

MINUTES OF THE SPECIAL MEETING OF THE SHOW LOW AVIATION ADVISORY COMMITTEE HELD ON WEDNESDAY, SEPTEMBER 2, 2009 AT 5:30 P.M. IN THE CITY COUNCIL CHAMBERS, 180 NORTH 9TH STREET, SHOW LOW, NAVAJO COUNTY, ARIZONA

1. Call to Order

Chairman Robert Adams called the meeting to order at 5:30 p.m.

2. Roll Call

COMMITTEE MEMBERS PRESENT: Bob Adams, Stephen Aeschlimann, Robert Newton, Chuck Moore, Ole Alcumbrac.

COMMITTEE MEMBERS ABSENT: Sonja Armstrong, Tom Kingsbury.

CITY COUNCIL PRESENT: Councilman Gene Kelley arrived at 5:29 p.m.

STAFF PRESENT: Kenny Patterson, Public Works Operations Director; Cari Bilbie, Public Works Operations Secretary

GUESTS: Zola Hamm

3. Consideration of Approval of Minutes of the Show Low Aviation Advisory Committee Meeting Held on May 27, 2009

MR. MOORE MOVED TO APPROVE THE MINUTES OF MAY 27, 2009; SECONDED BY MR. AESCHLIMANN; MOTION PASSED UNANIMOUSLY.

4. Old Business

A. Update on Signage at the Airport

Mr. Patterson stated that the signs were ready to be installed, however, during the annual airport inspection by the FAA, it was determined that the signs did not meet regulation. Work is being done to correct the engineering design and then staff will submit it to the FAA for approval. Once staff receives approval the signs will be installed. The committee asked for an update at the next meeting.

B. Update on RFP for Fuel Vendors

Mr. Patterson stated staff decided to accept the proposal from Phillips 66 as our fuel vendor. The pricing and contract will remain the same. Staff would like to wait for the new Airport Manager before looking at requesting bids for a new fuel vendor. The contract has been extended for one year without any changes to the existing contract. The original contract expired in July 2009. It has been extended until July 2010.

5. New Business

A. Consideration of Amendment to Airport Rules and Regulations

Staff presented the new Section 16-3-6, subsection (c), "Multi-Hangar Leases," to the committee. This subsection is to address allowing an owner who owns multiple hangars in a building to sell individual hangars through a hangar association. The buyer would purchase the hangar and become a lessee of the City of the ground lease, which allows the buyer/lessee to obtain financing from a bank or financial institution. The subsection also says that the new buyer will be required to have an official survey, insurance, and other terms.

Dr. Alcumbrac asked if the legal description was only for the portion someone was buying or the entire hangar. Mr. Patterson stated it was a legal survey of only the portion of the hangar being sold. The existing lease will be rewritten into several leases under the main lessee to account for each section of the building.

Mr. Moore asked about title insurance for the section of the hangar being purchased. Mr. Patterson said each hangar owner is required to have Covenants, Conditions, and Restrictions (CC&R) and they can request that type of insurance. Mr. Brown stated that the City has no preference in requiring the insurance. It is between the lessee and the owner of the entire building. The land under it is not being sold, just a section of the building.

Mr. Moore asked about the liability to the City if no title insurance is required. Councilman Kelley stated that the City would not be guaranteeing the sale; therefore, it would be through the seller and the buyer. Dr. Alcumbrac stated the problem is going to be when the City inherits the space. The buyer is buying the balance of the lease and cannot extend the lease agreement beyond the original lease terms. He said there is no liability with the City because the transaction is between the original owner and the individual purchasing part of the hangar. Mr. Brown said he will check to see if title insurance should be a requirement by the City or if it is acceptable to be an agreement between the hangar seller and buyer.

Mr. Patterson said that the lessee would become a member of a hangar association and be required to abide by the current and future Airport Rules and Regulations. The lessee must maintain individual liability insurance as required by the Airport Rules and Regulations. The City reserves the right to review the CC&Rs to verify that they comply with the Airport Rules and Regulations. The hangar association must carry general liability insurance. Also, all City utilities must be paid directly by the association, any common area must be maintained by the association, the association will provide parking for tenants and manage all parking spots, and all building and property maintenance will be paid by the

association. The association is comprised of the lessees who own a hangar in the building.

Mr. Aeschlimann asked what would happen if the original owner left and didn't come back. Mr. Patterson said if there are six spaces available, then the association would need to be corrected. There would have to be one responsible party.

MR. NEWTON MOVED TO RECOMMEND THE ADDITION OF SECTION 16-3-6(C) TO THE AIRPORT RULES AND REGULATIONS TO THE CITY COUNCIL; SECONDED BY DR. ALCUMBRAC; MOTION PASSED UNANIMOUSLY.

B. Discussion of Support for an Aircraft and Tank Display at Airport Entrance

Mr. Patterson said there is a request from Guy Wilhelm to display an aircraft and a tank at the airport entrance. He noted that this is for discussion only and no action will be taken. Staff just wanted to advise the committee of this request, although nothing has been submitted as of today. Dr. Alcumbrac felt it was a great idea. Mr. Patterson said that after a firm proposal was submitted to staff, the committee would be asked to look at it again and make a recommendation.

Mr. Adams asked if the group would pay for everything or get it donated. Mr. Patterson said it was difficult to say how it would be funded until a formal request was received. The committee stated they agreed with the conceptual design and would like to see more information should the individual decide to pursue the matter.

6. Summary of Current Events

- A. Chairman – No report.
- B. Committee Members – No reports.

Mr. Aeschlimann asked about the status of the airport minimum standards. Mr. Patterson stated that staff is waiting for the new Airport Manager before moving forward.

7. Scheduling of Meetings

Mr. Patterson said he will have staff notify the committee of the date and time of the joint meeting with the City Council in October. The next special meeting will be November 18, 2009 at 5:30 p.m.

8. Call to the Public. No discussion – The committee invites citizen participation regarding the aviation affairs of the City. Any citizen desiring to speak on a matter that is not scheduled on this agenda may do so at this time. Pursuant to the Arizona Open Meeting Law, the Committee cannot discuss or act on the items presented at

this time; however, the Committee may place an item on an agenda for discussion at a future meeting.

None.

9. Adjournment

The meeting was adjourned at 6:00 p.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the **SPECIAL MEETING** of the Show Low Aviation Advisory Committee held on September 2, 2009. I further certify that the meeting was duly called and held and that a quorum was present.



Cari Bilbie, Recording Secretary



Date