

UKIAH REGIONAL AIRPORT COMMISSION
February 5, 2008
Minutes

COMMISSIONERS PRESENT

Don Albright
Bill Beard
Dottie Deerwester
Eric Crane

STAFF PRESENT

Paul Richey, Airport Manager
Ken Ronk, Airport Assistant
Cathy Elawadly, Recording Secretary

COMMISSIONERS ABSENT

Ben Winter

OTHERS PRESENT

Carl Steinmann
Mike Whetzel
Debbie Pardee
Roy Pardee

The Airport Commission meeting was called to order by Chair Beard at 6:30 p.m., at the Ukiah Regional Airport, Old Flight Service Station, 1403 South State Street, Ukiah, California. Roll Call was taken with the results listed above.

2. PLEDGE OF ALLEGIANCE- Airport Manager Richey led the pledge of allegiance.

3. APPROVAL OF MINUTES – December 4, 2007

Commissioner Crane referred to page 5, paragraph 5, second sentence and requested it read: "This approach would allow Mr. Taylor time to reconfigure his project such that it works financially and complies with the lease."

M/S Deerwester/Crane to approve December 4, 2007 minutes, as amended. Motion carried by an all AYE voice vote of Commissioners present.

4. SEATING OF NEW COMMISSIONER

Airport Manager Richey and the Commission welcomed new Commissioner Albright and thanked him for volunteering his time to serve.

5. AUDIENCE COMMENTS ON NON-AGENDA ITEMS

Mike Whetzel requested confirmation about the CDF meeting regarding the Environmental Impact Report (EIR) for the project at 3:00 p.m. on Thursday, February 7 at the Airport.

Airport Manager stated the EIR for the CDF project is complete and confirmed the meeting date and State Department of General Services (DGS) is one of the agencies that will be in attendance.

There was a brief discussion concerning a draft lease for CDF in which the Commission will have the opportunity to review.

It was noted pages 217-227 provides for a summary of the EIR document.

6. ELECTION OF OFFICERS

Chair Beard nominated Commissioner Deerwester for Chair of the Airport Commission and the nomination was seconded by Commissioner Crane. The Commission unanimously approved the nomination.

Commissioner Beard nominated Commissioner Crane for Vice Chair of the Airport Commission and the nomination was seconded by Chair Deerwester. The Commission unanimously approved the nomination.

8A. CALSTAR Lease Negotiations

Airport Manager stated Calstar Manager Debbie Pardee is present to answer questions concerning potential relocation of the Calstar operation and existing lease which expires in May 2008 and commented as follows:

- Calstar looked at relocating its operation to the Brian Brodoski hangar area and decided to pursue a development on the new asphalt pad area immediate north of Feather Lite.
- The proposed development would include two 24x60 mobile units, a helicopter pad, and a small shed for the northern site. Utilities and water/sewer hook-ups would be available and information regarding associated costs and specific location of the utilities will be reviewed by City staff.
- Placement of the mobile units on the westernmost portion of the site would encroach onto the pavement on the north end where sufficient roadway width must be maintained, since the roadway narrows.
- The new asphalt pad area is approximately 160x180 allowing sufficient room for the development, noting there are advantages to installing the mobile units on the far west side.
- Manager Pardee is proposing to move the security gate and reconfiguring it to the north side of the building such that one at least a portion of one building would be accessible without having to go through the security gate, since the facility does have to meet the public.
- The project must comply with City Code standards and the development will be subject to discretionary review.
- Because the proposed development would not consist of permanent structures, the lease renewal would not likely be long term.
- Calstar would be financially responsible for moving and utility expenses such as a new transformer, although there may be some flexibility on the part of City water/sewer hook-up fees, since Calstar has paid for hook-ups at the existing site.

Debbie Pardee commented the intent is to minimize costs and noted the move will be expensive. There are no plans to build a hangar at this time or to construct a permanent structure. The site layout will be typical of most Calstar facilities.

Mike Wetzler questioned helicopter operations in close proximity to the localizer approach and whether FAA approval is required, noting a potential hazard exists when a helicopter could take off at minimum speed when an aircraft is on an 'IFR' approach.

Staff will consult with the FAA in this regard.

Debbie Pardee recommended staff consult with Caltrans Division of Aeronautical to make sure this agency is comfortable with the proposed site.

There was a brief discussion concerning the timeframe for securing/arranging of public utilities, Planning Commission discretionary review for the Major Site Development Permit, lease renewal negotiations and subsequent approval by Council.

