

Heber City Corporation
Airport Advisory Board Meeting
December 16, 2015
4:00 p.m.

REGULAR MEETING

The Airport Advisory Board of Heber City, Wasatch County, Utah, met in **Regular Meeting** on December 16, 2015, in the City Council Chambers in Heber City, Utah

I. Call to Order
[City Manager Memo](#)

II. [Roll Call](#)

Present: Board Chairman Mel McQuarrie
Board Member Jeff Mabbutt
Board Member David Hansen
Board Member Heidi Franco

Excused: Board Member Kari McFee
Board Member Ron Phillips
Board Member Erik Rowland

Also Present: City Manager Mark Anderson
Airport Manager Terry Loboschefsky
Deputy City Recorder Allison Lutes

Others present: Mayor Alan McDonald, Dale Stewart, Richard Clark, Gerry Hall, Nadim AbuHaidar, Jeremy McAlister, Alan Robertson, Paul Boyer, Ronald R. Crittenden, Earl Polenz, Andrew Scanlon, and others whose names were illegible

III. [Pledge of Allegiance](#)

IV. [Minutes for Approval: October 21, 2015 Regular Meeting](#)
[October 21, 2015 Draft Meeting Minutes](#)

Board Member Hansen moved to approve the October 21, 2015 Regular Meeting Minutes. Board Member Mabbutt made the second. Voting Aye: Board Members McQuarrie, Mabbutt, and Hansen. Board Members McFee and Phillips were excused. The motion carried.

1. [Comments From Mayor McDonald](#)

Mayor McDonald expressed his gratitude to the Board members for their contributions over the past year. He highlighted some of the Board's successes, including the creation of the Airport Minimum Standards, and noted his approval of the new non-reversionary hangar leases. He also thanked Terry Loboschefskey for his management of the airport, and added they may want to consider providing additional help for Loboschefskey.

2. [Airport Manager Report](#) [Airport Manager Report: October and November 2015](#)

Loboschefskey summarized the contents of his October-November report and highlighted some of the items for the board.

Board Member Mabbutt asked whether they would consider using the same combination for all of the access gates. Loboschefskey said it was on his proposed project list to make them all the same code, perhaps utilizing the airport's Unicom frequency code, as it was an easy number to remember.

Anderson commented regarding the issue concerning designating the hangars as commercial property from Heber Light & Power's perspective, and the potential for higher electric charges. He suggested the hangars are designated as such from a building and fire code perspective, as well as the County Assessor's view, however if hangar owners felt they needed to discuss further, to take the issue up with Heber Light & Power.

3. [Update on Purchase of Land in the Runway Protection Zone](#)

Anderson summarized that the City Council approved a budget to obtain an appraisal and environmental assessment on the Maverik parcel. In a conversation earlier that day with Kristen Brownson of the FAA, Brownson indicated it may not be necessary to acquire an appraisal, because the property was offered for purchase, however Anderson was awaiting the FAA's written confirmation on the foregoing. Anderson summarized at this point, staff was working to determine a value, assess whether any environmental concerns exist, and once completed, they would seek the Council's recommendation on the parcel.

Chairman McQuarrie shared his and Board Member Phillips' belief that it was important to educate the public and the new Council Members on the issue concerning the airport upgrade, and that it be referred to as a safety upgrade, rather than an expansion. He felt the City should be diligent in pursuing the purchase of the Maverik parcel, whether the airport were upgraded to CII or not, as it would address a potential safety issue: most aviation accidents happen within one mile of the airport during landing or take off, and if a gas station were located within the runway protection zone, it would present a hazardous condition. Board Member Hansen noted his agreement with the foregoing as well.

Board Member Franco asked about avigation easements on the northeast side of the airport (the WalMart side), if the safety upgrade was implemented. Anderson responded that when the

airport master plan was discussed in 2005, the most viable alternative was to shift the runway 700 feet to the west. The 2005 plan also contemplated acquiring four or five properties near 3000 South to increase the runway protection zone (RPZ) to the west.

Board Member Franco also inquired whether the FAA was concerned with the upgraded bus garage near the airport. Anderson stated he had spoken with the FAA, and while they would prefer the bus garage not be located there, they did not view its presence as concerning as a 24-hour gas station operation.

Anderson added that if the City proceeded with the purchase of the Maverik parcel after obtaining its value, it would defer the commencement of the Master Plan update to 2017.

