

AIRPORT ADVISORY BOARD MEETING

July 18, 2018

5:30 P.M.

SHAWNEE REGIONAL AIRPORT

2202 AIRPORT DR.

SHAWNEE, OK

AGENDA
AIRPORT ADVISORY BOARD
JULY 18, 2018 5:30 PM
SHAWNEE REGIONAL AIRPORT TERMINAL
2202 AIRPORT DR.
SHAWNEE, OK

CALL TO ORDER

DECLARATION OF A QUORUM

ITEM ONE: Consideration and Approval of Minutes from the June 20, 2018 Meeting

ITEM TWO: Citizen Comments
(A three-minute limit per person)
(A twelve-minute limit per topic)

ITEM THREE: Discussion of Lease Scope, Terms and Rental Rate Practices - Scissortail Skydiving

ITEM FOUR: Discussion of Proposed Lease Agreement – Red Cloud Aviation Flight Simulator

ITEM FIVE: Discussion of Proposed Lease Reassignments and Proposed New Leases

ITEM SIX: Discussion of Incentive Options

ITEM SEVEN: Staff Report

1. Current Fuel Price Comparisons
2. Shawnee Regional Airport Fuel Sales
3. Other Matters

ITEM EIGHT: New Business

ITEM NINE: Board Comments

ITEM TEN: Adjournment

**MINUTES
AIRPORT ADVISORY BOARD
JUNE 20, 2018 5:30 PM
SHAWNEE REGIONAL AIRPORT TERMINAL
2202 NORTH AIRPORT DR.
SHAWNEE, OK**

I. CALL TO ORDER

PRESENT	Mr. Huddleston, Chairman, Mr. Smallwood, Vice Chairman Mr. Fogerty, Mr. Freeman and Mr. Humphreys
ABSENT	Mr. Klaser and Mr. Smith,
OTHERS PRESENT	Ms. Bonnie Wilson, Manager, Shawnee Regional Airport Mr. Fred Treiber, Supervisor, Shawnee Regional Airport Mr. Benjamin Crooch, Scissortail Skydiving Mr. Wes Elliott, FlyOkAir Mr. Jim Emory, Civil Air Patrol Mr. Scott Lee, Red Cloud Aviation Mrs. Robin Rowden, Civil Air Patrol

II. DECLARATION OF A QUORUM

Five members of the Advisory Board were present meeting the requirements for a quorum.
The Chairman Declared a Quorum.

III. ITEM ONE - CONSIDERATION AND APPROVAL OF THE CONSENT AGENDA.

A. Approval of Minutes from the May 16, 2018 Meeting

Mr. Humphreys made a Motion to Approve the Minutes as presented.

Mr. Smallwood provided a Second to the Motion.

The Chairman called the Question, Members of the Advisory Board present unanimously approved the Motion.

IV. ITEM TWO - CITIZEN COMMENTS

A. Mr. Benjamin Crooch representing Scissortail Skydiving requested time on the agenda to express concerns with the various services provided by the Shawnee Regional Airport and to inform the Airport Advisory Board of his intentions to relocate his business. Mr. Crooch was encouraged to provide specific information to the Chairman via email.

V. ITEM THREE – DISCUSSION AND CONSIDERATION OF PROPOSED LEASE CONSOLIDATION AND EXTENSION – FLYOKAIR

Staff presented a memorandum summarizing a request from FlyOkAir to consolidate the three separate lease agreements between FlyOkAir and the Shawnee Regional Airport.

Mr. Wes Elliott of FlyOkAir was invited to elaborate on his request and to describe improvements to the lease holds under consideration.

Following an informal discussion, the Members of the Advisory Board agreed to consider a more detailed proposal from Mr. Elliott and requested that he coordinate the development of a plan, to include dates and trigger points with staff.

Mr. Freeman, made a motion to direct staff to work with Mr. Elliott to prepare additional information on the matter for presentation and consideration by the Airport Advisory Board at a future date.

Mr. Humphreys provided a Second to the Motion.

The Chairman called the Question and the Members of the Advisory Board present unanimously approved the Motion.

A copy of the memorandum is included part of Attachment 1 to these minutes.

