

REGULAR CHICO AIRPORT COMMISSION MEETING - JANUARY 28, 2010
Minutes

1. **REGULAR AIRPORT COMMISSION MEETING - 6:00 p.m.**

1.1. Call to Order - Chair Sanderson called the January 28, 2010 - Regular Airport Commission meeting to order at 6:00 p.m. in the Council Chamber.

1.2. Roll Call

Present: Mueller, Nathan, Koch, Sanderson

Absent: None

1.3. Oath of Office for new Airport Commissioner, Matt Juhl-Darlington, was administered by the City Clerk.

1.4. Selection of 2010 Chair and Vice Chair.

The nomination process was reviewed and nominations were opened for the Airport Commission Chair.

Commissioner Nathan nominated Commissioner Koch and the nomination was seconded by Commissioner Sanderson.

With no other nominations made the nomination carried by the following vote:

AYES: Juhl-Darlington, Mueller, Nathan, Sanderson

NOES: None

The 2010 Airport Commission Chair is Bob Koch.

Nominations were opened for Vice-Chair

Commissioner Sanderson nominated Kurt Nathan and the nomination was seconded by Chair Koch.

With no other nominations made the nomination carried by the following vote:

AYES: Juhl-Darlington, Mueller, Sanderson, Koch

NOES: None

The 2010 Airport Commission Vice-Chair is Kurt Nathan.

1.5. Selection of 2010 Committee members.

It was the consensus of the Commission that Nathan and Sanderson serve on the Architectural Review Committee.

It was the consensus of the Commission that Juhl-Darlington and Mueller serve on the Ad Hoc Proposed Policy Statement - Use and Development of Aviation Zoned Property Committee. Chair Koch requested that since this is a work plan item the Committee provide a report back to the Commission at the April meeting.

It was the consensus of the Commission that Nathan and Sanderson remain on the Ad Hoc Lease Review Committee.

2. **CONSENT AGENDA**

A motion was made by Juhl-Darlington and seconded by Nathan to approve the Consent Agenda, as read, with items 2.3. and 2.4. removed for public comment.

The motion carried by the following vote:

AYES: Juhl-Darlington, Mueller, Sanderson, Nathan, Koch
NOES: None

2.1. **APPROVAL OF MINUTES OF AIRPORT COMMISSION MEETING**

Approved - minutes of the Airport Commission meeting held on 10/27/09.

2.2. **APPROVAL OF A MINUTE ORDER - AUTHORIZATION FOR THE AIRPORT MANAGER TO EXECUTE A CONSENT TO ASSIGNMENT, LEASE OF PROPERTY AT THE CHICO MUNICIPAL AIRPORT, AIRCRAFT HANGAR SPACE NO. A-1 (CITY OF CHICO/BUTTE CREEK AVIATION SERVICES, LESSEE AND ASSIGNOR/ROBERT HARP AND LYNN HARP CO-TRUSTEES OF HARP REVOCABLE TRUST OF 2009)**

Approved - minute order authorizing the Airport Manager to execute a consent to assignment with Harp Revocable Trust of 2009 for hangar space A-1 in accordance with the terms set out in the Minute Order. The Airport Manager recommended approval of the Minute Order.

MINUTE ORDER - AUTHORIZATION FOR THE AIRPORT MANAGER TO EXECUTE A CONSENT TO ASSIGNMENT, LEASE OF PROPERTY AT THE CHICO MUNICIPAL AIRPORT, AIRCRAFT HANGAR SPACE NO. A-1 (CITY OF CHICO/BUTTE CREEK AVIATION SERVICES, LESSEE AND ASSIGNOR/ROBERT HARP AND LYNN HARP CO-TRUSTEES OF THE HARP REVOCABLE TRUST OF 2009)

2.3. **APPROVAL OF A MINUTE ORDER - RECOMMENDATION THAT THE CITY COUNCIL AUTHORIZE THE AIRPORT MANAGER TO EXECUTE A LEASE OF PROPERTY AT THE CHICO MUNICIPAL AIRPORT, AIRCRAFT HANGAR AREA - HANGAR PAD AREA E, HANGAR SPACE NO. E-3 (CITY OF CHICO/DERON J. LUDWIG) AND RELATED DOCUMENTS**

Approved - minute order recommending that the City Council authorize the Airport Manager to execute a lease of property at the Chico Municipal Airport, aircraft hangar space No. E-3, and related documents. The Airport Manager recommended approval of the Minute Order.

MINUTE ORDER - RECOMMENDATION TO THE CITY COUNCIL TO AUTHORIZE THE AIRPORT MANAGER TO EXECUTE A LEASE OF PROPERTY AT CHICO MUNICIPAL AIRPORT, AIRCRAFT HANGAR AREA - HANGAR PAD AREA E, HANGAR SPACE NO. E-3 (CITY OF CHICO/DERON J. LUDWIG) AND RELATED DOCUMENTS

At the request of Tom Aylward, this item was removed from the Consent Agenda.

Mr. Aylward addressed the Commission in opposition of the lease rental rate being applied to the lease.

A motion was made by Sanderson and seconded by Mueller to approve the Minute Order.