In response to Board Member Hansen's question concerning current number of CII/DII flights, Anderson responded that Jeremy McAlister with GDA had been tracking that data closely, and as of August, he found that the airport was on target to do over 900 CII flights for the year, nearly twice what the FAA deemed acceptable.

6. [Discuss Proposal Made by Daniel Hangar Owners Who Have Reversionary Leases That Wish to Convert to Non-Reversionary Lease Agreements](#)
[Reversionary vs. Non-Reversionary Cash Flow Analysis by Gerry Hall](#)
[End of Lease Presentation by Paul Boyer](#)
[Reversionary vs. Non-Reversionary Revenue Analysis](#)
[Email Correspondence Between Paul Boyer and Marc Miller, FAA](#)
[Airport Beacon Report](#)
[Similarly Situated 36U Hangars and Owners, Submitted by Paul Boyer](#)

Anderson explained that Marc Miller, compliance specialist with the FAA, stated that similarly situated hangars needed to be treated similarly. He directed the Board's attention to information submitted by Paul Boyer regarding similarly situated hangars. Anderson pointed out that Boyer's information did not address the other reversionary hangars around that ramp where commercial businesses were located, so he asked for the FAA's opinion concerning whether those hangars would be considered similarly situated. Kristen Brownson of the FAA responded that there was not enough information on which to base an assessment, but she added other factors could be considered in weighing whether those leases would be considered similarly situated, such as local economy at the time the leases were entered into. Anderson stated that when construction on those hangars commenced in 2007-08, the economic environment was much different than when they were completed, and there was a market for that lease type then, which wasn't inconsistent with what the market would bear at that time.

Anderson asked the Board to consider how they would deal with all other remaining reversionary leases if it decided to recommend converting the nine that were presently being discussed at this time. Board Member Mabbutt felt the Daniel hangar complex leases were fairly similar in that they were similarly constructed in time, materials, size, setback and separation. Further, Mabbutt stated the Mayor indicated he was in favor of non-reversionary leases. He believed the hangar

owners put together a fair proposal in offering more money per year, and thought the resulting value on the property tax would be more consistent, and the County and City would realize more tax revenue.

With regard to hangar row, Mabbutt believed their leases were not as similar to other reversionary leases, in that their lease rate per year was substantially different. If the Daniel nine hangars went to non-reversionary leases, their footprint would increase, thus increasing revenue.

Board Member Hansen felt the Daniel hangar owners had put forward an excellent proposal, and felt the Board should forward it to the City Council. With regard to hangar row, Hansen thought it would be better to go to a year-to-year lease with a new higher lease rate, given the potential CII/DII issue. Hansen added the hangar row hangars were not built similarly, as they shared common walls.

Gerry Hall explained the hangar owners' offer was \$1000 per year, in addition to the \$500 per year (adjusted for CPI) all the other non-reversionary owners were paying, which totaled approximately \$45,000 per unit for the term of the lease.

After some discussion as to the effect of this proposal and present vs. future value of the hangars, Hall asserted the hangar owners' proposal removed uncertainties concerning the leases. Further, Hall noted that maintenance costs could be quite expensive over the years, as the City's perspective on proper maintenance could be quite different from that of the hangar owners. Accordingly, the hangar owners wanted to come to an agreement now, rather than potentially 25 years in the future.

Hall clarified that the \$1000 would not increase with the CPI, and it would be a separate agreement, however if a hangar owner defaulted on the \$1000 separate agreement, the entire lease would be in default. Additionally, if the owner decided to sell the hangar prior to the end of the lease period, the remainder would be due on sale. Anderson stated they could include a different provision within the lease rate portion of the lease agreement, rather than creating a separate agreement for each.

At the Board's request, Hall reiterated the hangar owners' proposal: to convert nine hangars from reversionary to non-reversionary leases, and in exchange, the nine hangar owners would commit to an additional \$1000 per year lease payment, as well as a \$500 yearly fee as the other non-reversionary owners. The \$500 fee would be adjusted for the current CPI.

Board Member Mabbutt moved to send to the City Council for approval the proposal made by Daniel hangar owners who have reversionary leases and wish to convert to non-reversionary lease agreements. Board Member Hansen made the second. Discussion followed.

Nadim AbuHaidar noted there were five other hangars on the commercial apron that were also reversionary. Anderson stated that from staff perspective, he couldn't take this proposal to the Council until they had a better understanding of how far reaching it could be, and how it could impact the other five commercial hangars, as well as hangar row. Board Member Mabbutt felt

the FAA's guideline regarding "similarly situated" differentiated the hangars on the ramp vs. those on the row, and believed they could take this proposal to the Council. Commercial operations could be deemed different, and hangar row would be considered different as well.

