

CHARLOTTE COUNTY AIRPORT AUTHORITY

MINUTES OF WORKSHOP – FEBRUARY 03, 2021 – 9:00 A.M.

5 **1. Call to Order**

2. Invocation

 Chair Herston gave the invocation.

10

3. Pledge of Allegiance

4. Roll Call

15

Present: Chair Herston; Commissioners Andrews, Hancik and Oliver; Attorney Carr; CEO Parish; Mrs. Paglialunga; Mr. Mallard; Mrs. Miller; Mr. Laroche; Mrs. Cauley (via video); Mr. Ridenour (via video); Ms. Desguin (via video), and Mr. Laliberte (via video). **Others present:** Mike Nelson; Joe Makray; Jim Lyons; Stan Smith; Richard Pitz; Allan Stern; Jim Kaletta (via video); Gary Duncan (via video); Sarah Beaver (via video), others from the private sector, and a member of the press. **Absent:** Commissioner Coppola.

20

5. Citizen’s Input

6. Gulf Contours Lease

25

 Mr. Parish commented that lease terminates on August 31, 2021 and information was provided to the Board yesterday on the current status of the building, rent, and taxes. Commissioner Hancik inquired if a decision can be made at this meeting. Attorney Carr commented that within the Board’s Bylaws, paragraph 4c say that the Board cannot take any action that affects policy or general procedure at this meeting as it has been noticed as a Workshop. Commissioner Hancik commented that the Board received letters from Gulf Contours, that he understands the history, and opined that an appropriate response should be given to Mr. Goin in response to his letter. He commented that he is interested in finding out what the intention is for the Gulf Contours building once it is vacated. Mr. Parish commented that it is a high traffic area as the building is next to the fuel farm, where there are currently six to eight fuel loads being delivered and 12 to 14 Airport tankers being filled daily. He commented that the building was originally built to be a maintenance facility for the Airport and that as Staff is transferred to the new FBO, there is not a location to stage fuel trucks as they cannot be moved across the runways and are not street legal. He commented that the current Gulf Contours lease was signed with the intention to use that facility at the end of the lease for the fuelers and that in the absence of the ability to use that building, something will need to be built in the general vicinity for Staff to work out of. Commissioner Hancik commented that at one time it was proposed to use the building as an airfield maintenance building. Mr. Parish commented that the remainder of the building not being used by the fuelers will be used for airfield maintenance. Commissioner Hancik commented that within the master plan there is a new airfield maintenance facility, that he has been inside of the Gulf Contours building and opined that it is not much of a building. Mr. Parish commented that the building was purposely built as an Airport maintenance facility. Commissioner Hancik commented that at some point a new Airport maintenance facility will be built and opined that it should be reviewed to speed up the project to build an appropriate facility. He opined that if any Commissioner has not visited the existing maintenance building, he suggests they do so as it is an eye opener to what is needed. Mr. Parish commented that he does agree with Commissioner Hancik although there are currently 18 projects underway before two