The motion carried by the following vote:

AYES: Mueller, Sanderson, Nathan, Koch

NOES: None

ABSTAIN: Juhl-Darlington

2.4. **APPROVAL OF A MINUTE ORDER - RECOMMENDATION THAT THE CITY COUNCIL AUTHORIZE THE AIRPORT MANAGER TO EXECUTE A LEASE OF PROPERTY AT THE CHICO MUNICIPAL AIRPORT, AIRCRAFT HANGAR AREA - HANGAR PAD AREA E, HANGAR SPACE NO. E-4 (CITY OF CHICO/JAMES F. SCHLUND) AND RELATED DOCUMENTS**

Approved - minute order recommending that the City Council authorize the Airport Manager to execute a lease of property at the Chico Municipal Airport, aircraft hangar space No. E-4, and related documents. The Airport Manager recommended approval of the Minute Order.

MINUTE ORDER - RECOMMENDATION TO THE CITY COUNCIL TO AUTHORIZE THE AIRPORT MANAGER TO EXECUTE A LEASE OF PROPERTY AT CHICO MUNICIPAL AIRPORT, AIRCRAFT HANGAR AREA - HANGAR PAD AREA E, HANGAR SPACE NO. E-4 (CITY OF CHICO/JAMES F. SCHLUND) AND RELATED DOCUMENTS

At the request of Tom Aylward, this item was removed from the Consent Agenda.

Mr. Aylward addressed the Commission in opposition of the lease rental rate being applied to the lease.

A motion was made by Sanderson and seconded by Nathan to approve the Minute Order.

The motion carried by the following vote:

AYES: Mueller, Sanderson, Nathan, Koch
NOES: None
ABSTAIN: Juhl-Darlington

ITEMS REMOVED FROM THE CONSENT - Items 2.2. and 2.4.

3. **NOTICED PUBLIC HEARINGS** - None

4. **REGULAR AGENDA**

4.1. **CONSIDERATION OF RECOMMENDATIONS FROM THE AIRPORT
COMMISSION AD HOC LEASE IMPLEMENTATION COMMITTEE**

The Airport Commission Ad Hoc Lease Committee discussed their recommendations regarding the implementation of the standardized lease for the A, B, and C hangar rows and the resulting rental rate adjustments. On 01/15/10 a notice was mailed to A, B, and C row hangar owners advising them of the availability of the Ad Hoc Committee's Report on the City's website and that there would be an agendaized discussion and the opportunity for public comment at tonight's meeting. Report provided by Committee Members Nathan and Sanderson.

Recommendations - The Committee recommended that the Airport Commission: (1) retain the current established lease rate of \$0.80 per square foot; (2) begin implementing the new leases effective July 2010; (3) Use the transition method established in the Committee's report to implement the lease rates to individual hangar owners; (4) continue to use the annual Consumer Price Index to adjust base lease rates; and (5) direct staff to ensure taxi lanes are regularly swept and that the repair and maintenance of taxi lanes be made a high priority.

Commissioner Mueller disqualified himself from this item due to his ownership of an aircraft currently stored in hangar A-16.

Announcement of Ex-Parte Communications

Commissioner Sanderson - Spoke with Tom Aylward, Dan Jay, and Commissioner Mueller.

Commissioner Sanderson stated for the record that the lease rate itself was recommended and approved by the Commission and the City Council 18 months ago and that although the Committee looked at the lease rate, the purpose of the Committee was to make recommendations on the implementation of the new leases.

The Commission recommended that the Airport Manager's recommendation to review the use of CPI as the inflator for ground lease rates, as well as any lease language changes necessary if the ad hoc Committee's recommendations are approved by the Commission, be agendaized for the April meeting.

Addressing the Commission in opposition of the lease rental rates that will be enacted with the implementation of the new leases were Tom Aylward and Stan Gungl.

It was the consensus of the Commission to move this item to the April meeting in order to (1) review the documents used to establish the current lease rate; (2) determine if the rate per square foot is appropriate or if a recommendation should be made to return to a flat rate; and (3) review the lease rate transition plan.

The Airport Manager stated that if a change in lease rate is recommended the change will need to be approved by the Council.

5. **BUSINESS FROM THE FLOOR**

Addressing the Commission were Stan Gungl, Tom Aylward and Dan Jay.

6. **REPORTS AND COMMUNICATION**

An email addressed to the Commission from Tom Aylward regarding lease rental rates was received January 24, 2010 and provided to each Commissioner prior to tonight's meeting.

An email addressed to the Commission from Rene Vercruyssen regarding lease rental rates was received January 28, 2010 and provided to each Commissioner prior to tonight's meeting.

6.1. **UTILIZATION OF CITY PROPERTY BY BRADY'S MOVING AND STORAGE**

Report provided by Airport Manager Burkland.

Jeff Day of Brady's Moving & Storage addressed the Commission.

The Airport Manager will work with Jeff Day to develop a written agreement for the use of the property.

6.2. **COMMITTEE REPORTS - None.**

6.3. **AIRPORT MANAGER UPDATES - The Airport Manager provided a verbal update on various airport items.**

Council upheld the appeal of the Airport Commission's decision to waive minimum standards for Dimension 3 Aviation.

