- 1. Vernon Reed – Economic Development Meeting with Casey Rooney – Vernon** stated he has not been able to attend the meeting yet but is anxious to attend the next scheduled meeting.
- 2. Decision on Permanent time and date for Airport Commission Meetings** – Jim Money suggested to keep the first Wednesday of the month and keep the location but move the meeting to 6:00 pm so that more of the public body can attend. Ron Krumm made a motion and Bill Tinnin 2nd. All agreed.

AGENDA ITEMS FOR MARCH MEETING –

1. Report on meeting with resident on his concern of aircraft pattern
2. Helicopter pattern – incoming and outgoing
3. Request for Fly-In by Cardinal Flyers May 20-21 2017

Adjournment

A motion to adjourn by Vice Chairman Bill Wade, 2nd by Commission Member Bill Tinnin, all approved. Meeting adjourned at 5:45 pm.