30

35

40

45

50

new hangars are added to the list. He commented that even if the maintenance facility project is sped up, it is at least three years down the road. Chair Herston inquired what the required square footage is that is needed. Mr. Parish commented that a true study would need to be completed to answer that. He commented that one thing that the Airport does not benefit from is a snow removal storage area that airports in the north get to utilize, that mowing grass is not equal to snow removal, that the Airport cannot receive AIP grants for tractors as they are not used to remove snow, and that tractors are not meant to be stored inside for the same reason. He opined that the issue now is really a fuel issue as the fuel farm needs to be expanded, which Allegiant has agreed to pay for, and that it will have to happen in the next few years, if not sooner if air travel returns to normal. He commented that four years ago when the fuel farm plans began, it was assumed that at the end of the Gulf Contours lease it would revert back to the Airport. He commented that at the time of the last lease, Mr. Goin requested a two-year lease, but Staff provided a two-year lease with a two-year extension option instead to ensure there was enough time if necessary. Chair Herston confirmed with Mr. Parish that the expiration of the current lease, which is the end of the two-year option, is August 31, 2021. Chair Herston inquired if Mr. Goin is current on his rent. Mr. Parish commented that he is not. Chair Herston inquired if Mr. Goin is in violation of his lease. Attorney Carr commented that he is in three ways, and has been notified of such, as he is delinquent on his rent, delinquent on his taxes, and has failed and refused to fix the fire damage that occurred in October. Chair Herston inquired if there is any remedy in the lease for violation of any of the terms. Attorney Carr commented that there is always remedy of declaring default and moving for eviction and opined that with the lease ending in a few months, it may not be feasible or necessary. He commented that he has tried desperately to keep Mr. Goin current and on notice associated with the termination as he reminds Mr. Goin in every email of when his lease ends. Chair Herston commented that for clarity purposes, August 31, 2021 is the end of Gulf Contours two-year option. Attorney Carr commented that Mr. Goin had an original lease that terminated about five-years ago, that a year was spend in debate with the Board and Mr. Parish to renew the lease, and that at that time, Mr. Parish wanted to use the facility for the same purposes stated today. He commented that he was engaged to aid Ms. Desguin in dealing with Mr. Goin and that a two-year lease was negotiated as it is all Mr. Goin stated he needed to sell his business. He commented that almost at the conclusion of that negotiation Mr. Goin requested a two-year option to be added as he wanted to have additional time if needed, and that it was agreed upon that the option was at the Airport's discretion, not Mr. Goin's. He commented that Mr. Goin then came to the Board requesting the optional renewal period with the same reasons as today in which the Board agreed and advised Mr. Goin that absolutely under no circumstances would the lease be renewed at the end. He commented that it does say that in the lease that he signed. Chair Herston inquired if the premise is vacated on August 31 if the building will be moved forward as described. Mr. Parish commented that the building would be used for fuel truck staging as soon as it is vacated. He commented that as soon as the new FBO is open, the jet trucks that service Allegiant need a new home. Chair Herston inquired what the current square footage of the building is. Mr. Parish commented 8,400 square feet, that all buildings are appraised at the termination of a lease, that the building has been appraised, that the new rent on a new agreement for the building would be \$6,700 per month, and that the rent is currently \$3,983 per month. Commissioner Hancik opined that since Mr. Goin sent a letter concerning his lease that a response should be sent. Chair Herston commented that no actions can be taken today and that if a letter is desired to be sent, Attorney Carr should be provided direction as to how the Board would like to respond. Commissioner Andrews opined that Mr. Goin has known for quite a while. Attorney Carr commented that Mr. Goin has been aware of the lease termination for five-years. Commissioner Andrews opined that based upon everything he has seen including the violations, he would like to move on as planned to not renew the lease after the expiration. Chair Herston requested that Attorney Carr discuss the situation of a potential stay over

where a lease expires, and the tenant does not vacate. Attorney Carr opined that it is possible that Mr. Goin could attempt to hold over, meaning that he could try to continue occupying the building after the lease expiration, resulting in legal action being required to remove Mr. Goin and his equipment. Chair Herston inquired if there are any term in the lease that would escalate the rent at that point. Mr. Parish and Attorney Carr commented that there is a default rate of 1.5 times. Chair Herston inquired how a decision of that nature would affect Airport operations and what the ideal situation would be. Mr. Parish opined that the ideal situation would be to proceed with the planning that was started four years ago when it was decided to extend Mr. Goin's lease and that if the Board goes a different direction, Staff will proceed as needed. Chair Herston inquired if during the one year previously spent negotiating for the current lease the same issues were discussed that are currently being discussed. Attorney Carr commented that he was not present when Mr. Parish spoke to Mr. Goin, that when he spoke to Mr. Goin with Ms. Desguin that there were discussions of the same issues, and that he and Ms. Desguin had to meet Mr. Goin onsite to explain the lease terms. Chair Herston confirmed with Attorney Carr that what he discussed was prior to the first two-year term. Commissioner Oliver inquired as to how far delinquent Mr. Goin is. Attorney Carr commented that he is one month behind with another bill outstanding. Commissioner Oliver confirmed with Attorney Carr that Mr. Goin has not paid January or February's rent. Commissioner Oliver opined that if there is an actual need for the property and building in addition to the tenant being behind on his rent, delinquent in taxes, and failing to repair the premises as required, she is not inclined to make a special exception at this point. She opined that she would have a different opinion if it were a tenant up to date on rent that was making an effort to be a good tenant and that it is not fair to the remainder of the tenants if bad behavior is rewarded in this instance. She commented that she is fine with letting the lease end. Chair Herston inquired which years taxes are delinquent. Attorney Carr commented that Mr. Goin is delinquent in 2019 taxes by approximately \$3,500 and 2020 taxes by approximately \$6,000. He commented that Mr. Goin made an agreement with the Tax Collector in October, where the email said Mr. Goin would pay \$2,000 per month on taxes although he has only been paying \$1,000 per month and that Mr. Goin is behind for 2019 and 2020. He commented that he is unsure if the taxes can be declared delinquent but are certainly owed. Chair Herston commented that payments are being made on the 2019 taxes and that the 2020 taxes are not due yet. Commissioner Andrews commented that he would like to move on as planned. Commissioner Hancik opined that unless a Board member wants to place the subject on the February Agenda for other action that Staff proceed with a response to Mr. Goin's letter. Mr. Parish inquired if he could receive a copy of Mr. Goin's letter as it was not sent to Staff. Chair Herston inquired if Attorney Carr feels a response should be held off on until the February meeting or if it should be done immediately. Attorney Carr opined that the letter did not ask for action and that it only said Mr. Goin had an intention to renew the lease or something to that effect. Commissioner Hancik retrieved a copy of the letter from his vehicle and opined that Mr. Goin asked for a lease extension. Chair Herston inquired if in the photos received of the building, if the units within the Gulf Contours building is divided into any sections. Mr. Parish commented that the dust collection closet caught on fire, which is what is shown in the email. He commented that directly behind the dust collection closet is a mechanical room, which is separated with a four-hour firewall. He commented that at some point since the wall was built, a fan has been installed breaching the firewall and that due to that, the dust has been settling between the firewall, which is what caused the fire to continue to smolder after the fire was put out. He commented that the firewall had to be broken through to completely put the fire out. Commissioner Hancik returned with the letter from Mr. Goin. Mr. Parish opined that it was fortunate that the fire department went on a call and saw the smoke coming from the building. Chair Herston inquired if the fire went all the way through the wall to the other side. Mr. Parish commented that it penetrated the four-hour separation. Chair Herston confirmed with Mr. Parish that the buildup was inside of the wall. Mr. Parish commented