Anderson asked whether the Board would include in the motion "subject to legal analysis as to how this may impact other reversionary hangars on the field." Neither Board Member Mabbutt nor Hansen felt that it was necessary to do so, given the City Council voted to make all new leases non-reversionary, and they felt these Daniel leases would be consistent.

Board Member Franco asked whether it would be possible to declare a conflict of interest, pursuant to State code. None of the Board members declared a conflict of interest as to this vote.

Anderson felt fairly certain the other reversionary hangar owners would come forward and ask for the same thing if the Board approved the proposal, and stated he couldn't in good conscience take this to the Council without seeking legal analysis to understand how this recommendation may impact other reversionary leases.

Voting Aye: Board Members Mabbutt and Hansen. Voting Nay: Chairman McQuarrie. Board Members McFee and Phillips were excused. The motion failed.

Chairman McQuarrie stated he wanted to be sure the legal and financial aspects of the proposal were correct, and wanted to explore whether the proposed \$1500 was adequate. McQuarrie felt the number should be tied to inflation.

Following further discussion concerning hangar value and the adequacy of the proposed \$1500 per year payment, the Board was favorable to continuing the discussion on this agenda item until the following month. Chairman McQuarrie and Anderson agreed to meet with Hall to review and understand the hangar owners' numbers.

Board Member Mabbutt moved to continue this agenda item to the next meeting. Board Member Hansen made the second. Voting Aye: Board Members McQuarrie, Mabbutt, and Hansen. Board Members McFee and Phillips were excused. The motion carried.

[4. Review Draft RFQ for Airport Planning and Engineering Consulting Services](#) [Draft RFQ](#)

Anderson reviewed that in the past, the City engaged one consultant to perform both planning and engineering services. Current FAA requirements stated that these services be solicited separately to avoid excluding firms that may provide only one of the services requested. He noted that the first paragraph of the proposed RFQ stated it was the City's intent to enter into an agreement for planning services and one for engineering services, but it also allowed the City to select one consultant to provide both services, alleviating the need to pursue the RFQ process twice. The RFQ would go out in January, with responses due in February.

After review of the selection process factors enumerated in the RFQ and the weight given to each, the Board was favorable to decreasing "Degree of Interest" from 10% to 5%; and increasing "Qualifications" from 25% to 30%.

Board Member Mabbutt moved to present the RFQ to the City Council, with the following changes: decreasing "Degree of Interest" from 10% to 5%, and increasing "Qualifications of the Firm" from 25% to 30%. Board Member Hansen made the second. Voting Aye: Board Members McQuarrie, Mabbutt, and Hansen. Board Members McFee and Phillips were excused. The motion carried.

7. Discuss How to Work With the FBO to Further Lease Negotiations OK3 Air Proposal

Chairman McQuarrie reviewed that in its last meeting, the Mayor and City Council requested this be put on the Airport Board agenda. Further, Nadim AbuHaidar submitted a recent letter proposal. McQuarrie asked whether the Board was interested in the proposal and if so, how to proceed.

Board Member Hansen felt it would be premature to deal with this issue at present, because it weighed heavily on whether the City decided to allow a second FBO.

After some discussion, the Board agreed to continue discussion on this item until the issue concerning whether to proceed with an RFP to solicit a second FBO had been resolved.

Board Member Hansen moved to continue discussion on this agenda item until the following month, and after resolving Agenda Item 5, "Discuss need for a Request for Proposal (RFP) to solicit an additional fixed base operator (FBO)". Board Member Mabbutt made the second. Voting Aye: Board Members McQuarrie, Mabbutt, and Hansen. Board Members McFee and Phillips were excused. The motion carried.

5. Discuss Need for a Request for Proposal (RFP) to Solicit an Additional Fixed Base Operator (FBO) Letter to Heber City Council

Board Member Hansen moved to continue discussion on this item until the next meeting and to resolve this item prior to Agenda Item 7, "Discuss how to work with the FBO to further lease negotiations". Board Member Mabbutt made the second. Voting Aye: Board Members McQuarrie, Mabbutt, and Hansen. Board Members McFee and Phillips were excused. The motion carried.

With no further business, the meeting was adjourned.

Allison Lutes, Deputy City Recorder