

Heber City Corporation
Airport Advisory Board Meeting
May 18, 2016
4:00 p.m.

REGULAR MEETING

The Airport Advisory Board of Heber City, Wasatch County, Utah, met in **Regular Meeting** on May 18, 2016, 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 Kari McFee
Board Member Dave Hansen
Board Member Jeff Mabbutt
Board Member Ronald Crittenden
Board Member Heidi Franco

Excused: Board Member Ron Phillips

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

Others Present: Paul Boyer, John Manee, Mike Duggin, Merry Duggin, Michael Greenhawt, Jeremy McAlister, Maggie AbuHaidar, Carl Penner, Craig Hoggan, Barry Hancock, Dale Stewart, Dennis Jensen, and others whose names were illegible.

III. [Pledge of Allegiance](#)

IV. [Minutes for Approval: April 13, 2016 Regular Meeting](#)
[April 13, 2016 Draft Meeting Minutes](#)

Board Member Mabbutt moved to approve the April 13, 2016 Regular Meeting Minutes. Board Member Hansen made the second. Voting Aye: Board Members McQuarrie, McFee, Hansen, and Mabbutt. Board Member Phillips was excused. The motion carried.

1. [Airport Manager Report](#)
[Airport Manager Report: April 2016](#)

Terry Loboschefskey reviewed the contents of his monthly report for the Board.

With regard to weed spraying, Loboschefskey indicated the City may be able to seek help from Wasatch County, but he would know later.

Discussion followed concerning hangar inspections. All inspections to date had been conducted with the hangar owners present; Loboschefskey added he would like to have uninhibited access to inspect hangars and verify any changes as well. He thought some of that language was in some of the leases, and should possibly be considered as an addition to new hangar leases, both commercial and private.

Board Member Crittenden noted that he represented Heber City on the County Weed Board meetings, and requested that Loboschefskey coordinate with him on County participation concerning the weed issues. Additionally, Crittenden stated that he had heard quite a few comments concerning severe leaks on several hangars along hangar row, and he felt the issue should be addressed as the City considered any new lease revisions for those hangars.

2. [Presentation From the Wasatch County Assessor's Office on Airport Property Tax Assessment](#)

Alan Luke with the Wasatch County Assessor's Office came at the Board's request to discuss reversionary vs. non-reversionary leases from a tax assessment standpoint. Reversionary leases decline in value each year, much like a leased car. From the tax dollar standpoint, the tax declined each year on a reversionary lease, and at the end of the lease it would be zero. With respect to a non-reversionary lease, the lessee owned the building, and it retained a higher market value. Luke indicated the hangar value was reappraised when information was made available, adding because Utah was a non-disclosure state, sales did not need to be reported.

When taking ownership of a non-reversionary hangar, the City could enter a new 30-year lease, or it could become a landlord and rent year to year. The City would be exempt from taxes, but the lessee would be taxed a privilege tax for the use of the hangar. However, if the lessee declined to pay the taxes, the property couldn't be attached. If the hangar was a commercial-owned hangar, since the City controlled the business license, it could shut down the business until the taxes were paid. On reversionary lease, the County could sell the property if the taxes hadn't been paid for five years.

Following additional discussion concerning non-reversionary and reversionary leases, and associated tax handling, it was noted that the Assessor's office would like to have a report from the City on reversionary and non-reversionary hangar transfers on a quarterly basis.

Luke noted that Salt Lake County handled the valuation of airplanes. Loboschefskey stated that in order for an airplane to be registered in the State of Utah, it would need to be in the state six months and one day, and due to the transitory nature of airplanes, it was a challenge to determine where an airplane would be registered, however it was a part of his hangar inspection process, and he noted aircraft traffic in and out of the field. Aircraft registration information was reported to the State Division of Aeronautics.