Council directed the Airport Manager to, for the record, inform the Commission that a perception exists that the Airport Commission treated an individual differently because of relationships with certain Airport Commissioners and that the Airport Commission did not

follow City procedures when taking this action. The Commission needed to establish findings supporting their decision.

Commissioner Sanderson objected to the Council statement and asked what facts were presented that supported the perception. He stated, for the record, that the opinion expressed does not reflect the majority opinion of the Council and that he will prepare something for the Commission to review at the next meeting to rebut the statement.

6.4. **COMPLIANCE PROGRAM**

The Airport Manager provided a verbal update on the monitoring of leases and operating agreements for compliance.

6.5. **AIRPORT FUND INCOME STATEMENT**

The quarterly airport Fund Income Statement was provided to the Commission.

6.6. **UPDATE ON WORK PLAN PROGRESS**

It was the consensus of the Commission that a discussion and review of the work plan be agendaized for the April meeting.

7. **ADJOURNMENT**

Adjourned at 7:23 p.m. to April 27, 2010 at 6:00 p.m., in the Council Chambers.

Date Approved: April 27, 2010



Deborah M. Collins
Management Analyst - Airport

CITY OF CHICO
REGULAR CHICO AIRPORT COMMISSION MEETING - APRIL 27, 2010
Minutes

1. **REGULAR AIRPORT COMMISSION MEETING - 6:00 p.m.**

1.1. Call to Order - Chair Koch called the April 27, 2010 - Regular Airport Commission meeting to order at 6:00 p.m. in the Council Chamber.

1.2. Roll Call

Present: Juhl-Darlington, Mueller, Sanderson, Nathan, Koch
Absent: None

2. **CONSENT AGENDA**

A motion was made by Sanderson and seconded by Juhl-Darlington to approve the Consent Agenda, as read.

The motion carried by the following vote:

AYES: Juhl-Darlington, Mueller, Sanderson, Nathan, Koch
NOES: None

2.1. **APPROVAL OF MINUTES OF AIRPORT COMMISSION MEETING**

Approved - minutes of the Airport Commission meeting held on 01/28/10.

2.2. **APPROVAL OF A MINUTE ORDER - AUTHORIZATION FOR THE AIRPORT MANAGER TO EXECUTE A LEASE OF REAL PROPERTY AT THE CHICO MUNICIPAL AIRPORT, AIRCRAFT HANGAR SPACE NO. A-8 (CITY OF CHICO/BENJAMIN N. GILBERT)**

Approved - minute order authorizing the Airport Manager to execute a lease of real property for hangar space A-8 in accordance with the terms set out in the Minute Order. *The Airport Manager recommended approval of the Minute Order.*

MINUTE ORDER - AUTHORIZATION FOR THE AIRPORT MANAGER TO EXECUTE A LEASE OF REAL PROPERTY AT THE CHICO MUNICIPAL AIRPORT, AIRCRAFT HANGAR SPACE NO. A-8 (CITY OF CHICO/BENJAMIN N. GILBERT)

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ITEMS REMOVED FROM THE CONSENT - None3. **NOTICED PUBLIC HEARINGS** - None4. **REGULAR AGENDA**4.1. **REVIEW OF HOW THE CURRENT FEE SCHEDULE HANGAR AREA LEASE RATES WERE ESTABLISHED AND CONSIDERATION OF THE AD HOC LEASE COMMITTEE'S IMPLEMENTATION PLAN FOR THE A, B, AND C HANGAR ROW STANDARDIZED LEASE**

At its meeting of 01/28/10 it was the consensus of the Airport Commission to continue to tonight's meeting the discussion of the A, B, C row hangar lease rates as well as the implementation of the standardized A, B, C row hangar lease. It was the intent of the Commission to: (1) review the documents used to establish the current lease rate for hangar rows A, B and C; (2) determine if using a rate per square foot is an appropriate way to establish lease rates or if a recommendation should be made to return to a flat rate; and (3) review the lease rate transition plan as it relates to the implementation of the standardized A, B and C row hangar space leases. On 04/02/10 documents used by the Airport Commission when establishing the current lease rates were emailed to the Commissioners for review. On 04/20/10 a notice was mailed to A, B, and C row hangar owners advising them of tonight's discussion and the opportunity for public comment. *(Report - Dave Burkland, Airport Manager)*

Commissioner Mueller disqualified himself from this item due to the fact that his aircraft currently occupies hangar A-16.

Announcement of Ex-Parte Communications

Commissioner Sanderson and Commissioner Juhl-Darlington - Spoke with Tom Aylward on this item.

Chair Koch provided background on this item.

The Airport Manager provided a verbal report.

Tom Aylward and Norm Rosene addressed the Commission.

A motion was made by Sanderson and seconded by Juhl-Darlington asking staff to review comparable lease rates at airports that are similar to Chico Municipal Airport, as well as surrounding airports, and return at the next meeting with information to assist the Commission in making a recommendation regarding the lease rates.

The review should utilize a standard set of questions regarding both improved and unimproved land to include how ground lease rates are determined, what inflator is used for ground lease rates, and whether the hangars have access to utilities.