7. REPORTS

7A. Jim Freese Hangar Inspection Update

Airport Manager Richey has provided Mr. Freese with a copy of the Airport Commission meeting minutes of November 2007 specific to the Commission's granting him an extension to May 1, 2008 to come into compliance with the Ukiah Regional Airport Hangar List Procedures, a copy of the hangar eligibility requirements, and an agreement for him to execute for the extension. Yesterday, staff received the signed agreement. Mr. Freese may request the Commission further review the matter.

Commissioner Crane requested the Freese Hangar Inspection matter be included as a regular Airport Commission update item.

7B. Grant Update

Airport Manager Richey commented:

- FAA Grant #10 in the sum of \$195,000 is open and scheduled to go to City Council for approval of the engineering consultant on February 6, 2008. Once approved and a contract is signed, the engineering work can begin.
- He provided a brief summary of the grant status:
 - FAA Grant #06 in the sum of \$715,500 for the Service road, fencing, freight area, tie down repave/drainage is closed;
 - FAA Grant #07 in the \$180,000 for purchase of the Ryan property is closed.
 - FAA Grant #08 in the sum of \$114,285 for storm drain study and crack sealing is closed.
 - FAA Grant #09 in the sum of \$179,550 for cost overruns on Grant #06.
- Staff will request FAA funds for the construction phase of the storm drain improvements in the approximate sum of \$1.7 million.
- The next improvement after completion of the storm drain improvements will be to slurry seal the runway wherein the FAA has requested this item be put in the CIP.

Chair Deerwester inquired whether there is confirmation from the FAA for the \$195,000 relative to Grant #10.

Airport Manager Richey stated the Airport has confirmation for the \$195,000. However, the Airport does not have confirmation from the FAA agreeing to Kimley-Horn as the engineering consultant. Staff will follow-up on the matter prior to entering into a contract with the consultants.

7C. Airport Brochure – Continued

The Commission discussed the draft Airport Quiet Flying Brochure and made the following changes:

- Adjust general format so that information fits better on the pages.
- Expand print where possible.
- Use 'bullets' where applicable to augment the information and for consistency purposes.
- Correct the spelling of 'Procedures' where necessary.
- No designation for 'Entry route.'
- Exercise consistency when capitalizing words such as displayed in the captions under 'Airport Facilities Map' and 'Other services by independent providers.'
- Delete 'Misc Services' under Services Provided by Airport Management and make punctuation corrections in this section where applicable.
- Correct punctuation under 'Ground Operations' where necessary for consistency.

- Add 109.1 under 'Localizer approach Runway 15', Additional Notes or, under 'Radio Frequencies' add LOC 109.1 and VOR 112.3.
- Make certain there is a 'flight arrow' for 'Departure route.'

No specific changes were made to the promotional brochure. Staff welcomed other photographs that could be incorporated into the promotional brochure.

7D. Airport Commission Application – Continued

The Commission reviewed the draft Application for Appointment to Airport Commission and deleted question 13.

The Commission reviewed the draft Airport Commission Application Instructions and corrected the document to read:

Applicant:

Attached is an application for appointment to the City of Ukiah Airport Commission. Please review the application questions carefully and feel free to list answers on an additional sheet of paper. An application filled out incorrectly or incomplete could be basis for denial.

Of special importance is your home address. The Ukiah City Code requires that three (3) Airport Commissioners reside inside the City Limits and two (2) may reside within Mendocino County. Please check with the City Clerk @ 463-6213 to find out if the vacancy is a City Limits or Countywide position.

The Ukiah Airport Commissioner is appointed by the Ukiah City Council for three (3) year staggered term. The Commission regularly meets the first Tuesday of each month. The Commission serves in an advisory capacity to the City Council. The Airport Manager is the liaison to the Commission and prepares the agenda for the Airport Commission meetings.

8. DISCUSSION/ACTION

8B. Gregg Taylor Hangar Update

The Commission requested staff write a letter to Gregg Taylor and staff has sent a letter to him regarding the usage of his hangars. Mr. Taylor contacted staff and desires to come to the March 2008 Commission meeting to discuss the issue.

Mr. Taylor has all of his hangars rented where the issue with him has been that he has been unable to rent all of his hangars for aviation-related uses. In order to continue to generate revenue he rents hangars for non-aviation related uses on a month-to-month rental basis so that in the event an aviation-related use comes along, the hangar can be rented for this use.

Vice Chair Crane briefly commented on the issue of compliance with the City ground lease and that Gregg Taylor hangars are being used for non-aviation purposes when the ground lease specifically states the hangars shall be exclusively used for aviation-related purposes.

8C. Airport Capital Improvement Program

Airport Manager Richey referred to the ACIP that has been submitted to the FAA, as all projects listed must be approved by the FAA. Additionally, a State document must be submitted to the State for the State to participate in these projects. He encouraged the Commission to propose CIP projects they think should be included.