that the letter says Gulf Contours desires to renew their lease upon expiration in September of this year, that the request was previously voiced, and that the letter is a formal notification of intent. He commented that based upon the letter, he and Attorney Carr will complete a response.

5 7. Vasey Aviation Group LLC Agreement

Mr. Parish commented that he reached out to Mr. Vasey last week requesting a settlement agreement to keep the matter civil although no response has not been received. He commented that Mr. Vasey's attorney contacted Staff through a public record request for several documents and
10 opined that due to that, he does not believe Mr. Vasey will respond to the request. Commissioner Hancik commented that at the last Board Meeting he stated his position that he feels the agreement should be terminated with Mr. Vasey and there was some subsequent conversation between Attorney Carr and Commissioner Oliver as to if the agreement could be terminated. He commented that he still has the same opinion, and that the Airport has spent about \$15,000 in investigating the
15 matter already. Commissioner Oliver opined that at this stage there is not a clear breach and that she is unsure of how the Airport could file a breach of contract action in court. She opined that defending a breach of contract action could be lengthy and expensive and potentially involve deposing every member of City Council and the Airport Board. She commented that she does not love the way the agreement was drafted, that it was approved before her term, so she is unsure of
20 what the process was, and that she typically likes to see a clause of termination without cause upon 90 days' notice. She commented that she is concerned that the Airport is not allowed to hire any other economic development consultant during the term of Mr. Vasey's agreement although Mr. Vasey can represent anyone as there is no restriction and opined that Mr. Vasey being able to represent anyone makes the breach of action for the Board that much more difficult. She
25 commented that the agreement is signed by the former Chair, that there is no section for the CEO or Attorney to sign off as to form and opined that it is a good lesson for the Board to pursue a more formalized process when entering into contracts so that the Board is in a better position in the future. She commented that as far as Mr. Vasey's contract, she is unsure of if there was a breach or if he did anything and opined that the Board was upset with the City of Punta Gorda for pursuing the
30 option. She commented that the City put the matter on the Agenda and took the vote, that Mr. Vasey does not have the ability to do that regardless of if he provided the opportunity and opined that it is not clear that Mr. Vasey did provide the opportunity to the City. She commented that she has yet to see anywhere that Mr. Vasey provided a confidential record and opined that she is unsure of what record could possibly be confidential as the Airport is a public body. Mr. Parish commented
35 that he was a consultant for 20 years and that during that time, the information he produced belonged to the client. He commented that Mr. Vasey taking the information and providing it to another body without notifying the Airport is a breach of 7A in the Agreement which says that such confidential information belongs to the Airport. He commented that once the information becomes the Airports that the Airport is responsible for distributing it as requested and that it is known that
40 Mr. Vasey presented the information to the City as opposed to Staff. Commissioner Hancik opined that the principle was violated by Mr. Vasey as the Airport's consultant and that pursuing the violation could be very expensive and time consuming. He opined that the Board could also pay Mr. Vasey the remainder of what is owed and move on, which he believes is \$40,000. Mr. Parish commented that he does not disagree and commented that 7B of the Agreement says that the
45 developer agrees to take all reasonable and necessary steps to maintain the secrecy and prevent the disclosure and improper use of confidential and proprietary information. Commissioner Hancik commented that the Board can go after Mr. Vasey although it will be expensive. He opined that he would like to have a motion at the February Board meeting not to cancel the contract but instead to pay off the remainder to get out of the contract. Mr. Parish opined that the matter will not need to