The motion carried by the following vote:

AYES: Juhl-Darlington, Sanderson, Nathan, Koch
NOES: None
ABSTAIN: Mueller

Additionally the Commission asked staff to provide the following at the next meeting:

1. After consultation with the City Attorney, a determination as to whether it is possible to proceed with notification of hangar owners of the termination of their existing leases, prior to making a decision on the lease rates, and advising the hangar owners that their existing leases will continue on a month to month basis until the Commission has made its lease rate decisions at which time the new standardized lease will be implemented.
2. Additional information regarding a graduated lease rate.
3. Information on the change in airport operating costs over the last five years.

5. **BUSINESS FROM THE FLOOR**

Tom Aylward addressing the Commission regarding hangar row E lease rates and lease terms for A, B, C hangar rows. The Commission asked that consideration of lease terms be placed on the next agenda.

6. **REPORTS AND COMMUNICATION**

6.1. COMMITTEE REPORTS

The Ad Hoc Proposed Policy Statement - Use and Development of Aviation Zoned Property Committee deferred their report to the next meeting.

6.2. AIRPORT MANAGER UPDATES

The letter agreements between the Air Traffic Control Tower and the City have been updated. These agreements relate to emergency response, movement and non-movement areas, reporting on braking runway action,

and operation of the lighting system.

Execution of a license agreement with the Experimental Aircraft Association for their B-17 Spring Tour. Provided insurance is approved the tour will be here May 10th - 13th.

The bid process for the Wildlife Hazard Assessment is open and will close on May 7, 2010. The assessment is being funded by a grant from the FAA.

The Federal Aviation Administration (FAA) and Transportation Security Administration (TSA) require the airport to hold table top exercises. An exercise was held at the airport 04/14/10 with about 30 participants including airport staff, police, fire, CDF, TSA, SkyWest, the Air Traffic Control Tower and Aero Union.

Current FAA Airport Improvement Program (AIP) grant funded project will be going out to bid soon. The project will replace 800' length of asphalt from the edge of the concrete apron that was installed in the last phase to the infield and will include striping.

Allegiant Air is considering the possibility of providing service to Chico with a 150 seat MD-83 aircraft.

6.3. COMPLIANCE PROGRAM

The Airport Manager provided a verbal update on the status of the Brady's Moving and Storage and the Dimension 3 Aviation agreements.

6.4. AIRPORT FUND INCOME STATEMENT

The quarterly airport Fund Income Statement was provided to the Commission.

6.5. UPDATE ON WORK PLAN PROGRESS

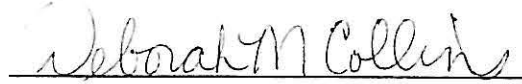
The Commission reviewed the work plan items and the status of each.

An addition was made to Reports and Communications by Commissioner Sanderson who distributed copies of the letter that he sent to the City Council, as well as Councilmember Grundl's response, to the Commission and staff. Commissioner Sanderson's letter was in response to comments that the Council had the Airport Manager present at the last Airport Commission meeting. The Commission asked that this item be placed on the next agenda for discussion and consideration.

7. **ADJOURNMENT**

Adjourned at 7:37 p.m. to July 27, 2010 at 6:00 p.m., in the Council Chambers.

Date Approved: July 27, 2010



Deborah M. Collins
Management Analyst - Airport

CITY OF CHICO
REGULAR CHICO AIRPORT COMMISSION MEETING - JULY 27, 2010
Minutes

1. **REGULAR AIRPORT COMMISSION MEETING - 6:00 p.m.**

1.1. Call to Order - Chair Koch called the July 27, 2010 - Regular Airport Commission meeting to order at 6:00 p.m. in the Council Chamber.

1.2. Roll Call

Present: Juhl-Darlington, Mueller, Sanderson, Nathan, Koch

Absent: None

2. **CONSENT AGENDA**

A motion was made by Mueller and seconded by Nathan to approve the Consent Agenda, with the exception of item 2.1. which was removed at the request of Commissioner Sanderson.

The motion carried by the following vote:

AYES: Juhl-Darlington, Mueller, Sanderson, Nathan, Koch

NOES: None

2.1. **APPROVAL OF MINUTES OF AIRPORT COMMISSION MEETING**

Approved - minutes of the Airport Commission meeting held on 01/28/10.

A motion was made by Mueller and seconded by Sanderson to approve the minutes as read.

The motion carried by the following vote:

AYES: Juhl-Darlington, Mueller, Sanderson, Nathan, Koch

NOES: None

2.2. **APPROVAL OF A MINUTE ORDER - AUTHORIZATION FOR THE AIRPORT MANAGER TO EXECUTE A LEASE OF REAL PROPERTY AT THE CHICO MUNICIPAL AIRPORT, AIRCRAFT HANGAR AREA - HANGAR PAD AREA C, HANGAR SPACE NO. C-25 (CITY OF CHICO/GERALD B. ROBINSON) AND RELATED DOCUMENTS**

Approved - minute order authorizing the Airport Manager to execute a lease of real property for hangar space C-25 in accordance with the terms set out in the Minute Order and related documents. *The Airport Manager recommended approval of the Minute Order.*