The Commission discussed the items on the AWP ACIP Data Sheet, particularly the runway light system because it is old, has had problems, and needs to be replaced. There is also a need for a Super Unicom system, which has been added to the ACIP list.

Commissioner Albright commented on problems with particles on the runway/taxiways that can be damaging to aircraft.

There was Commission discussion concerning alternative paving methods and materials for use on the runway that is more effective than the method of slurry sealing.

Airport Manager Richey stated the Airport has a building and ground maintenance program in place that is budgeted for annually.

8D. Hangar Rental Agreement Review

Airport Manager Richey referred to the Airport's Hangar Rental Agreement and noted the proposed changes are highlighted in red and include:

- No.1. Change City Manager to Airport Manager.
- No 2. Add Exhibit A and B.
- No 3. Remove 'Leased Aircraft' from the agreement and have any aircraft lease arrangement to be approved by the Airport Commission.
- No 4. Add language to require tenants to remove aircraft from hangar in emergencies.
- No 5. Remove duplicated language.
- No 6. Change language on aircraft ownership transfers.
- No 7. Increase insurance requirements to \$500,000.
- No 8. Change insurance to require aircraft liability in lieu of hangar liability.
- No 9. Change waiver to be approved by Commission and Airport Manager.
- No10. Change City signature to Airport Manager or authorized Airport designee.

Changes to the lease agreements must be reviewed by Council while changes in insurance requirements do not.

Staff/Commission discussion concerning the lease and proposed lease changes:

- Paragraph 15 of the Airport Hangar Rental Agreement with regard to insurance states there must be 'insurance' provided.
- Staff questions how one hangar tenant uses an extension of his homeowners insurance to provide liability insurance.
- Most general aviation airports require tenants to have liability insurance on aircraft.
- The City Attorney is not concerned with the issue of requiring liability insurance for aircraft, provided the tenant has liability insurance that complies with City requirements. He noted, for example, the City does not require liability insurance on aircraft that fly into the Airport.
- The businesses operating at the Airport must have liability insurance, naming the City as additionally named insured.
- **Staff is of the opinion in the best interest of the Airport that aircraft liability insurance should be required.**
- **The Commission agreed with proposed changes Nos. 1 & 2.**
- **Paragraph 2 of the lease, interest on delinquency must be updated in the lease as required in City Code Section 2051.**
- **No 10, either the Airport Manager or authorized Airport designee can execute a hangar lease and in incorporated into the lease.**
- The element of 'leased aircraft' has become an issue as it relates to hangar leases and Hangar List Procedures and Eligibility Requirements. **Staff is of the opinion the Commission should be able to review leased aircraft in City-owned hangars.** Such review would not be necessary for FBO's on the Airport. Furthermore, while an airworthy

aircraft is required for hangar tenants, it is not required for FBO's. However, FBO's must operate businesses that are aviation related.

- Individuals who rent a hangar must have possession of an aircraft where in the past possession meant owned or leased. **Accordingly, staff recommends removing 'leased aircraft' from the agreement and add language that states, "any 'leased aircraft' must be approved by the Airport Commission."**
- Giving the Airport Commission authority to review 'leased aircraft' allows for more effective management of the Hangar List Procedures and Eligibility Requirements.
- No. 4 is not presently addressed in the lease. **Most hangar tenants in a major emergency would not have a problem with staff removing aircraft from the hangar and using it for emergency supplies and/or the like where language would have to be added in the lease giving the Airport authority to use a hangar during emergency situations.** An emergency situation should be clearly defined such in a 'government declared state of emergency.'
- The Commission discussed how liability insurance is defined and whether the serial number of the aircraft should be the signifying factor so that when a plane is purchased or sold the insurance must be changed accordingly. **Also, ownership of the aircraft as to whether the plane is individually owned or leased should be documented and the individual required to provide liability insurance specifying he/she is insured for liability in addition to providing liability insurance for aircraft.** Staff recommends clarifying language in paragraph 3, Use of Premises, that specifically refers to 'Aircraft insurance,' since the first sentence references an identification number and reads, "These premises are rented to Renter for the sole purpose of storing aircraft with the following identification number or numbers: xxxx, a portion of the which is/are owned or leased by Renter and based at the Ukiah Municipal Airport." The Commission recommends incorporating language requiring insurance on aircraft specify the insured pilots as well. It was noted insurance cannot be provided unless a person is an active pilot. The Commission supports having the authority to review 'leased aircraft' situations.
- **The City of Ukiah is endorsed as additionally named insured.**
- If there is indemnification for delinquent rent, how a delinquent insurance premium should be treated. Staff stated any provision of the lease not upheld is grounds for termination whereby the aircraft would be removed from the hangar and placed on the field, which means the aircraft is still on the Airport and a potential liability. **The Commission agreed with staff that 'or leased by the Renter' be eliminated relative to paragraph 3 and replaced with 'aircraft is/are owned by the Renter.' Additionally, the Hangars Procedures List could be revised to reflect, "Any renter leasing an aircraft and desiring to be a hangar tenant must have approval from the Airport Commission."**
- **Paragraph 4, Right of Inspection, add language to the effect the City has the right during declared emergencies to use a tenant's hangar.** It was suggested adding a clause with regard to removal of trash and debris that all associated costs must be paid for by the tenant. However, this issue is addressed in Paragraph 3 of the Agreement.
- The Commission discussed a case in which several individuals could own an aircraft and one person desires to sell his/her interest in terms of allowing the entity to legally retain the hangar. Staff cited a situation wherein an owner of an aircraft desired to sell his plane, and the person purchasing the plane wanted to keep the hangar. Under the Hangar List Procedures and Eligibility Requirements, this is not fair and should not be allowed. In order to comply with the requirements, the owner agreed to buy back his one-half interest in the plane where the two individuals would be partners for a period of time and when the one-half interest was eventually relinquished, the hangar was retained. The Commission discussed other ways to get around complying with the hangar eligibility requirements as to

