

**LOGAN - CACHE AIRPORT AUTHORITY BOARD MEETING
MINUTES
February 7, 2012**

The Logan-Cache Airport Authority Board convened in a regular session on February 7, 2012 at 7:30 a.m. in the Cache County Council Chambers, County Historic Courthouse, 199 North Main, Logan, Utah.

ATTENDANCE

Members of the Airport Authority Board in Attendance:

John Kerr
Dean Quayle
Gar Walton
Mayor Randy Watts
Harry Ames
Val Potter
M. Lynn Lemon

Members of the Airport Authority Board Absent:

Others in Attendance:

Zak Loosle – Utah Jet Center
Bill Francis – Pilot
Hillary Lin Ong - AAS
Jeff Peterson – Logan City Fire Department
Sean Heiner – Utah State University Aviation
Zan Murray – J-U-B Engineering
Bryan Congdon – Harris Air
Ryan Pritchett – Armstrong Consultants
Sherm Buck
Janeen Allen

CALL TO ORDER

Chairman Kerr called the meeting to order at 7:31 a.m.

REVIEW AND APPROVAL OF THE MINUTES

Kerr asked for a motion to approve the minutes of December 6, 2011.

ACTION: Motion was made by Quayle and seconded by Watts and Potter to approve the minutes of December 6, 2011. The vote in favor was unanimous, 7-0.

ITEMS FOR DISCUSSION

Manager's Report – John Kerr

Kerr noted that Hunsaker has resigned as manager of the airport but is now working as a mechanic at Leading Edge Aviation.

The pickup recently acquired for the airport is now equipped with a radio which is of great benefit to the operations on site.

Kerr reported that discussions have been held concerning Part 139 in connection with Hunsaker's resignation as manager. He said that the FAA is satisfied with the way the airport is currently operating with Kerr and, on occasion, Hunsaker making the required inspections.

Kerr said that the House passed a long-term funding bill for the FAA. He added that over the last five years, the FAA has been funded by 23 short-term extensions that have only been at the 75% level for capital improvements. This has severely hampered development over that period of time. Kerr believes the Senate was scheduled to hear the bill yesterday, but hasn't heard anything about it yet. He hopes it will be approved. He noted that user fees which charge pilots and aircraft accessing Air Traffic Control or entering a flight plan are not a part of the House bill, and he hopes will not be a part of the Senate bill. The concern is that the additional fee would cause pilots to not enter flight plans or contact Air Traffic Control and operate on their own or just not fly because of the additional cost. Kerr said he hopes to have information on this at the next Airport Authority board meeting.

Kerr confirmed that he will be attending a joint meeting with the ADO and State Aeronautics at the UAOA Conference in March to review the Logan-Cache Airport development plans for the next five-year period.

We have received confirmation from State Aeronautics of funding for the completion of the southeast ramp which is the extension of the work done on Alpha a couple years ago. They will also be funding the pavement preservation of fog seal and repainting on the main runway. Kerr said we have received an additional grant from the state of \$40,000 for repainting and striping the taxiways and replacing some light panels on the airport signage.

Kerr said we received 23 applications for the airport manager position from across the country. He said they will be arranging interviews shortly and hope to have a new airport manager in place by the next Airport Authority board meeting.

Kerr also noted that the material used for fog seal last year on the taxiways melts snow a lot faster than the aggregate material that is on the main runway.

Land Lease Discussion / Recommendations – Harry Ames (Attachment A)

Ames said the Cache County and Logan City attorneys have reviewed the lease, as well as an attorney in Salt Lake who specializes in airport land law. The finished lease is 28 pages. Ames

invited anyone interested in looking at the finished lease to email him for a copy. Added to the lease is a five-year lease review period with assurances that it will be renewed out to twenty years. Also, in case of default, the banks will have first rights in collection and the airport will have second rights.

Ames outlined tenant responsibilities which include proper materials to be stored in the hangars, expected behavior of people who are visiting tenants, and maintenance of the hangars. There is also a liability insurance requirement in case a tenant damages another tenant's hangar or property.

Ames said there is an escalation fee of 2% per year over what the current base rate is at the time of the original lease signing. The new proposed base rate in the lease is 17 cents per square foot and 22 cents per square foot for hangars with front access to the airport parking areas.

Ames continued that under this lease, all tenants are treated equally. Existing leases are in effect until they expire, at which time renewals will be done with this new lease. Remedies for tenants changing locations are also included in the lease. Because the airport is an FAA supported public facility, the lease does give authority to the airport to relocate hangars if it will better serve its purposes and the public's interests. Consequently, it is the airport's responsibility to provide space and financial assistance to the relocated tenant.

Ames asked anyone interested to get a copy and review the lease, then get back with him in the next couple of weeks with feedback so he can have a finished lease ready for the board's vote at the next meeting. Lemon asked if prepay is addressed in the lease. Ames said that tenants who prepay don't have the 2% escalation. Ryan Pritchett asked if environmental issues are addressed in the lease. Ames responded that there is section that specifically addresses environmental issues. Walton asked if the airport could take first financial position should there be a pressing need to do so. Ames said that it can.

Kerr encouraged interested parties to get a copy of the lease and provide input to Ames prior to the next Airport Authority board meeting in March.