be brought back up if paying the remainder of the contract off is the concurrence of the Board as there is already a contract in place that he can pay on. Commissioner Oliver opined that at the February Board meeting the Board can say that the contract will not be renewed and inquired if the Agreement is renewable every year unless a letter is appropriately sent. Commissioner Hancik commented that he would like to defer to Council although it might be easier to utilize the existing provisions of the contract with the intention not to renew. Mr. Parish commented that he will prepare the letter. Chair Herston inquired if a release would be included with the letter and proposed payoff. Attorney Carr commented that if it is desired to pay Mr. Vasey, he recommends paying the monthly fee and terminating the contract at its end as opposed to paying a lumpsum. He commented that if the Board decides to terminate Mr. Vasey for breach of fiduciary duty that a letter should be sent stating that with nothing further being done unless Mr. Vasey then responds, which can prompt a response from the Board. Mr. Parish commented that he will send a notice that the contract is not being renewed pursuant to the contract's 90-day notice, and that monthly payments will continue to be made unless the Board brings the matter back. Commissioner Oliver inquired if parameters can be provided to Mr. Vasey if the Board is going to continue with the agreement seeing as the Airport cannot hire any other economic development consultant as she would not like to see a halt in progression regarding economic development for the next 10 months. She opined that a progression could be to develop the Airport Park. Mr. Parish opined that the contract does not limit the Airport as the agreement was specific to Public-Private Partnerships (P3). He opined that he could hire AECOM to work on something while he works with Dave Gammon to further economic development. Commissioner Oliver commented that she will defer to the other Board members as she was not a part of the decision for Mr. Vasey's hiring and inquired if the agreement was just for the Airport Investment Partnership Program (AIPP). Mr. Parish commented that the agreement was only for P3's whether it be a hotel or FBO. Commissioner Oliver inquired if there is any interest in pursuing a hotel or anything of that nature. Mr. Parish commented that he has not heard from any Board member that there is interest in a hotel as a P3. He commented that Staff is pursuing hotel deals independently as straight leases, not P3's. Chair Herston commented that Commissioner Oliver had mentioned an exit clause or procedure and opined that it might be good to review an exit clause for all contracts. Commissioner Oliver commented that her personal preference is to always have a way out of contracts upon notice regardless of breach. She commented that it is a personal preference and compared to 10- years ago, it is desirable for others to enter into contracts with the Airport, resulting in the Airport having more bargaining power. Commissioner Andrews commented that he agrees with Commissioner Oliver and opined that the Board should move on as discussed to continue the contract and issue a Notice of Nonrenewal. Commissioner Hancik commented that Commissioner Oliver raised an interesting question as to how leases are completed and inquired if on the last page of every lease it should be approved as to form. Mr. Parish commented that it is completed on all lease documents. Commissioner Hancik opined that Council should review all leases. Commissioner Oliver opined that it should be specifically on those coming to the Board that have been drafted by someone else. Attorney Carr commented that the contract has a termination for cause provision, which is paragraph 13. Commissioner Oliver commented that her preference in termination clause is the ability to terminate without cause upon a 90-day notice. Attorney Carr commented that Mr. Vasey declined that clause as he did not want the Board to have an easy out. Commissioner Andrews commented that his understanding is that there is cause to terminate based upon previous discussion and inquired if that is correct. Attorney Carr commented that based upon the documents and public statements that there is probably prima facie evidence that Mr. Vasey breached his fiduciary duty to the Airport associated with the matter. He commented that he believes it will be flushed out further should the subpoena power of the court be available to acquire additional documents and other information. He commented that he has not been told directly, but he has read in the newspaper, that Mr. Vasey told the newspaper that he is

