MINUTES
AIRPORT ADVISORY BOARD
AUGUST 18, 2021
REGULARLY SCHEDULED MEETING
2202 NORTH AIRPORT DR
SHAWNEE, OK

AIRPORT ADVISORY BOARD MEMBERS PRESENT

Mr. John Klaser, Chairman, Mr. Harmik DerSahakian, Mr. Jim Smith, Mr. Randall Rogers,

OTHERS PRESENT

Mr. Rob Morris
Ms. Bonnie Wilson, Airport Manager

I. DECLARATION OF A QUORUM

Four members of the Advisory Committee were noted as Present, the Chairman Declared a Quorum.

II. CONSIDERATION AND APPROVAL OF MINUTES FROM JUNE 16, 2021, REGULAR MEETING

A copy of the Minutes was included in the meeting agenda package.

The Chairman called for a Motion to Approve the Minutes as presented.

Mr. Rogers offered the Motion; Mr. DerSahakian provided a Second.

The Chairman called the Question.

Advisory Board members present voted to approve the Motion.

III. CITIZEN COMMENTS

No Citizen Comments were offered.

IV. DISCUSSION AND CONSIDERATION OF REQUEST TO EXTEND NON-AERONAUTICAL COMMERCIAL LEASE – AMERICAN LEGION

Staff provided a memo outlining the terms and conditions of the current lease agreement and the Legions request to renew.

Mr. DerSahakian made a Motion to accept the recommendation from staff, Mr. Smith provided a Second.

The Chairman acknowledged a request for further discussion on the matter. While acknowledging the in-kind services the Legion provides to the Shawnee community have value, the question was, to whom? Specifically, does the airport receive sufficient value from the Legion to allow for a less than fair market value lease or does the City of Shawnee receive the greater value. If the latter, would it not be a better option to have the City lease the property from the Airport Authority at FMV and then in turn sublease the property to the Legion?

Mr. DerSahakian made a motion to withdraw his original motion, table the matter, and direct staff to inquire with City leadership about the sublease option.

Mr. Rogers provided a Second to the Motion.

The Chairman called the Question.

Advisory Board members present voted to approve the Motion.

V. DISCUSSION AND CONSIDERATION OF REQUEST TO AMEND AND EXTEND NON-AERONAUTICAL COMMERCIAL LEASE – VYVE BROADBAND A, LLC

Staff provided a memo outlining the terms and conditions of the current lease agreement and the Vyve's request to amend and renew.

The Chairman acknowledged a request for discussion on the matter. Questions were posed related to the current and proposed rental rates for the leased property. Further discussion and questions were posed related to prior capital improvements to be performed by Vyve as a supplement to direct rental payments. Additional discussion centered around the possibility of hiring a real estate appraiser to conduct a fair market lease rate value assessment.

The matter was tabled due to a lack of a Motion. Staff was requested to provide additional information on the history of the various leases with Vyve for consideration by the Board prior to acting on the request to amend and renew the lease agreement.

VI. DISCUSSION AND CONSIDERATION OF REQUEST TO TRANSFER AND AMEND NON-AERONAUTICAL LEASE AGREEMENT – BROWN DERBY

Staff provided a memo outlining the terms and conditions of the current lease agreement and the request to transfer and amend the agreement. Per the terms and conditions of the Shawnee Airport Authority's Minimum Standards, Mr. Johnny Kneisel provided a written proposal to transfer the lease from the current Brown Derby Drive In, to a newly formed limited liability company, Brown Derby Drive In, LLC. In summary if the transfer is approved:

The location will continue to operate as The Brown Derby Drive In.

The members LLC are Mr. Kneisel, and owners or employees of Boom A Rang Diners, Inc. and Boomarang Diner Franchising, LLC.

Brown Derby, LLC proposes to undertake between \$10,000 and \$25,000 of improvements to update existing equipment and facilities

The proposed date of transfer is September 1, 2021.

Based on the information provided, the experience of the personnel, and financial capacity of the new Brown Derby, LLC, staff recommended approval of the transfer and assumption of an amended lease with the following terms and conditions included:

Annual adjustment of the lease rate of \$316.00/month or \$3,792/year based on the rate of inflation for the prior calendar year, as established by the Consumer Price Index for all goods and services. (*Note, the lease rate was established by Fair Market Value (FMV) appraisal March 2017*)

Extension of the Term of the lease five (5) calendar years, with the option to renew for additional five-year terms for a total of twenty (20) years as the discretion of the Shawnee Airport Authority.

Inclusion of language necessary to comply with the current Airport Facilities Lease and Development Policy Statement and Federal Aviation Administration requirements for airport leases

Mr. DerSahakian made a Motion to approve the recommendation from staff.

Mr. Rogers provided a Second to the Motion.

The Chairman called the Question.

Advisory Board members present voted to approve the Motion.

VII. BUDGET COMMITTEE REPORT AND RECOMMENDATIONS – APPLICATION FOR AMERICAN RESCUE PLAN ACT 2021 (PUBLIC LAW 177-2) (ARPA)

Staff presented a memo summarizing a discussion held by the Budget Committee regarding the appropriateness of applying for, and expending ARPA grant funds to support short term leases of mobile refuelers.