VI. ITEM FOUR – DISCUSSION AND CONSIDERATION OF PROPOSED AMENDMENT TO TRUST INDENTURE AND PROPOSED AMENDMENTS TO MINIMUM STANDARDS RULES AND REGULATIONS

Staff provided a report to the Members of the Advisory Board regarding the authority provisions of the Trust Indenture, the history of review and amendments to Minimum Standards and Rules and Regulations.

A general discussion related the purpose of the documents, the desire to amend, and process of review and amendment followed.

Staff was given informal direction to continue the review of the Minimum Standards and Rules and Regulations with the goal of presenting amended drafts to the Members of the Advisory Board for consideration.

No vote was taken on the matters presented.

VII. ITEM FIVE – STAFF REPORT

The following topics were presented as part of the monthly Staff Report:

1. Current Fuel Price Comparisons

2. Shawnee Regional Airport Fuel Sales
3. Capital Project Summary Report
4. Planned Activities
5. Upcoming Events

No actions requiring a vote of the Airport Advisory Board were taken. A copy of the Staff Report and supporting documents is included part of Attachment 1 to these minutes

VIII. ITEM SIX – NEW BUSINESS

There was no New Business introduced.

IX. ITEM SEVEN - BOARD COMMENTS

An update on the progress of the real estate assessment of certain properties was requested. Staff advised that two of the three quotes required had been secured and that a third quote was being sought.

A request was made to provide information on the terms and conditions of the existing agreement with Enterprise Rental Car to the Members of the Advisory Board at their next meeting.

An update on the fuel system was requested and provided, as well as responses to questions regarding the parameters of the public procurement process.

X. ITEM EIGHT - ADJOURNMENT

The Chairman called for a Motion to Adjourn the meeting.

Mr. Humphreys made a Motion to Adjourn.

Mr. Fogerty provided a Second to the Motion.

The meeting was Adjourned.

KEVIN HUDDLESTON
CHAIRMAN

DATE

ATTEST:

BONNIE A. WILSON, SECRETARY

DATE



To: Shawnee Regional Airport Advisory Board
Kevin Huddleston, Chairman
Will Smallwood, Vice Chairman
Barry Fogerty
Donald "Andy" Freeman
Bert Humphreys
John Klaser
James Smith

From: Bonnie A. Wilson, CM
Airport Manager

Date: July 12, 2018

Subject: Lease Scope, Terms and Rental Rate Practices

Summary of Agreements

Benjamin Squared, LLC dba Scissortail Skydiving (Scissortail) has two lease agreements, and a lease addendum with the Shawnee Regional Airport.

1. FBO LEASE AGREEMENT

Term: Ten years commencing on March 18, 2014, terminating on March 17, 2024, with a Lessee Option to extend ten additional years.

Demised Premises: Office Space associated with Hangar No. 13, totaling 960 sq. ft.

Rental Rates: The initial lease rate was based on appraised fair market leasehold value, reduced based on certain improvements undertaken by Scissortail within thirty (30) days of the beginning of the Lease Term, completed one-hundred eighty (180) days thereafter. After the first five years, the Airport will consider, on a yearly basis, continuing a reduced rent if improvements exceed those set out in Exhibit B and only if those improvements are necessary for the safety and health of the Lessee

First Five Years: \$11,520 per year
Each Year Thereafter: \$17,280 per year

Improvements: repair and replace ceiling; replace ceiling insulation caused by water leaks; removal and replacement of flooring throughout office (960 sq. ft.); install floor trim; removal and replacement of broken light fixtures (12 fixtures total); repair ac/heat units if needed; replace interior doors (6 total); overhaul current restroom (ADA requirements);

paint entire office space; repair, treat wood ramp at customer entrance; and, fix broken window in office on east side of hangar.

Options: Lessee has the option to extend Ten (10) more years at a lease rate that is adjusted based on the inflation rate established by the consumer price index.

2. HANGAR RENTAL LEASE AGREEMENT

Term: Commencing on June 1, 2014 and terminating on the 31st day of May, 2015.

Demised Premises: Space within Hangar No. 13 for the storage of one aircraft, its ancillary equipment only, and a "packing area" to prepare for skydiving operations totaling 1,768 sq. ft.