receiving a percentage of the transaction. He commented that he is unsure if that was disclosed to anyone else although it seems a breach of fiduciary duty when he brings something to the Board that he will be receiving profit from without telling anyone from the Airport. He commented that the downside of not paying Mr. Vasey is that he can sue and potentially receive his \$60,000, which is what it sounds like the Board is agreeing to pay anyway. He commented that it should be noted that there is no fee provision in the contract and venue and jurisdiction is in Charlotte County. He commented that he is not in favor of litigation, that he provided a proposal to Mr. Vasey as a result of Commissioner Oliver's inquiry, that Mr. Parish made a subsequent follow up and that both offers of settlement were ignored. He commented that he believes there is prima facia evidence of a breach of fiduciary duty based upon the documents received and public statements made by any public officials associated with what Mr. Vasey did and said and by the public statement that Mr. Vasey made directly to the press that he was to be paid on the backside by whoever was proposing the deal. He commented that he had never heard the comment made to the paper, that he is unsure if any member of the Board has and opined that if you have a fiduciary duty to the Airport to bring a transaction that it should not be negotiated to be paid by the person the transaction is being brought for without full disclosure. Commissioner Hancik commented that he believes he asked if there was a finder's fee involved during a one-on-one meeting with Mr. Vasey and that the question went unanswered. He opined that the problem with meeting one-on-one is that there are no witnesses and no one else can hear what is happening. He opined that it would not be in Mr. Vasey's interest as a consultant to sue the Airport. Chair Herston inquired if it is Commissioner Hancik's opinion to send out a termination letter. Commissioner Hancik opined that Mr. Parish has what he needs within the existing contract to terminate. Commissioner Oliver commented that she thought the letter was for nonrenewal. Chair Herston commented that there are two options which are to terminate the contract or simply not renew it. Commissioner Hancik commented that the decision to terminate the contract must be made at a Board meeting and that Mr. Parish has authority to do something right now. Commissioner Oliver commented that as far as confidential documents, the standard definition specifically excludes the documents on the public record meaning that if there was a presentation of a PowerPoint made and then the PowerPoint was transmitted, it cannot be considered confidential information. Mr. Parish commented that there was no proof the document was transmitted as it was requested to be sent to a personal email address although the document in question was one that even the Board has not seen. Commissioner Hancik inquired if the investment package provided to possible investors that explained everything was provided publicly. Commissioner Oliver opined that if the document is something that a member of the public could request as a public document that it is excluded from the definition of confidential as confidential is trade secrets or things that would be responded to as exempt in a public records request. Mr. Parish commented that he can agree with Commissioner Oliver and that he thinks it is bad form for a consultant to give away Airport documents without notice. Commissioner Oliver commented that she does not disagree and that she does not feel it is a clear-cut prima facia breach of the agreement which will result in a long lawsuit. Attorney Carr commented that those documents are defined as any document used or disclosure that would be damaging to the Airport Authority and opined that the purpose of convincing the City to attempt to take over the Airport would fit that definition. Commissioner Oliver opined that it would be a discussion of fact as it is not evidence that both sides agree to. Commissioner Hancik inquired if a bigger deal is being made of the matter than what should be. Mr. Parish opined that more money will be spent in a lawsuit than what will be saved and that sometimes one must cut their losses and write a check. Commissioner Andrews opined that cutting the losses and moving on is not necessarily a bad thing. Mr. Parish commented that unless the Board request, he will continue as directed by the contract and terminate the contract at the end of the current cycle.

8. T-hangar Leases

Mr. Parish commented that the Board approved modification to the T-hangar lease a few months ago and that since then, a few complaints have been received about some of the changes with the majority having to do with the insurance requirement. He commented that one tenant that said they could not receive the insurance has since received it. Commissioner Hancik commented that he asked this item be placed on the Workshop Agenda as he noticed there was a lot of concern over the new lease related to the insurance clause. He commented that there was a lot of angst he could not answer and opined that if a venue were provided for those with a concern to speak, it would help. Mr. Parish commented that he would like to note that the insurance clause in section 6.1 is almost identical to Page Field and Sarasota's requirements. He commented that Staff looked at requirements of all surrounding airports including Arcadia, who requires insurance, and that Venice is one of the few airports that does not require insurance. Chair Herston inquired as to how many are included in those with a lot of angst. Commissioner Hancik commented that he has been approached by ten or 11 people and that he tried to get the word out that the Workshop was a forum for those that would like to speak to the lease document although no one has come forward. Chair Herston confirmed with the Board that it would be acceptable for the public to speak and invited anyone that would like to speak to do so.