Both mobile refuelers used by the Shawnee Regional Airport are inoperable. In order to provide time to conduct a comprehensive assessment of repair, refurbishment, or replacement options, staff recommended utilizing grant funds to supporting leasing two refuelers for not longer than six months. Board members discussed various repair and replacement strategies.

Mr. Smith made a Motion to accept staff's recommendation to apply for and utilize ARPA grant funds to lease two mobile re-fuelers for not longer than six months.

Mr. DerSahakian provided a Second to the Motion.

The Chairman called the Question.

Advisory Board members present voted to approve the Motion.

VIII. DISCUSSION AND CONSIDERATION OF CONDUCTING FAIR MARKET VALUE STUDY – SELECTION AND SEATING OF STUDY COMMITTEE – PREPARATION OF SCOPE OF WORK FOR REQUEST FOR PROPOSALS FOR SERVICES

Staff presented a memo summarizing a request by the Board to conduct a Fair Market Value (FMV) studies for leased property per the Shawnee Airport Authority's lease policy. Staff confirmed that $4,000 had been included in the FY 2022 budget to support the study. The Chairman noted that Mr. Blake White volunteered to serve, and requested other members express their interest in serving. Mr. Jim Smith volunteered. Staff recommended the Committee meet, prepare a draft Request for Proposals including a scope of work for the services, and provide that document to the full Board for consideration.

Mr. Rogers made a Motion to seat the Committee comprised of Mr. Smith and Mr. White, and request the Committee draft the RFP and scope of work.

Mr. Smith provided a Second to the Motion.

The Chairman called the Question.

Advisory Board members present voted to approve the Motion.

IX. DISCUSSION AND CONSIDERATION OF DRAFT LAND RELEASE REQUEST – CHANGE IN THE USE OF AIRPORT PROPERTY

Staff presented a memo outlining the request received from the Oklahoma Military Department to lease approximately fifty acres of land on the west perimeter of the Shawnee Regional Airport for the purpose of construction a National Guard Readiness Center.

The land is currently classified for aeronautical development. The OMD's request to lease is approved, the acreage must be reclassified as non-aeronautical development by the FAA. Staff engaged Lochner Engineering to prepare a draft request to reclassify the fifty acres sought by the OMD, and an additional forty, adjacent acres for potential future expansion. If the FAA agrees to reclassify this land, it may be used for either aeronautical or non-aeronautical development in the future, whichever is determined to be the highest and best use.

Since OMD wishes to lease the land for a nominal fee, and the Airport Authority may not lease non-aeronautical land for anything less than fair market value, the City of Shawnee proposes to lease the land from the Airport Authority, for the appraised value, and then in turn sub-lease the land to the OMD for a nominal fee.

The draft land reclassification request, and the supporting draft lease agreements were presented as part of the agenda package for review and consideration.

Staff recommended the Airport Advisory Board authorize staff to present a recommendation to the Shawnee Airport Authority, to file the application to release and reclassify ninety (90) acres of aeronautical development property.

Mr. Der Sahakian made a Motion to accept the recommendation of staff.

Mr. Smith provided a Second to the Motion.

The Chairman called the Question.

Advisory Board members present voted to approve the Motion.

X. DISCUSSION AND RECOMMENDATIONS FOR DEVELOPING PROCEDURES FOR THE ELECTION AND TERMS OF ADVISORY BOARD OFFICERS

The Shawnee Municipal Code, Chapter6 "Aviation" established the Airport Advisory Board provides for the election of a chairman but does not have any provision for the term of office, or the election of a Vice Chairman. At the request of the Members of the AAB the Chairman lead a discussion on the matter of elections, and terms. Recommendations for establishing procedures for election and terms of service included:

Chairman

It was agreed that there should be qualifications for service as the Chairman.
The recommended candidate qualification for service was not less than two years of service on the Airport Advisory Board prior to serving as Chairman.
The recommended term of was two consecutive years.
It was also recommended that the serving Chairman may be re-elected for additional terms, either consecutively or at a later date.

Vice Chairman

It was agreed that the AAB should create the position of Vice Chairman.
There were no recommendations for previous Airport Advisory Board experience.
The recommended term of was two consecutive years.
It was also recommended that the serving Vice Chairman be ineligible to become board Chairman unless and until all qualifications to serve as Chairman are met.

Following the discussion, the members present determined it was appropriate to table the matter until the full Board was present to modify/confirm the recommendations.

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XI. STAFF REPORT

Staff provided information on - current wholesale and retail fuel prices, fuel sales, and the status of the Fiscal 2021 Budget.

XII. NEW BUSINESS

No New Business was presented.

XIII. BOARD COMMENTS

No Comments were offered.

XIV. ADJOURNMENT

The Chairman called for a Motion to Adjourn the meeting.

Mr. Der Sahakian made a Motion to Adjourn; Mr. Rogers provided a Second to the Motion.

The Chairman called the Question, and the Members of the Advisory Board present unanimously approved the Motion. The meeting was adjourned.

Barry J Fogerty 11/17/21

BARRY FOGERTY, VICE CHAIRMAN DATE
On behalf of John Klaser, Chairman

ATTEST:

BONNIE A. WILSON DATE 11/17/21