Rental Rate:

Initial Rate: \$220.00 per month, per hangar space.

Current Rate: \$133.34 per month for aircraft storage space
(Standard Bulk Hangar Storage space of 1,000 sq. ft.)
\$53.34 per month for Packing Area (768 sq. ft.)

3. ADDENDUM TO SCISSORTAIL SKYDIVING, LLC LEASE AGREEMENT

Term: Commencing on June 2, 2015 and running concurrent with FBO Lease Agreement.

Demised Premises: Exterior space, 680 sq. ft. of parking/rec area on the ramp/apron adjacent to Hangar No. 13.

Rental Rate: None.

Scissortail also has a verbal understanding regarding the maintenance of grassy areas adjacent to and within the vicinity of the demised premises within Hangar No. 13.

Summary of Request

Scissortail is seeking a review of lease rates and policies as they apply to the various agreements listed above. Specifically, Scissortail is seeking an opportunity to renegotiate and consolidate their current agreement.

As a part of that process, Scissortail is also seeking to include an element that will formalize the maintenance of the grassy areas used in support of the skydiving operations.

Scissortail is proposing that two specific areas be recognized and delineated as Landing Areas. Landing Area Alpha, approximately 317,000 square feet located 900 feet South of Taxiway Delta by 450 feet East of Taxiway Alpha; and, Landing Area Bravo, approximately 102,000 square feet located South of Taxiway Delta

by 100 feet West of Taxiway Alpha. A total of 419,000 square feet or 9.62 acres. Exhibit 1 to this memorandum provide and aerial view of these two zones for reference.

Scissortail is also seeking to include a provision in the agreement whereby these areas are mowed every two weeks between April 1 and October 31 annually.

Exhibit 1

Proposed Landing Areas for Scissortail Skydiving





To: Shawnee Regional Airport Advisory Board
Kevin Huddleston, Chairman
Will Smallwood, Vice Chairman
Barry Fogerty
Donald "Andy" Freeman
Bert Humphreys
John Klaser
James Smith

From: Bonnie A. Wilson, CM
Airport Manager 

Date: July 14, 2018

Subject: Proposed Lease Agreement – Red Cloud Aviation

Summary

Red Cloud Aviation (RCA) currently offers flight instruction services utilizing active aircraft. RCA has expressed an interest in offering similar services using a flight simulator and is seeking to lease one-hundred-sixteen (116) square feet of space in the Shawnee Regional Airport (SNL) terminal to accommodate the equipment.

Recommendation

RCA is a tenant in good standing. The space identified for housing the equipment is a portion of the current pilot lounge that is underutilized and provides no revenue to SNL. The simulator in question may be used for initial flight training and recurrent proficiency for a variety of aircraft types. The fee for simulator based training is currently estimated at \$120.00 - \$145.00 per hour for the simulator, dependent on the type of aircraft, and \$45.00 - \$50.00 per hour for instructor services. It is likely that this service will attract aircraft operators to SNL thereby increasing operations counts and fuel sales.

Action Requested

Authorize staff to present a recommendation to the Shawnee Airport Authority to enter into a Lease Agreement between the City of Shawnee and Red Cloud Aviation, LLC, for one-hundred-sixteen (116) square feet of space in the SNL terminal, at the current rate for commercial terminal space of \$0.25 per square foot per year, subject to annual increase based on the rate of inflation as measured by the Consumer Price Index from the prior calendar year.



To: Kevin Huddleston, Chairman
Will Smallwood, Vice Chairman
Barry Fogerty
Donald "Andy" Freeman
Bert Humphreys
John Klaser
James Smith

From: Bonnie A. Wilson, CM
Airport Manager

Date: July 14, 2018

Subject: Lease Reassignments and Proposed New Leases

Summary

The majority of the existing Hangar leases at SNL expired at the end of Fiscal Year 2018 (June 30, 2018). All tenants in good standing were offered the opportunity to renew. For various reasons seven of the current T-Hangar tenants declined the opportunity to renew either on that date or shortly thereafter. A detailed chart depicting these notifications is appended to this memo as Attachment 1.

