

**CITY OF ALBANY
AIRPORT ADVISORY COMMISSION
City Hall, Santiam Room
333 Broadalbin Street SW
Thursday, November 4, 2010
3:30 – 5:30 p.m.**

MINUTES

Commission Members Present:: Pat Eastman, John Harshberger, Heath Kasper, Dennis Smith, Ron Terhaar, John Pascone

Commission Members Absent: Jerry Wilken

Staff Present: Chris Bailey, Airport & Transit Manager; Karen Williams, Public Works Project Coordinator

Others Present: Dan Miltenberger, Happy Miles; Councilor Ralph Reid; Henry Pollak

CALL TO ORDER

Chair Kasper called the meeting to order at 3:30 p.m.

APPROVAL OF MINUTES: October 14, 2010

Ron Terhaar made a motion to approve the October 14, 2010, minutes, it was seconded by John Pascone, and the minutes were unanimously approved.

COMMENTS FROM THE PUBLIC

Dan Miltenberger commented that the FBO office at the airport was closed on a weekday from approximately 11 a.m. to 2 p.m. when it should have been open. Commissioners said that they hadn't noticed it being closed. Chris Bailey said the current FBO should be open until the end of the month and the flight instructor is there from 8 a.m. to 5 p.m. except when he's flying, so it may be closed for short periods of time. Miltenberger offered to help out in the office until another FBO is hired.

ACTION: Bailey will work with the current FBO to have the keys transferred back to the City and will contact the City's Building Maintenance regarding changing the locks. Bailey also mentioned having a sign posted with phone numbers to call for information or local services. Bailey will work out a schedule with volunteers to answer the phones.

DRAFT REQUEST FOR PROPOSALS FOR FBO SERVICES

Bailey asked for the Commissioner's comments and suggestions on the draft Request for Proposals for FBO Services.

- Kasper said the number of aircraft listed in the RFP needs to be increased. Terhaar added that there are approximately 80.
- Bailey explained the 10 tie-down spaces relate to the ones directly in front of the building. Bailey also explained that the City would itemize the cost of the building and tie-down spaces and services in order to negotiate lease with an FBO.
- Kasper asked about the dates listed in the RFP and Bailey explained that the dates listed will be finalized once the RFP is ready to advertise.

- Bailey explained that a final draft will be taken to a Council Work Session in early December for input from the Council in regards to the process of evaluating the proposals, compensation for FBO services, provision of fuel concessions to FBO or retained by the City, etc.
- Terhaar asked about the item on page 17, Section 505 – Restaurants, saying that when FAA requirements were discussed, one of the requirements of an FBO was having food available. Bailey explained that this basically states that the City is not giving the FBO permission to start a restaurant on Airport property.
- Terhaar also asked about Exhibit A, which is mentioned in the RFP on page 17, but not included. Bailey explained that it will be a map of the leased area to be developed when proposal is turned in.
- Kasper asked about the responsibilities of the City vs. Landlord. Bailey responded that the City is responsible for the structural part of the building, and utilities up to the building, as well as maintaining the parking lot. Tenant is responsible for what is inside the building and general maintenance and upkeep of the area around the building.
- Terhaar asked about the section regarding Prohibited Activities in regards to dispensing oil. Bailey clarified that this does not prohibit sale of aircraft supplies, such as oil.
- On page 21, Taxes – Terhaar asked about payment of taxes, since the City does not pay property taxes. Bailey explained that it is for personal property taxes, and not real property.
- Term of Lease – Kasper asked about the terms of the lease, and the Commission discussed a 3-year initial term.
- The Commission discussed the market value of the building for determining the cost of the lease. Pascone expressed concern about why the current FBO couldn't make it work, asking if it is a viable business with enough revenue to cover expenses. Pat Eastman suggested that the City check with other comparable airports to gather information on the cost of square foot building rents, and Bailey agreed to do that. The Commission discussed \$1500 per month as the cost of leasing the building. Miles said the Motel has to sub-lease office space at the airport in order to have their name on the Airport sign, and added that the FBO building was built to be able to have a second story for restaurant purposes. Eastman said that it will be important to be flexible in working with a potential FBO.
- The Commission agreed that all offers would be considered, including dispensing fuel.
- Page 23, Subletting – Kasper asked about the FBO being able to rent out a hangar. Bailey said the lease could read that the FBO could assign without Lessor's prior consent.

Bailey asked the Commission to send any comments to her. Pascone asked about having an aerial map of the airport available at the Commission meetings.

REVIEW CITY OF MADRAS CONTRACTS

Bailey provided two sample contracts (attached) for the Commission to review: 1) Airport Management and 2) FBO Services, and explained that the City of Madras retains all the legal obligations and responsibilities of the airport, all airfield repairs/maintenance, including the fuel farm; receives half profit of fuel sales, half rent of large hangars, some portion of T-hangar and storage unit rent, all tie-down fees, use of hangars/shop/office free, and \$1,000 month for airport management. For further information on the breakdown of the Airport Management Contract and the Contract for FBO services, see attached summary.

It was noted that landscaping and maintenance of the parking lot and yard were listed as duties of the FBO and Airport Manager, which would save Albany the cost of the current airport mowing contract.

Bailey said the Commission is chartered with advising Council on the financial and economical health of the airport, and this model may be something to consider during future budgeting discussions.

COMMISSIONER TERM EXPIRATIONS

Bailey accepted letters of application for reinstatement of Commissioners whose terms expire at the end of the year.

COMMENTS FROM THE PUBLIC

Miltenberger asked to receive a copy of the draft RFP. Bailey said she would find out if legally it can be shared before it is released to the public, and would e-mail or call him. Pascone explained that it would be considered an unfair advantage.

Kasper asked about the proposal due date being a month after being advertised. Pascone said the time can be extended, or state in the RFP that proposers are to notify the City of their intent to respond. Bailey said she would add this to the RFP.

COMMISSIONER'S COMMENTS

Terhaar noted that the transient room tax money could be a viable source of funds for the airport, and explained that he had written letters to the Council and City Manager regarding the airport receiving a portion of that tax money. Pascone explained that the transient room tax is a tax that motels charge visitors, and said the state gets one percent of the room tax. Pascone further explained that a portion of those funds by law are dedicated to tourism, and past funds were being used to pay off the debt of constructing the fairgrounds, which ended this year. Terhaar stated that because the land for the fairgrounds came from the airport, that the airport should be considered for a portion of those funds.

Terhaar shared a picture that he found on the web of our historic airport, and said he would like to see the building restored to as close as possible to its original state if in the future the airport has grant money available.

Heath asked about the Skymaster, and Bailey stated that she talked to the City Attorney and will need to discuss with Council.

Heath asked about renting the hangars out rather than leaving empty.

Bailey said she checked with the City Manager's office in regards to the amount the City pays for the rental of the quad hangar that the City uses for file storage, and said that it appears that there is no agreement in place for determining the rent. Terhaar asked about the City paying for the cost of the gas heat that is currently being charged to the Airport. The Commission discussed putting in some insulation to cut the cost of that gas bill. Miltenberger offered some insulation materials.

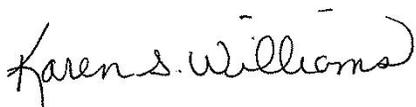
NEXT MEETING DATE

The next meeting of the Airport Advisory Commission is scheduled for December 2, 2010, at 3:30 p.m. in the Santiam Room at City Hall.

ADJOURNMENT

The meeting was adjourned at 5:15 p.m.

Respectfully submitted,



Karen Williams
Public Works Project Coordinator