MINUTE ORDER - AUTHORIZATION FOR THE AIRPORT MANAGER TO EXECUTE A LEASE OF REAL PROPERTY AT THE CHICO MUNICIPAL AIRPORT, AIRCRAFT HANGAR AREA - HANGAR PAD AREA C, HANGAR SPACE NO. C-25 (CITY OF CHICO/GERALD B. ROBINSON) AND RELATED DOCUMENTS

2.3. **APPROVAL OF A MINUTE ORDER - AUTHORIZATION FOR THE AIRPORT MANAGER TO EXECUTE A CONSENT TO SUBLEASE, LEASE OF REAL PROPERTY AT CHICO MUNICIPAL AIRPORT, T-HANGAR SPACE NO. A-3 (CITY OF CHICO/DON LIEBERMAN, LESSEE/SELIG CONSTRUCTION CORPORATION, SUBLESSEE)**

Approved - minute order authorizing the Airport Manager to execute a Consent to Sublease, Lease of Real Property at Chico Municipal Airport, T-hangar Space No. A-3 (City of Chico/Don Lieberman/Selig Construction Corporation, Sublessee) *The Airport Manager recommended approval of the Minute Order.*

MINUTE ORDER - AUTHORIZATION FOR THE AIRPORT MANAGER TO EXECUTE A CONSENT TO SUBLEASE, LEASE OF REAL PROPERTY AT THE CHICO MUNICIPAL AIRPORT, T-HANGAR SPACE NO. A-3 (CITY OF CHICO/DON LIEBERMAN, LESSEE/SELIG CONSTRUCTION CORPORATION, SUBLESSEE)

ITEMS REMOVED FROM THE CONSENT - Item 2.1.

3. **NOTICED PUBLIC HEARINGS** - None

4. **REGULAR AGENDA**

4.1. **DISCUSSION OF AERO UNION'S MOVE TO MCCLELLAN BUSINESS PARK AND POTENTIAL IMPACTS ON CHICO MUNICIPAL AIRPORT**

On 06/07/10 staff confirmed that the article published in the Chico Enterprise Record on 06/06/10 advising that Aero Union Corporation would be leaving Chico Municipal Airport and moving to McClellan Business Park in Sacramento was accurate. Aero Union currently has eight (8) leases with the City for various Chico Municipal Airport facilities. *(Report - Dave Burkland, Airport Manager)*

The Airport Manager provided an overview of the discussions he has had with Britt Gourley of Aero Union regarding the timing of the move. A map showing Aero Union's leases at the airport along with the lease rates and terms was displayed.

Bob Linscheid, President and CEO of the Chico Economic Planning Corporation (CEPCO), addressed the Commission and shared the activities that CEPCO is working on to attract new businesses to the airport.

The Airport Manager will keep the Commission informed as progress is made and advise if there is a necessity for a special meeting to address new leases that need to be executed.

4.2. **CONTINUED CONSIDERATION OF THE A, B, AND C HANGAR ROW LEASE RATES AND IMPLEMENTATION OF THE NEW STANDARDIZED LEASE FOR THESE HANGAR ROWS**

At its meeting of 04/27/10, the Airport Commission voted (4-0-1, with Mueller disqualified) to review comparable lease rates at airports similar to Chico Municipal Airport, as well as surrounding facilities, to assist the Commission in making a recommendation regarding A, B, C hangar row lease rates. A list of ten comparable airports was developed by a group of four local pilots and provided to staff. At the direction of the Commission staff prepared questions for a survey to gather pertinent information regarding hangar leases. Survey results were provided along with information on the airport operating costs over the previous six years. Information regarding graduated lease rates and lease terms was provided. As recommended by the City Attorney's office, no action was taken on the termination of existing leases pending a final decision by the Commission on lease rates and a standardized lease implementation plan. On 07/12/10 a notice was mailed to A, B, and C row hangar owners advising them of tonight's discussion and the opportunity for public comment. *(Report - Dave Burkland, Airport Manager and Debbie Collins, Management Analyst)*

Commissioner Mueller excused himself from this item due to the fact that his aircraft currently occupies hangar A-16.

Chair Koch introduced the item.

Management Analyst Collins briefly went over the results of the lease rate survey that was conducted and advised the Commission that the identified lease termination notification date had passed therefore implementation of the new leases could not occur until October of 2011.

It was the consensus of the Commission to continue this item to the October 26, 2010 meeting with the intention of making a final determination. The Commission requested staff prepare a chart showing lease rates at \$0.72, \$0.75, \$0.77, and \$0.80 cents per square foot in a format where the results can be viewed side by side.

5.

BUSINESS FROM THE FLOOR

Dan Jay addressed the Commission and asked if the City could have done something to keep Aero Union at Chico Municipal Airport. Mr. Jay also asked for explanation of some of the figures from the Fund Income Statement and clarification of fuel flowage revenue.

Tom Aylward addressed the Commission regarding the future availability of power on hangar row E.

6.

REPORTS AND COMMUNICATION

6.1.

COMMITTEE REPORTS

The Ad Hoc Proposed Policy Statement - Use and Development of Aviation Zoned Property Committee presented a proposed policy statement for review and discussion. Consideration of adoption of the policy will be agendized for the October 26, 2010 meeting.

6.2.