Jim Lyons – Commented that he spoke at the last Workshop regarding insurance requirements. He commented that through his aviation broker, he has the availability to put insurance on the T-hangar itself as opposed to being tied to an aircraft so that if there is a fire when his aircraft is not in the hangar, the coverage is still on the hangar. He commented that if his aircraft moves to Arcadia or Tennessee on a vacation, his hangar premise insurance moves with his aircraft. He commented that for about \$42 per month he can have T-hangar insurance on the Airport's hangars, which would cover any aircraft that sits in the hangar as he has ten aircraft that he owns. He commented that he would prefer to have insurance on the T-hangar itself as opposed to being tied directly to an aircraft. Chair Herston confirmed with Mr. Lyons that when he flies out of the Airport, his insurance follows him to wherever he is going. Chair Herston inquired as to what the condition of Mr. Lyon's hangar at the Airport is. Mr. Lyon's commented that he has one T-hangar at the Airport in the 200 series and that the insurance policy on the T-hangar itself is available through an aviation broker that works with the EAA. He commented that if he wanted to go on vacation in his aircraft that he could park his vehicle in the hangar, close the door, fly away, and still have insurance on the hangar itself even though his aircraft has left the Airport. He commented that if he were to make the Airport a named policy holder on his aircraft insurance, when his aircraft leaves the hangar, there would no longer be insurance on the hangar. Chair Herston inquired if Mr. Lyon's feels his insurance policy is different than what the lease states. Mr. Lyon's commented that the lease says the insurance must be tied specifically to an aircraft with the Airport Authority as a named insured. He opined that the Airport would be covered more by the hangar premise policy as opposed to having the insurance tied specifically to an aircraft. Chair Herston opined that the insurance policy would be similar to renter's insurance for any small business and inquired with Mr. Parish how the lease is currently written. Mr. Parish commented that the lease is currently written as an aircraft liability policy. Mr. Lyon's commented that he knows at least a half a dozen of people that are age restricted and can no longer receive insurance. He opined that those individuals could receive insurance if put on the hangar and that the hangar liability policy would be more protection for the Airport. Chair Herston confirmed that Mr. Lyon's has an aircraft liability policy as his aircraft is onsite at the Airport and inquired if Mr. Lyon's has additional insurance to cover his hangar in his absence. He commented that for example, if someone else's hangar burns down

and it spreads to Mr. Lyon's unit. Mr. Lyon's commented that he does carry insurance to cover occurrences like that through his separate T-hangar policy. Chair Herston opined that Mr. Lyon's policies are consistent with what is trying to be implemented. Attorney Carr opined that the type of insurance that Mr. Lyon is discussing is hangar insurance, which insures only the contents of the hangar and does not have anything to do with liability associated with anything that occurs inside of the building. He commented that for example, if Mr. Lyon's had a jury-rigged compressor in the hangar while the aircraft was absent and a fire started that burnt down multiple hangars and aircraft, the insurance being referred to would only cover Mr. Lyon's contents of his hangar. Chair Herston inquired if the Airport has insurance on the building. Mr. Parish commented that the Airport does cover the building but not contents. Commissioner Hancik inquired as to what is trying to be insured against and if he slips on oil on the floor of a hangar and injures himself who he would sue. Mr. Parish commented that the Airport is insuring against incidents like the one that occurred eight or nine years ago when a gentleman hand propped his aircraft that was not chocked correctly, resulting in the aircraft taking off and running into a hangar, damaging the contents on the inside of that hangar. He commented that is the type of liability that is looking to be covered. Attorney Carr commented that he provided the Commissioners a liability coverage format that is commonly used in the aviation industry, known as coverage D, that is single limit bodily injury and property damage associated with anything related to the aircraft, including ownership, maintenance, or use. He commented that the type of coverage being referred to in the lease is not hangar insurance as it only goes to the individual and their contents, not liability associated with anything that would occur as a result. Commissioner Hancik commented that he added the item to the Agenda for clarification purposes for the tenants and opined that the insurance requirement may not be as big of a problem as it has been reported to him as. Mr. Parish opined that he believes Attorney Carr indicated that the required policy is about \$500 annually. Chair Herston opined that the policy does sound expensive although it sounds like tenants are receiving coverage that is needed by the requirements of the lease. Mr. Parish commented that he would like to note that if there are extenuating circumstances that Attorney Carr can review to see if the matter can be worked through. He commented that Staff has been working with one gentleman who could not receive insurance through his broker due to age and that the gentleman as of this morning had received insurance as he opined the broker realized it was a bad forum to deny based on age. Commissioner Hancik opined that the document provides Mr. Parish the ability to review individual situations and make determinations on what is occurring. Mr. Parish commented that he does not want to put it on Staff to make those determinations, but he would bring those decisions to the Board if it were not a simple matter. Commissioner Oliver inquired if someone's aircraft is out and there is a slip and fall on the premises associated with a guest of the tenant out in their aircraft, who's insurance would be the primary as there is no requirement for each tenant to have liability insurance. Attorney Carr commented that each tenant is required to have liability insurance, and that he provided liability coverages under an endorsement from Starr Insurance Company, which is coverage D. Chair Herston opined that no matter what the case is, the individual would be responsible to contact their insurance company. Attorney Carr opined that the aircraft owner would be primary and that coverage D insurance pays for occurrences arising out of the maintenance or use in the premises in or upon in which the aircraft is stored. He commented that he slipped and fell in someone's hangar, he would suspect that the coverage would apply. Chair Herston inquired if the conversation has aided Mr. Lyons concerns. Mr. Lyons opine that he is not sure and commented that he can provide the phone number to his aviation broker. He commented that he called AOPA as they have a section on their website that talks about the insurance but there is no one on staff to complete the process or provide additional resources. He commented that AOPA referred him to the EAA, that the