Anderson noted that most of the revenue from property taxes on aircraft went to UDOT Department of Aeronautics to use for matching funds and grants. Board Member Franco stated that she did not see a requirement to furnish aircraft registration information in either the City's Minimum Standards, Airport Rules & Regulations, or Lease Rates & Charges Policy, and she felt the City needed to formalize that requirement.

3. Continued Discussion on Airport Design Standards and Pad Fees
Hangar Design Standards - PowerPoint
Allocation of Costs of Hangars
K36U Hangar Construction and Design Standards
SGU Building Development Standards
Spanish Fork-Springville Airport Design Standards
C-II Impact on 50 x 50 Hangar Area

Loboschefskey indicated there were 2 or 3 individuals who really wanted to move on constructing hangars. He presented a PowerPoint to show the proposed locations for the new hangars and the existing infrastructure. Loboschefskey noted there were seven 75' X 75' pads, and nine 50' X 50' pads available. Construction of the hangars would be subject to the current Lease Rates & Charges Policy and the Airport Design Standards.

Loboschefskey walked through the design options and locations of the proposed hangars. The redlined portion of the projected map indicated the location of the RPZ should the airport upgrade to CII proceed, and it would affect two hangar pads. Finally, Loboschefskey and Anderson discussed the proposed pad fee and how they arrived at the \$20,000 figure.

Discussion followed concerning the pad fees, building height, and design requirements. The Board was of the opinion that the hangar height needed to be uniform. One option was allowing a certain height for a group of hangars in one area, and another height in another area. The Board felt the 50' X 50' hangar pads should be offered; further, the Board felt the proposed pad fees were reasonable, and that a premium could be charged for more desirable, west-facing pads. It was also noted that there were two pads on which a 50 X 60 hangar could be constructed.

The Board was favorable to Anderson's suggestion that the Design Standards be presented to those who wish to build a hangar, and if they had a special design they thought was an enhancement, then they would be asked to present it to the Board. It was also agreed that the priority would be given to the order of those on Anderson's and Loboschefskey's list of interested parties.

Board Member Mabbutt moved to recommend that the City move forward with opening up four 50' x 50' hangar pads for development, based on a \$20,000 pad fee for an east facing door, and a \$25,000 pad fee for a west facing door, with the option for a slightly larger hangar if it would fit, and that the hangars be built within current design standards. Board Member McFee made the second. Board Member Franco inquired whether the height of the hangar buildings needed to be clarified in the motion or whether it was addressed within the design standards. It was noted that the current design standards did not specify height requirements. Board Member Mabbutt amended his motion to include that the hangars needed to be consistent with what was already on

the field for the size of hangars to be built. Board Member McFee sustained her second on the motion. Voting Aye: Board Members McQuarrie, Hansen, McFee, and Mabbutt. Board Member Phillips was excused. The motion carried.

4. [Review of Changes Proposed to the Airport Advisory Board Bylaws by the City Council Proposed Goals for Revisions Proposed Amendments to Bylaws Current Bylaws](#)

Board Member Franco explained that the City Council felt strongly that all of the core documents relating to the airport needed to be reviewed and streamlined. She noted that they were looking to increase the size of the Airport Board, getting two members, one of which from Daniel, and increasing the quorum to four. Additionally, the proposed changes to the Bylaws included an agenda item process, and it changed the manner in which Airport Board recommendations to the City Council were handled, because the current process contributed to delays in action on agenda items.

5. [Review and Evaluate Airport Minimum Standards for Possible Changes Heber City Airport Minimum Standards](#)

Board Member Franco indicated she would need to leave the meeting early due to a prior appointment, so she moved the discussion to the Minimum Standards. She noted she did not have specific standards to review, but she realized during her review of the four core documents that there was a lot of duplication, and a lot of differences that needed to be updated. Franco proposed that the documents all be reviewed and streamlined over the next few months to make everything clear and organized.

Franco expressed that the documents be streamlined to allow more competition, explaining that current public opinion and City Council opinion was to remain a B-II category airport, and in doing so would allow competition. Chairman McQuarrie indicated this item could be addressed at a later meeting, and for this evening's meeting, Agenda Item 4 would be best to discuss.