AIRPORT MANAGER UPDATES

Facilities Manager Parks discussed the annual FAA Certification Inspection that was conducted 06/30/10 through 07/02/10 and the action items to be addressed.

Airport Manager Burkland updated the Commission on the roadway improvement project on Cohasset Road leading to the airport.

Facilities Manager Parks provided an update on the current Airport Improvement Program (AIP) ramp replacement project currently underway at the airport.

6.3. COMPLIANCE PROGRAM - None.

6.4. AIRPORT FUND INCOME STATEMENT

The quarterly airport Fund Income Statement was provided to the Commission.


6.5. UPDATE ON WORK PLAN PROGRESS

The Commission discussed that the final report on Work Plan accomplishments will be due to Council this fall and addressed at the next meeting.

7. **ADJOURNMENT**

Adjourned at 7:40 p.m. to October 26, 2010 at 6:00 p.m., in the Council Chambers.

Date Approved: October 26, 2010


Deborah M. Collins
Management Analyst - Airport

CITY OF CHICO

REGULAR CHICO AIRPORT COMMISSION MEETING - OCTOBER 26, 2010
Minutes

1. **REGULAR AIRPORT COMMISSION MEETING**

1.1. Call to Order - Chair Koch called the October 26, 2010, regular Airport Commission meeting to order at 6:00 p.m. in the Council Chamber.

1.2. Roll Call

Present: Juhl-Darlington, Mueller, Sanderson, Nathan, Koch
Absent: None

2. **CONSENT AGENDA**

A motion was made by Juhl-Darlington and seconded by Sanderson to approve the Consent Agenda.

The motion carried by the following vote:

AYES: Juhl-Darlington, Mueller, Sanderson, Nathan, Koch
NOES: None

2.1. **APPROVAL OF MINUTES OF AIRPORT COMMISSION MEETING**

Approved - minutes of the Airport Commission meeting held on 07/27/10.

- 2.2. **APPROVAL OF A MINUTE ORDER - AUTHORIZATION FOR THE AIRPORT MANAGER TO EXECUTE A LEASE OF REAL PROPERTY AT THE CHICO MUNICIPAL AIRPORT, AIRCRAFT HANGAR AREA - HANGAR PAD AREA A, HANGAR SPACE NO. A-9 (CITY OF CHICO/ROBERT D. ENSLEY) AND RELATED DOCUMENTS**

Approved - minute order authorizing the Airport Manager to execute a lease of real property for hangar space A-9 in accordance with the terms set out in the Minute Order and related documents. *The Airport Manager recommended approval of the Minute Order.*

MINUTE ORDER - AUTHORIZATION FOR THE AIRPORT MANAGER TO EXECUTE A LEASE OF REAL PROPERTY AT THE CHICO MUNICIPAL AIRPORT, AIRCRAFT HANGAR AREA - HANGAR PAD AREA A, HANGAR SPACE NO. A-9 (CITY OF CHICO/ROBERT D. ENSLEY) AND RELATED DOCUMENTS

- 2.3. **APPROVAL OF A MINUTE ORDER - AUTHORIZATION FOR THE AIRPORT MANAGER TO EXECUTE A LEASE OF REAL PROPERTY AT THE CHICO MUNICIPAL AIRPORT, AIRCRAFT HANGAR AREA - HANGAR PAD AREA A, HANGAR SPACE NO. A-19 (CITY OF CHICO/RENE J. VERCRUYSEN) AND RELATED DOCUMENTS**

Approved - minute order authorizing the Airport Manager to execute a lease of real property for hangar space A-19 in accordance with the terms set out in the Minute Order and related documents. *The Airport Manager recommended approval of the Minute Order.*

MINUTE ORDER - AUTHORIZATION FOR THE AIRPORT MANAGER TO EXECUTE A LEASE OF PROPERTY AT THE CHICO MUNICIPAL AIRPORT, AIRCRAFT HANGAR AREA - HANGAR PAD AREA A, HANGAR SPACE NO. A-19 (CITY OF CHICO/RENE J. VERCRUYSEN) AND RELATED DOCUMENTS

ITEMS REMOVED FROM THE CONSENT - None

3. **NOTICE PUBLIC HEARINGS - None**

4. **REGULAR AGENDA**

- 4.1. **CONTINUED CONSIDERATION OF THE STANDARDIZED LEASE IMPLEMENTATION AND THE A, B, AND C HANGAR ROW LEASE RATE**

At its meeting of 07/27/10, the Airport Commission continued this item to tonight's meeting to review the lease rate calculations at four levels (\$0.72, \$0.75, \$0.77 and \$0.80 cents per square foot) and to look at the current average lease rate (the total current revenue divided by the total square feet). Additionally, the Lease Review Ad Hoc Committee (Sanderson and Nathan) reconvened to review the various lease rates. A chart showing the current average lease rate, the ad hoc committee's recommendation, and the requested four lease rate levels has been prepared and is included with this report. *(Report - Lease Review Ad Hoc Committee and Dave Burkland, Airport Manager)*

Recommendations:

1. That the Airport Commission approve implementation of the standardized lease for A, B, and C hangar rows with the next lease renewal term, beginning with renewals scheduled for 10/01/11;

2. That the Airport Commission make a recommendation to the City Council that the lease rate for A, B, and C hangar rows be revised, that Fee Schedule 90.010, Airport Fees, be updated to reflect the revised lease rate, and that the City Manager be authorized to amend the lease rate annually on July 1 based on the net percentage increase in the Consumer Price Index (CPI), if any.

