

**ADJOURNED REGULAR MEETING
AIRPORT COMMISSION**

Tuesday, February 24, 2004

An adjourned regular meeting of the Airport Commission was held at 4:30 p.m. on Tuesday, February 24, 2004, in Conference Room 1 of the Chico Municipal Building.

ROLL CALL

Present at roll call were Commissioners Moran, Sanders, Sherwood and Silva.
Absent: Commissioner Bellin. City Staff: Airport Manager Grierson, and Administrative Analyst Karen Main.

ELECTION OF 2004 CHAIR AND VICE CHAIR AND DISCUSSION OF COMMITTEES

Commissioner Silva nominated Commissioner Sherwood to serve as Chair, and Commissioner Moran seconded the nomination. There being no further nominations, the Commission voted 4 in favor, 0 opposed, and 1 absent to designate Commissioner Sherwood as Chair for calendar year 2004.

Commissioner Sanders nominated Commissioner Moran to serve as Vice Chair, and Chair Sherwood nominated Commissioner Silva. Commissioner Silva declined the nomination, and seconded the nomination for Commissioner Moran as Vice Chair. There being no further nominations, the Commission voted 4 in favor, 0 opposed, and 1 absent to designate Commissioner Moran as Vice Chair for calendar year 2004.

There was a brief discussion regarding the committees. It was the consensus of the Commission to eliminate the Art Committee, and to change the name of the Master Plan Committee to the Planning Committee. Commissioner Moran stated that he would like to be on the Airport Management Committee rather than the Budget Committee, and Chair Sherwood agreed to switch places with him. The representatives on the Committees of the Airport Commission for 2004 are as follows:

Architectural Review Committee: Commissioners Bellin and Silva, Chair Sherwood as alternate.

Airport Management Committee: Commissioners Moran and Sanders.

Budget Committee: Commissioner Sanders and Chair Sherwood.

Planning Committee: Commissioners Moran and Silva, Chair Sherwood as alternate.

Lease Review Committee: Commissioners Bellin and Moran.

CONSENT AGENDA

APPROVAL OF MINUTES - Commissioner Moran's motion to approve the minutes for 9/30/03, 10/28/03, and 12/9/03 was seconded by Commissioner Sanders and passed 4 in favor, 0 opposed, and 1 absent.

REGULAR AGENDA

AIRPORT MANAGER UPDATES

Jeff Parrish, the Director of Safety and Environmental Facilities for Aero Union was present, and Airport Manager Grierson introduced him to the Commission.

Master Plan

Airport Manager Grierson reported that on 2/10/04 the City Council voted to adopt a motion of intent to certify the environmental impact report and adopt the airport master plan consistent with the Airport Commission's recommendation. Vice Mayor Jarvis asked for a friendly amendment to the motion to include recommendations one through ten as outlined in the letter from Streaminders. Assistant Community Development Director is currently reviewing this request to see if it is workable. Council member Herbert asked for a friendly amendment to the motion to direct staff to develop a policy for pilots to start their take-off roll 1800 feet earlier for southbound takeoffs when possible, if runway 13L-31R is extended the full 8,600 feet. Both of these amendments were included in the motion which passed 7 in favor and 0 opposed.

In response to Chair Sherwood's question as to whether this policy could be legally enforced, Airport Manager Grierson said that he cannot mandate that the pilots start their take-off roll 1800 feet earlier, but he can put it in the pilot flight guides as a recommended procedure.

Chair Sherwood asked if a NOTAM could be issued to advise pilots that come in after-hours of this policy, and Airport Manager Grierson said that a NOTAM could be issued, and that there are many methods, including on-line services and pilot guides, to publicize this information.

In response to Chair Sherwood's question as to whether the amendments to the motion will mitigate some of the possible litigation, Airport Manager Grierson answered no, there is still a threat of legal action from an attorney in Sacramento and 15 of the property owners that he represents.