Following the provisions of the Airport Facilities Lease and Development Policy Statement (May 2018), current tenants in good standing were given the first opportunity to request an up-grade from Standard Bulk Hangar space to Standard T-Hangars. Tenants and sub-tenants in good standing, on the Tenant Only Waiting List were given the next opportunities to request T-Hangar leases. The remaining T-Hangar and Standard Bulk Hangar spaces were then offered to persons on the Public Waiting List in order of their requests by date. One such offer remains pending confirmation.

Recommendation

A total of seven new leases for Standard T-Hangars and three new leases for Standard Bulk Hangar space are proposed. Each new lease agreement will be offered at the Fiscal Year 2019 rental rates of \$155.00 per month for Standard T-Hangars, and \$134.00 per month for Standard Bulk Hangar spaces. Staff is recommending execution of these leases to bring the available facilities to full occupancy.

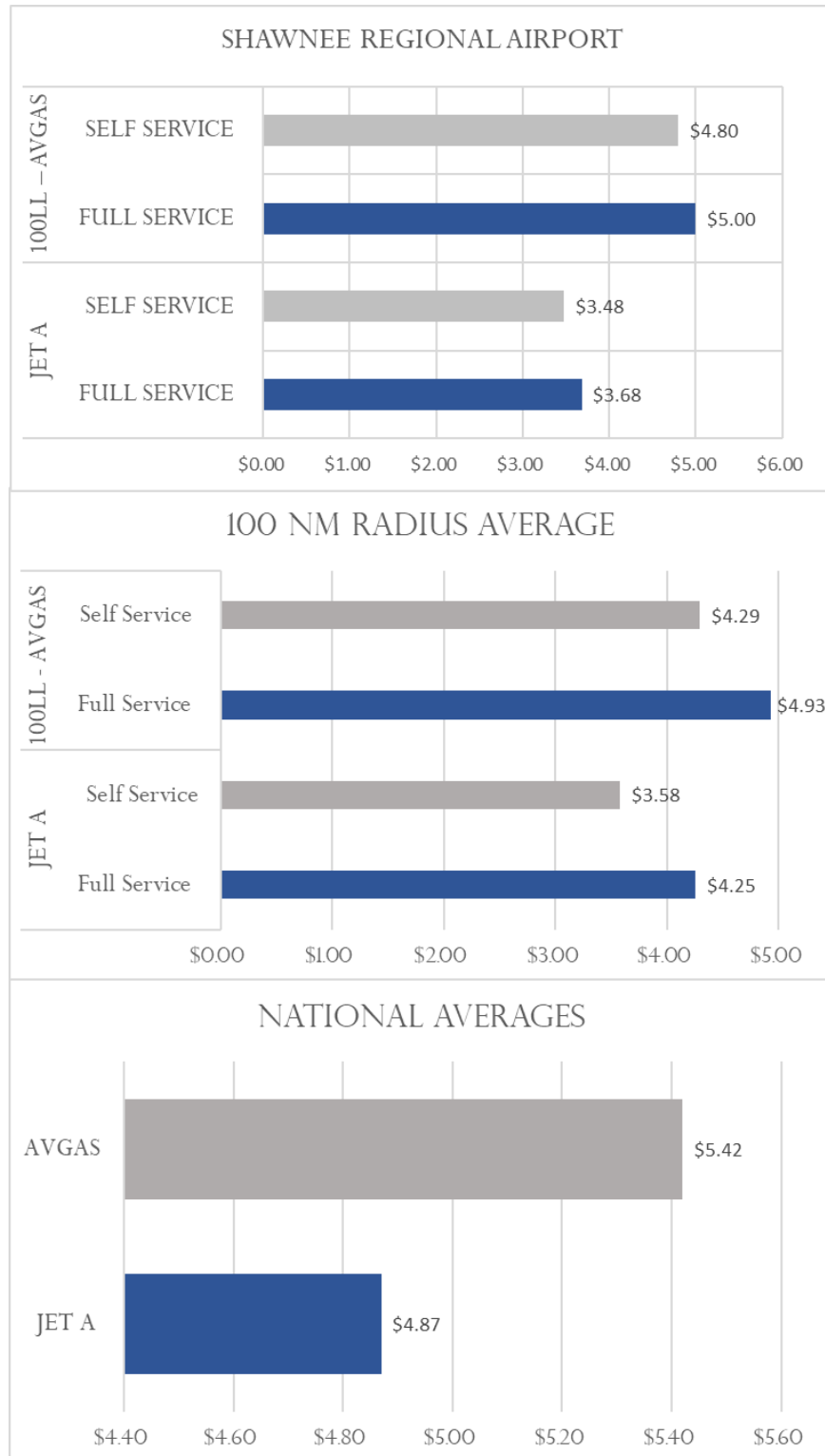
Action Requested

Authorize staff to present a recommendation to the Shawnee Airport Authority to enter into Lease Agreements between the City of Shawnee and the proposed lease holders delineated in Attachment 1, at the standard rental rates established for Fiscal Year 2019, and to apply annual increases as established by the Airport Facilities Lease and Development Policy Statement.

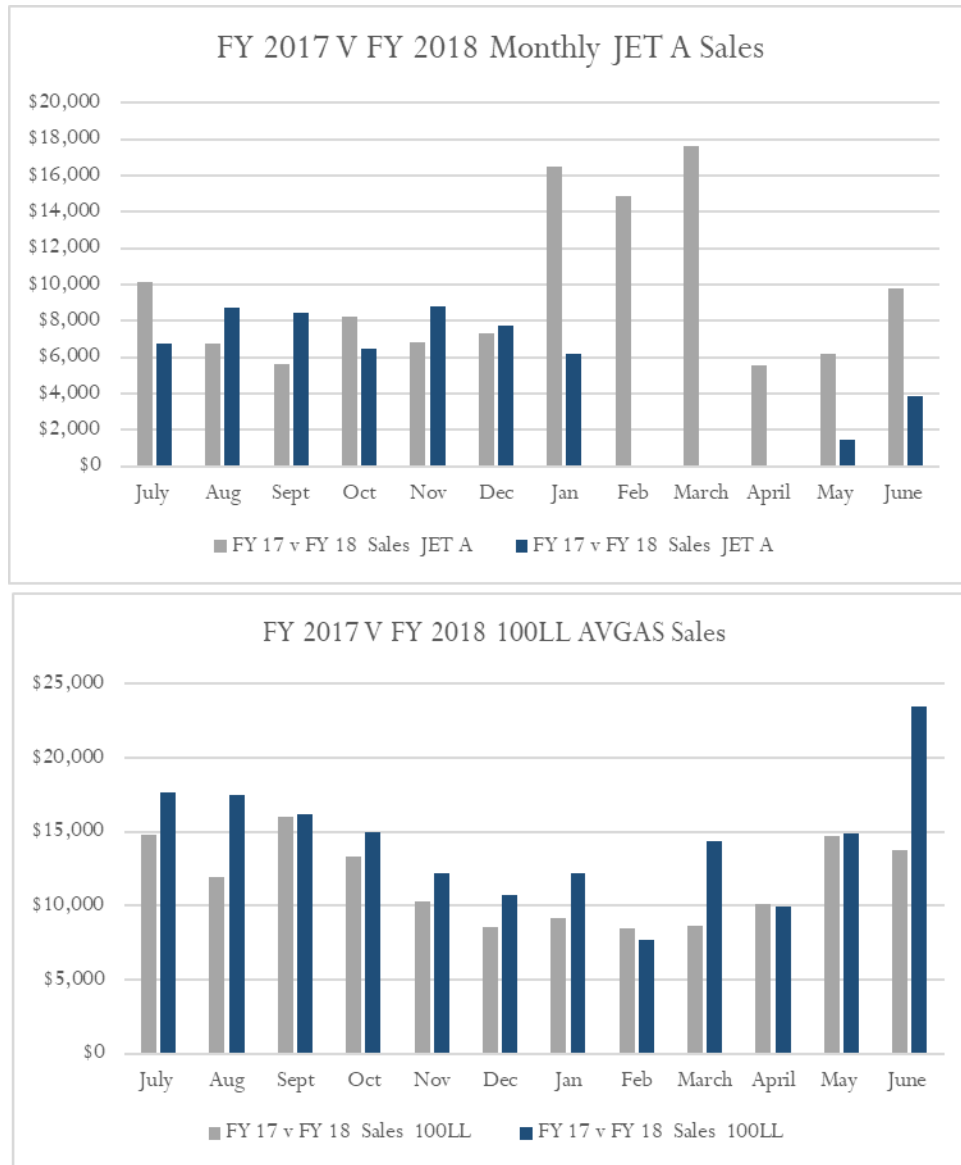
EXISTING AGREEMENTS PROPOSED NEW AGREEMENTS										
LAST NAME	FIRST NAME	HANGAR	RATE / MONTH	REASON FOR CHANGE	LAST NAME	FIRST NAME	HANGAR	RATE / MONTH	REASON FOR CHANGE	ELIGIBILITY
Birch	Michael	13	\$130	Upgrade to T- Hangar	Civil Air Patrol	(Rowden)	13	0	Request of Airport Management	Existing Tenant
McMillian	Gene	13	\$130	Sold Aircraft	Voice Message Left with Next Person on Waiting List Regarding Availability 7/14/2018					