Commissioner Mueller excused himself from this item due to a conflict of interest.

The Airport Manager provided a summary of the staff report.

Commissioner Sanderson presented the recommendations of the ad hoc committee as follows: (1) that the lease rate for A, B, and C hangar rows be applied on a per square foot basis; (2) that a recommendation be made to the City Council that the lease rate be amended to reduce it from the current rate of \$0.80 per square foot to \$0.65 per square foot; (3) that implementation of the new standardized lease, and the revised lease rate, occur in 2011 as leases are renewed; (4) that hangar space lease rates that are currently above \$0.65 be reduced and those that are currently below \$0.65 be increased; and (5) that in subsequent years the lease rate be adjusted based on an increase in the Consumer Price Index (CPI), if any, beginning in 2012.

Tom Aylward, Stan Gungle, and Bob Ryan, addressed the Commission.

A motion was made by Sanderson and seconded by Juhl-Darlington to: (1) approve the timetable for implementation of the new leases beginning with a notice to all hangar owners in July 2011 with new leases being executed for terms beginning in October 2011; (2) make a recommendation to the City Council that the fee schedule be amended to decrease the lease rates for A, B, and C hangar rows to \$0.65 per square foot; and (3) that, beginning in 2012, lease rates be increased in accordance with the CPI.

A clarification was made by Nathan that implementation of the new leases is to begin with all leases terminating 90 days after City Council approval of the change in lease rate.

The clarification was accepted and the motion carried by the following vote:

AYES:	Juhl-Darlington, Sanderson, Nathan, Koch
NOES:	None
ABSTAIN:	Mueller

4.2. **CONSIDERATION OF VIOLATIONS OF AIRPORT RULES AND REGULATIONS - HANGAR SPACE C-25**

On October 15, 2010, at approximately 5:00 p.m., the Tower notified Fire Station 3 that the Sikorsky exit gate would not close and asked that it be checked. Both Engine 3 and the Tower Manager responded to the gate and found a piece of pipe held in place by four large rocks on top of the ground sensor that triggers the exit gate to open. The pipe was removed and the gate closed. Seeing that there was a gathering at hangar C-25, Fire also stopped at the hangar on the way back to the station and advised the occupants that the gates should not be "blocked" open. Fire also witnessed open containers of alcohol and the use of a bar-b-que at hangar C-25. Fire personnel again found the gate blocked open by a starter motor at approximately 6:30pm. Violations related to this incident are outlined in the attached report and include multiple violations of various Chico Municipal Codes, as well as gate access, lease and operating agreement terms and conditions. *(Report - Debbie Collins, Management Analyst)*

Recommendation:

That the Airport Commission direct the Airport Manager to send a formal Notice of Violation on behalf of the Commission to the owner and occupant of hangar space C-25

advising them of the Airport Rules and Regulations that they have violated as well as violations of related Gate Access Card Terms, Lease Terms and Operating Agreement terms, and the actions the Commission will take if any subsequent violations occur.

Management Analyst Collins presented the staff report.

Assistant City Attorney Wilson discussed the reasons why staff brought this item to the Commission for consideration and possible action.

Justin Phillipson, Stan Gungle, and Tom Aylward, addressed the Commission.

A motion was made by Mueller and seconded by Sanderson to separate the violations out and address them individually.

The motion carried by the following vote:

AYES: Mueller, Sanderson, Nathan, Koch

NOES: Juhl-Darlington

It was the consensus of the Commission to combine the violation of Chico Municipal Code Section 11R.08.130, disturbing of airport equipment or airport property, and the violation of the Airport Access Badge Terms and Conditions into one breach of security item.

A motion was made by Juhl-Darlington and seconded by Mueller to send a letter of warning on behalf of the Commission to Mr. Phillipson focusing primarily on the breach of security.

The motion carried by the following vote:

AYES: Juhl-Darlington, Mueller, Sanderson, Nathan

NOES: Koch

It was the consensus of the Commission that, in the letter to Mr. Phillipson, the other violations presented in the staff report need not to be addressed. Further, since Mr. Robinson was not in attendance to hear the Commission's discussion, the Commission directed staff to contact Mr. Robinson to advise him of the Commission's concerns and the actions that have been taken related to this matter.