Board Member Franco left the meeting at approximately 5:40 p.m.

4. [Review of Changes Proposed to the Airport Advisory Board Bylaws by the City Council](#)

Discussion concerning the composition of the Board, as proposed. City Council members would be alternate members and mostly non-voting, except when there was a lack of a quorum. Chairman McQuarrie noted that the Mayor expressed concern at the prior Council meeting regarding alternates voting, and would there be a conflict. Board Member Crittenden indicated the need for the alternates to step in and vote would happen very rarely, but it would allow the Board to move forward and do business. He added that the procedure was done all the time by State and Federal legislators.

Following discussion regarding the composition of the Board with City, County and Daniel residents, the Board was favorable to the recommended changes to the Bylaws.

Board Member Mabbutt moved to change the Bylaws as requested by the City Council, with the exception of clarification on how the alternate members vote. Board Member McFee made the second. Voting Aye: Board Members McQuarrie, McFee, Hansen, and Mabbutt. Board Member Phillips was excused. The motion carried.

6. [Clarification of All Leaseholds, in Particular Commercial and Ramp Leasehold Property Lines](#)

[Barry Hancock Lease](#)
[Carl Penner Leasehold](#)
[FBO Area](#)
[Lee Rowser Leasehold](#)

Board Member Hansen requested this agenda item, as it seemed it was rather vague as to what actually belonged to whom concerning the leasehold interests. Further, Hansen received some inquiries from Carl Penner and Barry Hancock as to how much ramp space they actually had. Anderson projected some maps to show the leaseholds, and added that Barry Hancock had just purchased Carl Penner's hangar that day.

Further discussion concerning interpreting the leasehold maps and whether legal descriptions were associated, and what area was held by the FBO leasehold. There was a portion in front of Barry Hancock's hangar that was still held by the City and was not part of the FBO leasehold.

Maggie AbuHaidar, General Counsel for OK3-AIR, explained that they had been aware of this issue for several years, and in fact paid for a survey to identify the boundaries. As a result, the FBO did offer to pay for space identified in the survey but not part of its leasehold, but the offer never made it out of the Airport Board. She added they were still willing to do that. AbuHaidar also stated that the maps projected in the evening's meeting were not accurate, for instance, the color picture showed planes on what was now an active taxiway, which gave the impression that there was more space for parking than actually was. Further, OK3-AIR's proposal at the time included reserved areas in front of Penner's, Robinson's and Hancock's hangars to allow adequate ramp space. She indicated that the area noted on the survey with a checked pattern to the north was the area OK3 was proposing to fold into their lease, as per current Lease Rates & Charges Policy at the time, and they were still willing to do that.

Chairman McQuarrie suggested OK3-AIR come forward to the next meeting with a more detailed proposal, to which the Board was favorable.

7. [Dave Hansen - Request to Renew the SSO Agreement for Dave's Custom Sheet Metal May 4, 2016 Letter from Craig Hoggan Hansen SASO Application](#)

Anderson reviewed that Hansen's SSO lease expired some time ago, and he has since made an application to renew his lease. Craig Hoggan, counsel to OK3-AIR submitted a letter concerning the process the City followed to evaluate Hansen's application. Following a meeting with the City Attorney, Anderson received a written opinion in the afternoon prior to this evening's meeting. The response read, "To All: From my review of the Lease, in my opinion, Mr. Hansen

may be grandfathered in with relation to the Minimum Standards that were in effect as of 1987 and 2004. Am I correct is assuming that Mr. Hansen's initial Lease was entered into in 2004. My understanding is also that these standards were amended substantially in November of 2005. Notwithstanding that the lease term may have expired, it is my understanding that the City never formally terminated the Lease. The lease language with regard to such matters appears more permissive than mandatory in nature. It appears that for termination to occur, a formal notice of intent to terminate would have had to have been processed. I am not confident that the City went to such formality. Unless terminated, notwithstanding the expiration of the term, unless terminated, intentionally, the lease term modifies to a month to month agreement under the terms of the expired lease. The City appears to have continued in this manner, or indicated a desire to do so."