Stafford	Bruce	13	\$130	Upgrade to T- Hangar	Wilson	Gerald	13	\$134	New Lease	Waiting List (Cessna 82)
Civil Air Patrol	(Rowden)	104	\$0	Relocated to Bulk Hangar	Stafford	Bruce	104	\$155	Upgrade from T-Hangar	Existing Tenant on Waiting List
MacPherson	Curtis	206	\$150	Non-Compliance	Garrity	Kris	206	\$155	New Lease	Waiting List (Aronca 65)
Whitehead	Sheldon	208	\$150	Sold Aircraft	Elliott /Jennings	Wes/James	208	\$155	New Lease	Existing Tenant on Waiting List
Gohr	Eric	210	\$150	Relocated out of state	Birch	Michael	210	\$155	Upgrade from T-Hangar	Existing Tenant on Waiting List
Bryan	Robert	211	\$150	Changed Employment	Shaver	Paul	211	\$155	New Lease	Existing Sub-Tenant on Waiting List
Smith	Larry	215	\$150	Non-Compliance	Case	Bob	215	\$155	New Lease	Existing Sub-Tenant on Waiting List
Bott	David	216	\$150	Relocated Business	Red Cloud	(Corporate Use)	216	\$155	New Lease	Existing Tenant on Waiting List