4.3. **CONSIDERATION OF PROPOSED HANGAR CONSTRUCTION ON HANGAR SPACE E-7 AND CONDITIONAL APPROVAL OF A MINUTE ORDER - RECOMMENDATION THAT THE CITY COUNCIL AUTHORIZE THE AIRPORT MANAGER TO EXECUTE A LEASE OF PROPERTY AT THE CHICO MUNICIPAL AIRPORT, AIRCRAFT HANGAR AREA - HANGAR PAD AREA E, HANGAR SPACE NO. E-7 (CITY OF CHICO/SANTOS AVIATION, LLC) AND RELATED DOCUMENTS**

On 09/28/10 George Santos, Santos Aviation, LLC, notified the City of his purchase of a hangar and his desire to locate the hangar at Chico Municipal Airport. City staff has identified hangar space No. E-7 as an appropriate location for this hangar. Several steps need to be taken including development plan approval, the execution of a lease, and the issuance of a building permit. In order to facilitate the processes the Commission is being requested to convene the Architectural Review Committee (Nathan and Sanderson) and to approve a Minute Order, subject to approval of the development plans by the Architectural Review Committee, recommending the City Council authorize the Airport Manager to execute the lease. *(Report - Dave Burkland, Airport Manager and Kim Parks, Facilities Manager)*

Recommendations:

1. Convene the Airport Commission Architectural Review Committee for review and possible approval of the hangar development plans.
2. **Approved** - minute order recommending the City Council authorize the Airport Manager to execute a lease of property for hangar space E-7 in accordance with the terms set out in the Minute Order. ***The Airport Manager recommended approval of the Minute Order subject to approval of the development plans by the Architectural Review Committee.***

MINUTE ORDER - RECOMMENDATION THAT THE CITY COUNCIL AUTHORIZE THE AIRPORT MANAGER TO EXECUTE A LEASE OF PROPERTY AT THE CHICO MUNICIPAL AIRPORT, AIRCRAFT HANGAR AREA - HANGAR PAD AREA E, HANGAR SPACE NO. E-7 (CITY OF CHICO/SANTOS AVIATION, LLC) AND RELATED DOCUMENTS

Facilities Manager Parks presented a verbal report.

A motion was made by Sanderson and seconded by Juhl-Darlington to approve the Minute Order with execution of the lease subject to approval of the development plans by the Architectural Review Committee, Airport Engineer, and Building Department.

The motion carried by the following vote:

AYES: Juhl-Darlington, Mueller, Sanderson, Nathan, Koch

NOES: None

4.4. **REVIEW AND ADOPTION OF A POLICY STATEMENT RELATED TO THE USE AND DEVELOPMENT OF AVIATION ZONED PROPERTY AT CHICO MUNICIPAL AIRPORT**

At its meeting of 07/27/10, a proposed Policy Statement for Use and Development of Aviation Zoned Property at Chico Municipal Airport was presented to the Airport Commission by the Policy Statement Ad Hoc Committee (Mueller and Juhl-Darlington) for review and discussion. The Committee has incorporated the suggestions made at that meeting into the policy statement which is now before the Commission for review and possible adoption, subject to a consistency review by the Planning Service Department and the City Attorney. ***(Report - Policy Statement Ad Hoc Committee)***

Ad Hoc Committee Member Mueller provided the Committee report.

It was the consensus of the Commission to amend one of the draft goals to read as follows:

*To consider movement of T-hangars in A and B rows further south (as allowed by VOR height restrictions) to allow erection of tall **or commercial use** hangars in A and B row spaces.*

The Airport Manager advised that the draft policy was reviewed by the Planning Department and it was found to be consistent with the zoning code.

A motion was made by Mueller and seconded by Nathan to adopt the policy as amended.

The motion carried by the following vote:

AYES: Juhl-Darlington, Mueller, Sanderson, Nathan, Koch

NOES: None

5. **BUSINESS FROM THE FLOOR**

Members of the public may address the Commission at this time on any matter not already listed on the agenda which is within the jurisdiction of the Commission. The Commission cannot take any action at this meeting on requests made under this section of the agenda.

Tom Aylward addressed the Commission expressing his hope if the City were ever to request the movement of hangars from A, B, or C rows, for the City's own purposes, that the City would bear the cost.

6. **REPORTS AND COMMUNICATION**

The following reports and communication items are provided for the Commission's information. No action can be taken on any of the items unless the Commission agrees to include them on a subsequent posted agenda.

6.1. Committee reports. None

6.2. The Airport Manager provided a verbal update on various airport items.

Status of Aero Union's move from the Airport - the evaluation process of the facilities that are being vacated by Aero Union has begun to include a hazardous materials assessment and market rent appraisal. A marketing plan is also being developed.

A Proclamation for the 75th Anniversary of the Airport was presented to Airport Commission Chair Koch at the September 28th City Council meeting. A copy of the Proclamation was provided to the Commission.

Facilities Manager Parks provided an update on the current Airport Improvement Project which is 99% complete.

The recruitment for new City Board and Commission members is open and will close on November 22nd.

Management Analyst Collins updated the Commission on an investigation that FAA has undertaken related to a Vehicle/Pedestrian Deviation that occurred at the airport on September 26th.

6.3. Compliance program report. None

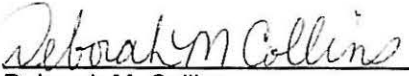
6.4. The quarterly airport Fund Income Statement has been provided to the Commission.

6.5. Work Plan update. None

7. **ADJOURNMENT**

Adjourned at 7:45 p.m. to January 25, 2011 at 6:00 p.m., in the Council Chambers of the Chico Municipal Center building located at 421 Main Street, Chico, California.

Date Approved: January 25, 2011


Deborah M. Collins
Management Analyst - Airport