whether a timeframe should be included in the hangar agreement to address the exceptions. It was noted paragraph 5, the discontinuance of ownership or lease of an aircraft, is addressed in Paragraph 3. The Commission did not favor removing an aircraft from a hangar 'out into the field' because of a transfer of ownership whereby the plane could retain its home with the new owner responsible for maintenance/flying it as opposed to allowing it to potentially depreciate in value by being parked in the field. The Commission agreed deliberate 'backdoor' deals and contracts in order to retain a hangar should not be allowed. **The Commission proposed language, "Hangar leases are non-transferable and any exceptions must be reviewed and approved by the Airport Commission." Staff noted paragraph 7, Assignment, addresses this issue, and states, "This Agreement shall not be assigned, transferred, sublet, or underlet by the Renter except with the prior written approval of the Airport Manager and prior approval by the Airport Commission, and upon such terms and conditions as City may require."**

The Commission by consensus agreed with staff's recommendations regarding changes to the hangar agreement, as highlighted in red on the agreement and as specified above in proposed changes nos. 1-10, and as discussed above.

Staff will make the changes and bring back to the Commission for review prior to going to Council for final approval.

9. COMMISSIONER COMMENTS

Vice Chair Crane stated the County Airport Land Use Commission will meet on Thursday, February 7, 2008 to discuss expansion of the Ukiah Natural Foods building into the adjacent parking lot to the north and corresponding issues associated with this proposed project.

Chair Deerwester commented it may be time to look at cost analysis/feasibility of looking at permanent development versus non-permanent structures at the Airport taking into consideration the type of use as to whether the structure is intended for office space or for a hangar.

Mike Whetzel was not supportive of the proposed new location of Calstar at the north end of the Airport due to noise and potential safety and other nuisance reasons. He asked about use of the CDF (CalFire) site when not in use by CDF, as a shared facility or some other location on the east side of the Airport or in the existing 'dirt parking lot.'

There was a discussion about the CDF site, helicopter operations in conjunction with traffic issues/parking/safety/departure/landing thresholds/general flying procedures for helicopters and other aircraft, other possible relocation areas, and land constraints.

Mike Whetzel commented a considerable amount of time was spent formulating the Airport Land Use Plan and supports this document be used for its intended purpose, which is for effective planning of developments at the Airport.

There was a brief discussion concerning changes in pilot communication systems.

10. STAFF COMMENTS

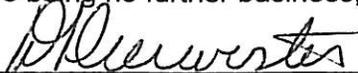
Airport Manager Richey commented on a letter sent to Hertz Rent-a-Car advising that they are in violation of their lease and have 60 days to come into compliance.

11. AGENDA ITEMS FOR NEXT REGULAR MEETING

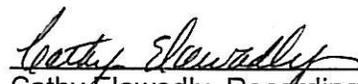
1. CDF EIR
2. Jim Freese Hangar update
3. Gregg Taylor Hangar update
4. Hertz Rent-a-Car lease violation
5. Calstar project update
6. Letter to City Council regarding the Airport Commission review of Airport Commission applicants
7. Introduction of new employee

12. ADJOURNMENT

There being no further business, the meeting adjourned at 9:36 p.m.



Dottie Deerwester, Chair



Cathy Elawadly, Recording Secretary