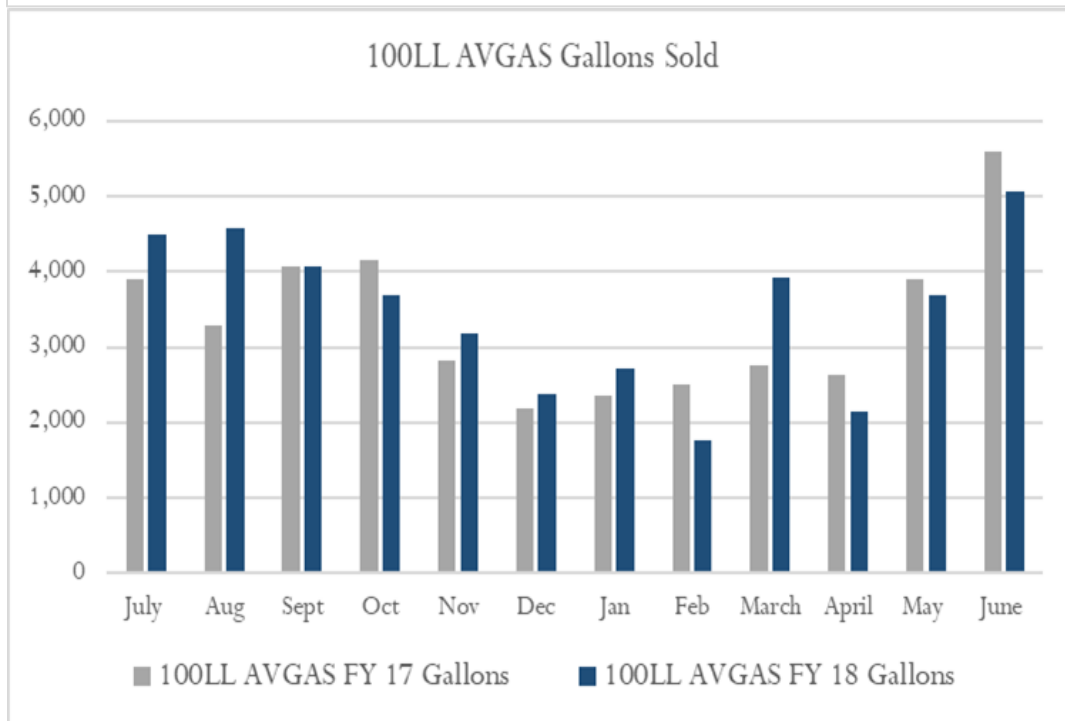
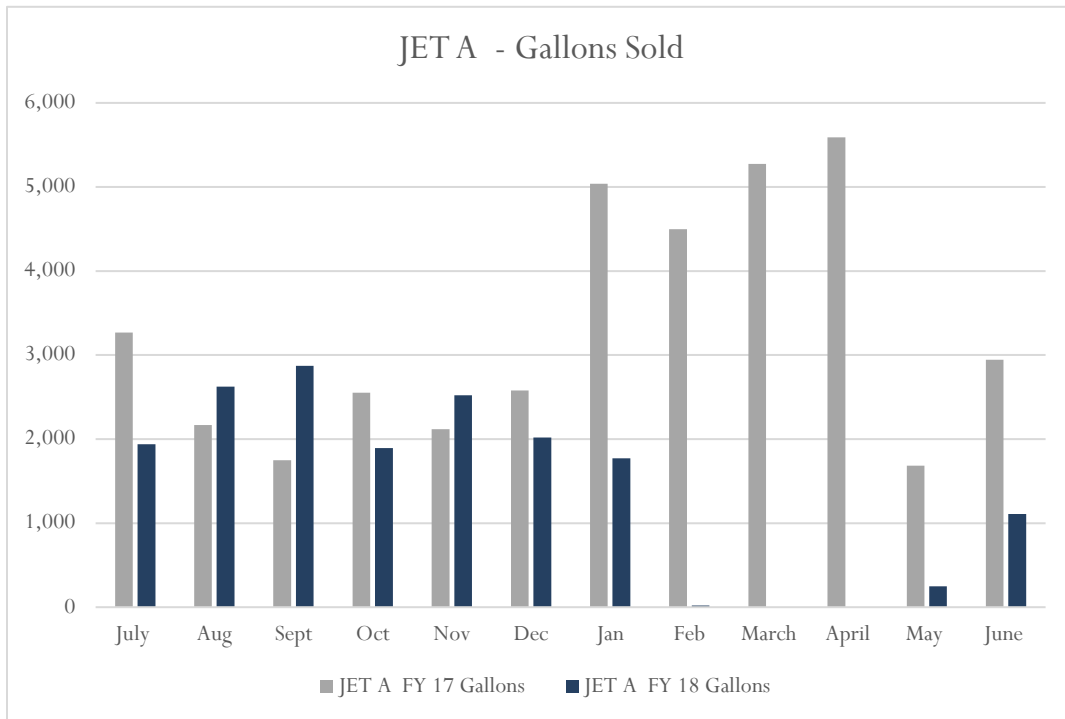
Staff Report
July 18, 2018

1. Current Fuel Price Comparisons (*Data Reported on 100LL.COM*)



2. Shawnee Regional Airport Fuel Sales





3. Other Matters

A. Civil Air Patrol National Flight Academy

1. CAP screened 194 candidates for the Shawnee Academy, 129 qualified for twenty available positions.
2. Fifteen Cadets took their first Solo flight.
3. During the ten-day event the CAP spent approximately \$56,000 on food, lodging, fuel, and services

B. Hangar Repairs / Improvements (Hangar # 14)

1. Electrical Circuit to support "Start Cart" installed.
2. Safety features - limit switch and new tension cables installed on East overhead door system.
3. LED shop lights installed in work area.

C. Request for Information – Enterprise Rental Car Lease

D. Request for Information – Property Appraisals