5 hangar premise insurance covers anyone who walks into the hangar, and that he was provided
a 52-page document of covered items. He commented that he would rather pay for the separate
policy for the hangar rather than name anyone as additionally insured on his aircraft. Attorney
Carr commented that Mr. Lyon's is free to provide any policy he would like to have reviewed
and opined that he does not believe the policy that has been discussed has the type of coverage
required. Mr. Lyon's commented that his insurance broker said everyone has been asking for
the policy across the United States as at the last airport aviator conference, a guest speaker from
an insurance company discussed the coverage, resulting in there being a big push to put
10 insurance requirements on tenants. He commented that his broker said the hangar premise
insurance would cover everything the same as if the coverage was put on his aircraft policy.
Chair Herston commented that Attorney Carr recommends suggesting the policy for review.

15 **Mike Nelson** – A Through the Fence hangar owner and T-hangar tenant, commented that his
objection with the lease is the way it was brought to the tenants. He commented that as he said
last meeting, he found the information through the PGD Buzz Newsletter, and that he called to
get information. He opined that he would have preferred that something be released to the
tenants prior to the change as there was not only a change to insurance but also other rules and
regulations. He commented that the badging is also changing, which is not a large
inconvenience, but the badges will now renew at the lease renewal date instead of on the
20 individual's birthday. He commented that when he called the Badging Office, Staff was not
sure if he needed to redo the driving test or whether his badge would still be valid after February.
He commented that he wishes there would have been more time before the new requirements
took affect and that more information would have been released to allow input from tenants.
He commented that there are aircraft in the hangars that are registered but have not flown for
years, that there is one aircraft across from him that he does not think has flown in 15 years,
25 and that he does not believe that aircraft is insured. Chair Herston thanked Mr. Nelson. Mr.
Parish commented that the information was released in the Agenda packets with a marked-up
lease that was posted on the Airport's website and went out to everyone previously requested
to be on the email list. He commented that the badging requirement was one of the main reasons
30 Staff started looking at the change, that there is a TSA requirement that all badges be audited,
and that to get around the required audit, which involves each badge holder coming into the
office, everyone is rebadged annually through the same process. He commented that this allows
Staff to not have to produce a secondary set of documents that confirms requirements have been
met. He commented that the only change is that badges are now reissued as opposed to being
35 audited. He commented that the FAA has also started cracking down on driving on Airport's
and the driving test requirements and that annual badging requirement forces each tenant to
take the drivers test annually. He commented that the matter of non-airworthy aircraft has
always been in the lease, that the FAA is now cracking down on that, and that you cannot store
non-airworthy aircraft unless it is an active project. Chair Herston inquired as to what non-
40 airworthy is defined as. Mr. Parish commented if the aircraft does not have a current
airworthiness certificate. Chair Herston inquired as to who conducts the testing for driving. Mr.
Parish commented that the test is on the Airport's website and that you read information prior
to taking the test. Chair Herston inquired if the comments made by Mr. Parish aid Mr. Nelson.
Mr. Nelson commented that it did answer his questions although there are some tenants that do
45 not utilize email and have yet to receive the information about new lease requirements. Chair
Herston opined that there is some responsibility on the individual to follow changes. Mr. Parish
commented that changes take effect upon renewal. Mr. Nelson opined that there are a lot of
changes and inquired if Mr. Parish said there is an annual audit on badging. Mr. Parish
commented that Staff is completing an annual renewal on badging. Mr. Nelson inquired if the