Hangar Request – John Kerr (Attachment B)

Kerr said a hangar request has been submitted by Hillary Ong who is a current tenant but has recently acquired a larger aircraft. She is requesting a 100 x 100 foot hangar. Kerr said the only location that would accommodate a hangar that size is in the northwest hangar area. Kerr added that in working with Logan City and the consulting engineers, they have arrived at a reasonably economic means of extending sewer, water and electricity out to that area. It will require a lift station in a manhole behind DeLoy Hansen's hangar. He noted that water usage by current hangar owners is well below the existing capacity of the infrastructure already in place, so the recommendation is that we take steps to use the existing supply. Extending the utilities to the proposed hangar location will require an expenditure on the airport's part, as well as installing 200 to 300 feet of taxiway.

Kerr reminded the board that previously Brent Roberts had expressed interest in moving to that area. He added that both Roberts and Ong may be willing to prepay on their leases in order to assist the airport in funding the move to that location. Kerr stated that Ong is ready to move ahead with the design review phase as soon as the board gives approval to her request. Kerr recommended approval of the proposed hangar location saying that the airport has adequate reserves to approve the development in that area and to extend the utilities and put in the taxilanes to service it. Lemon asked how much it would cost. Kerr said it will be about \$150,000 and added that the utility extension and taxi build will be reimbursable expenditures from the FAA. He said that Ong prefers the hangar to face Taxiway Charlie which would eliminate the need for the airport to provide any taxilane improvements as she could just extend her apron out to Taxiway Charlie.

Lemon asked what the time frame is for making the improvements and building the hangar. Kerr said he hoped to get started as soon as possible as Ong's preferred completion date is the end of June. Lemon asked when the reimbursement will come for this project. Kerr said the schedule puts it at the year 2015. Ames said there will be other reimbursements coming in sooner than that, though. Walton added that from the standpoint of economic development, it would be a good move for the airport to have further development in that area.

ACTION: Motion was made by Lemon and seconded by Potter to give tentative approval to the proposed hangar location of Kilo 2 and to finalize a design that meets the city's requirements for access, as well as FAA standards for the project. The vote in favor was unanimous, 7-0.

Car Rally Request – John Kerr

Kerr said there has been a request from Cam Miller to hold a car rally at the airport the week following the Fourth of July weekend. However, the request has not come in yet, so the agenda item will be considered at a later date.

Open Items

Airport Overlay Update Report – Zan Murray (Attachment C)

Kerr invited Zan Murray from J-U-B engineers to give an update report on the status of the airport overlay zone. Murray passed out maps to the board members of the overlay zone. He said Hyde Park requested that the Hyde Park annexation area be included in the airport Master Plan as a condition of their adoption. Murray said that the annexation area is now included in the Master Plan and that Hyde Park is reviewing it at this time. Once Hyde Park adopts it, the overlay ordinance will be complete with all the affected communities.

Kerr asked Murray to report on the final meeting with Smithfield City. Murray said the final meeting in Smithfield had two council members leaving and two new council members arriving. J-U-B took time to meet with the new council members to go over the overlay ordinance and answer their questions. Smithfield City requested that the

Airport Authority contact Michael Oliverson and discuss issues and concerns regarding flights going over Smithfield City.

Murray concluded that they will be wrapping up the ordinance with Hyde Park City within the next two weeks and he will let Kerr know as soon as Mayor Cox signs it.

Committee Reports

Audit & Finance – Lynn Lemon

No report.

Operations Committee - Dean Quayle

Quayle said that they have created another version of the Rules and Regulations and circulated it. Also, the Minimum Standards document has been modified and will be available on the website soon.

Zak Loosle asked if the Minimum Standards have been implemented or if they are still a work in progress. Quayle replied that they were adopted by the board a year ago. He added that he didn't make any content changes. He just reformatted the document.

Capital Improvements – Harry Ames

Kerr asked Ames if the new mailboxes are working. Ames said he hasn't heard anything negative, so he assumes they are working properly. He will coordinate with Allen to get the bills sent to those who have a box.

Economic Development / Public Relations – Gar Walton

Walton said they intend to proceed with the developer package which includes plant and soil information. He hopes to get it going within the next two to three months.

Commercial and Charter Air Service – John Kerr

No report.

Open Items

Bill Francis asked Kerr if he has looked into doing 139 on a more part-time basis. Kerr said that there is an option to temporarily surrender the certificate, but it would require inspection 30 days before reinstating service. Francis said that it takes a lot more to maintain it for 365 days on the management side including more manpower. Kerr said that it is something we need to look at more closely. Ames said we should explore the cost difference of keeping it year-round versus a part-time basis. Kerr added that another issue the board needs to consider is whether or not we should institute landing fees for aircraft above a certain weight to help offset the cost.

Quayle asked if the airport should try again this year to get Restaurant Tax funding for an airport entrance sign. Ames said he will resubmit the application this year. Lemon said that the RAPZ/Restaurant Tax Committee rejected it last year because they didn't think a sign qualified as economic development. Kerr asked Walton to address the economic impact a sign would have for the airport and include it with the application this year.

Next Meeting

The next meeting of the Airport Authority Board will be on March 6, 2012 commencing at 7:30 a.m. in the Historic Courthouse Council Chambers, 199 North Main, Logan, Utah 84321.

Adjournment

The meeting was adjourned at 8:42 a.m.