To clarify, Anderson indicated the City would not be precluded from reviewing the application based on the old standards, explaining that since there was no formal termination of the lease the Board would not be precluded from looking at a renewal based on a grandfathered status.

Dave Hansen spoke in support of his application. He had been working in that location for the past 13 years. Two issues were raised in the current matter: apron availability and vehicle parking. He indicated that while he had ten parking spaces, he had never used more than four. As far as apron, if one were to apply the new minimum standards, in 4.3.1.2, equal to hangar space or adequate to accommodate aircraft movement into and out of the hangar, so in his opinion, he wasn't required to have apron space equal to his hangar space, only that it be adequate to move aircraft in our out, which is the current case. Hansen added that in his 13 years, he had never used the apron or a portion of it.

Hansen wasn't aware his lease expired in 2014, and he never received notification from the City regarding its expiration. He had been communicating with the City regarding late lease payments, and indicated he was making best efforts to make payments current, which they are now, through July 2016.

Hansen indicated that there was no apron available, so there was no way he could meet the new minimum standards; however he didn't need the apron space.

Discussion followed concerning the interpretation of Section 4.3.1.2 of the Minimum Standards. Craig Hoggan, attorney for OK3-AIR, directed the Board's attention to Section 1.2.1 of the minimum standards, which provide, "These Minimum Standards shall apply to any new agreement or any extension of the term of an existing agreement..." Hoggan believed that based on the foregoing, Hansen's lease would fall under the new Minimum Standards. Further, Hoggan believed Hansen was obligated under Section 4.3.1.2 to provide adequate apron space.

Hoggan also expressed his understanding that Hansen hadn't paid rent since 2014, and he felt the City should be very concerned about whether Hansen was in compliance with Paragraph 14 of the lease, that required he carry insurance.

Following discussion, the Board felt it needed to see the standards in place as to what Hansen agreed to at the time he entered the lease, and that it needed to request a clarification from counsel.

Board Member McFee moved to table this item and move it to the next meeting, and have documentation and clarification brought before the Board on the old Minimum Standards and the 2010 Minimum Standards, and clarification by the City Attorney as to Paragraph 4.3.1.2, as well as the grandfathered document. Board Member Mabbutt made the second.

Anderson suggested including the following in the motion: in the meantime, Mr. Hansen and the City determine whether his lease fees are current and he provide the City with proof of insurance to continue operating. If the SSO is not renewed, then the City would refund any funds as appropriate. Board Member McFee amended the motion as suggested; Board Member Mabbutt sustained his second.

Voting Aye: Board Members McFee, McQuarrie, and Mabbutt. Board Member Phillips was excused. The motion carried.

8. Consider Requesting that the Planning Commission Review Zoning Around the Airport

Board Member Crittenden stated that he requested this because the City was in the process of approving form based code that would change our zoning. And the City was obligated by its grant assurances to zone the airport to meet the needs of the airport, and beyond that to reach out in communities so that they would be appropriately zoned. The Maverik issue arose because when it came to the Planning Commission, it was completely legal to place the station where it was proposed because of the zoning. Crittenden wanted the Planning Commission to review all zoning around the airport.

Board Member Mabbutt moved that the Airport Advisory Board, who are running an airport where we have an assurance that we will properly zone, request that the Planning Commission of Heber City, Utah consider properly zoning around the airport, and to consult with the Airport Manager to find out what that means. Board Member McFee made the second. Voting Aye: Board Members McQuarrie, McFee, Hansen, and Mabbutt. Board Member Phillips was excused. The motion carried.

With no further business, the meeting was adjourned.

Allison Lutes, Deputy City Recorder