5 badges were previously valid for two years. Mr. Parish commented that they were valid two years with an annual audit, that all tenants had to go into the FBO or Badging Office to present their badges, and that it was an impossible task as not everyone is local. He commented that if a badge expires and it is not renewed for six months, it is not a violation and that if the badge is due for audit and it is not presented for six months, that is a violation. He commented that the solution is that instead of auditing every other year, badges are renewed every year. Mr. Nelson confirmed with Mr. Parish that badging is moving to a yearly requirement. Mr. Nelson commented that Through the Fence tenants have one-year badges. Mr. Parish commented that Through the Fence tenants have always had one-year badges as there is no way for Staff to efficiently audit those badges.

10
15 **Stan Smith** – A T-hangar tenant, commented that he does not know what caused the change in requirement that you no longer have six months, but instead three months, between selling your aircraft and purchasing a new one. He commented that he and his wife have been looking for aircraft for quite a while, that it took five years to find an aircraft, that they found a 50-year-old aircraft and that it is desired to have a hangar immediately upon taking possession of the aircraft. He commented that luckily, they were able to get a hangar in Venice quickly as Venice had just built new hangars, that they currently have three hangars, and that they keep that aircraft at the Airport sometimes. He commented that he has invested in other aircraft where he is not the registered owner, that he is looking at possibly investing in a warbird aircraft, and that he recently invested in a Mooney aircraft that he wishes to house in the Airport's hangar. He commented that he did not bring this matter to Mr. Parish or Staff and that he has basically accepted that if an individual is not the registered owner of an aircraft, there is no right to put an aircraft in the hangar at the Airport. Mr. Parish commented that you either have to be a registered owner or a partner on the aircraft to hangar it at almost any airport. Mr. Smith inquired if one must have a written document that states they are part owner. Mr. Parish commented that you must. Mr. Smith inquired if that written document with suffice as opposed to being a registered owner. Mr. Parish commented that if you have a partnership deal with the registered owner that is signed and approved, that document is collected and attached to the lease. He commented that the three-month requirement is to help the many people on the waitlist although there is discretion for Staff to extend that time frame on a case-by-case scenario. Mr. Smith opined that finding an aircraft within three months after selling one can be tough to do. Mr. Mallard commented that it is in the lease that Staff can extend the three-month time frame.


30
35 **Allan Stern** – A T-hangar tenant leasing two separate hangars, commented that he is on the email list but is not receiving email, so he is unsure of what is going on and when either of his leases end. He commented that people cannot follow him into the hangar, that the individuals going to the hangar with him must be in his vehicle, and that he is building a new aircraft that will have parts delivered to the Airport in April by tractor trailer. He inquired as to how he should handle that situation. Mr. Parish commented that Mr. Stern must contact the FBO to have the trailer escorted in. He commented that the issue is that if there is an untested driver driving on the Airport and they end up on the runway, the Airport has not done its due diligence to prevent that occurrence. He commented that the driving test is a requirement that the FAA has put on the Airport to ensure every person driving on the Airport has taken the test and that the only way to do that is to say that every person driving on the Airport has been badged. Mr. Stern confirmed with Mr. Parish that he should contact the FBO. Mr. Parish commented that it is best to provide at least a days' notice. Chair Herston commented that he would like Mr. Stern to resend his email to ensure it is correctly typed into the database.

40
45

5 Jim Lyons – Inquired if insurance is going to be required on aircraft that are stored as long-term tie downs on the ramp as there are several aircraft that have no insurance and likely could never get insurance. He opined that if insurance is required on the stored aircraft, there should be requirement on the aircraft stored outdoor as well. He commented that aircraft insurance will likely not cover an event if the aircraft is unairworthy or having an annual completed. Mr. Parish commented that insurance is not required on tie-downs as there is less of a possibility of structural damage to other entities through fire or accident. He commented that there are always exceptions to that rule and that insurance is not required on transient tenants, although there have been transient tenants run into other aircraft. Chair Herston opined that the owner of the aircraft being tied down would want some form of liability insurance. Mr. Lyon’s commented that he has witnessed several incidents on the ramp as he has been at the Airport since 1981. He opined that you would think Allegiant would have insurance although they are mostly self-insured. He opined that there should be equal treatment of customers and that as tenants, those who store their aircraft indoors and outdoors should have the same requirements.

15 **9. Adjournment**

Meeting adjourned at 10:18 a.m.

20
25 
Robert D. Hancik, Secretary/Treasurer


James W. Herston, Chair