In response to Vice Chair Moran's question whether the City will lose consideration by the FAA for funding if there is a challenge to the master plan, Airport Manager Grierson responded no. He stated that the City Council should adopt the master plan at its 3/16/04 meeting, and on 3/17/04 he is going to send copies of the master plan to the State Clearinghouse and the FAA. This is where the NEPA process will begin, and the FAA will begin consultation with agencies such as U.S. Fish & Wildlife and the Army Corps of Engineers. He reported that at the last City Council meeting he presented a Minute Order to Council for approval for a \$3.5 million grant.

In response to Chair Sherwood's question whether U.S. Fish & Wildlife has seen the master plan. Airport Manager Grierson said that they worked with the City in reviewing the Mud Creek option and in developing the scope of work for the

consultant, but that does not necessarily mean that they will not have problems with it when it is presented to them from FAA.

Commissioner Sanders commented that the environmental reports can be used for the NEPA process since the environmental issues addressed were intended to satisfy the requirements for both NEPA and CEQA.

Airport Manager Grierson stated that there has been a change in the way FAA funds projects. Prior to January 2004, the FAA provided funding with a 90/10 split, with the City paying the 10 percent as a local match, and limited the projects for which the funds could be used. The split is now 95/5, and the funds can be utilized for revenue-producing projects such as hangar development. Airport Manager Grierson will work with airport engineer Brandley on reviewing what new projects will be added to the airport capital improvement program.

Tenant Update

Airport Manager Grierson reported that the tenant base is remaining stable. The 110 Convair lease and hangar development agreement have been signed with Aero Union. The Air Carriage lease has been signed, but there are problems with getting the insurance approved. Airport Manager Grierson expressed some concern because of the small number of aviation insurance carriers, and the problems encountered in getting their insurance coverage to meet City requirements.

Vice Chair Moran said that he would like to continue having a standing agenda item each month regarding tenants issues and marketing issues. With all due respect to the City's Risk Manager, Vice Chair Moran stated that he has heard a lot of comments regarding the requirements for insurance and what is and is not allowed in the t-hangars. He would suggest a review of the criteria used by Mr. Koch, if possible. Vice Chair Moran said that from his point of view, it should be the Airport Commission that evaluates the risks and recommends to the City what would be beneficial in terms of coverage, and the Risk Manager's job to see that the City has no risk. He feels this approach would provide a more reasonable balance.

Airport Manager Grierson asked if the Commission would like the Risk Manager to appear at the next Commission meeting to answer questions. Chair Sherwood noted that Mr. Koch attended all of the Airport Commission meetings before Mr. Grierson was Airport Manager, and that he is very knowledgeable of the airport operations. It was the consensus of the Commission to have Mr. Koch appear at the meeting on March 30, 2004 at 4:30 p.m., if he is available, to answer questions from the Commission regarding his criteria for evaluating risk at the airport.

Airport Manager Grierson reported that he will be updating the lease for 109 Convair Avenue to adjust fuel flowage fees. He noted that the fees were arbitrarily set 20 years ago, and never adjusted because they were written into the lease agreement. He said that he plans to remove future lease provisions and add the fuel flowage fee to the fee schedule where it can be adjusted as needed.

Vice Chair Moran said that he would like to see self-service fueling at the airport so that fuel is available 24/7. Airport Manager Grierson said that he has frequently discussed with Chico Aviation that he would like to see a card lock system. Their response has been that nobody wants to pump self-service jet aircraft. Vice Chair Moran responded that they could use both self-service and the linemen to provide fuel to the jet aircraft.

Airport Manager Grierson reported that CTS Adventures has left the airport, and their subtenant OPTIX International will be moving to a different state. He noted that the building is in very poor shape, and should be demolished.

Additionally, Airport Manager Grierson reported that GSA and TSA have been extremely difficult to negotiate with regarding their agreement for lease of the terminal building office space. Congressman Herger, Senator Boxer, Senator Feinstein, and even the Butte County Grand Jury have written letters to try to facilitate the signing of the agreement. Airport Manager Grierson said that he believes the issue may finally be resolved and that TSA should be back in the terminal beginning April 1, 2004.

ITEMS ADDED AFTER POSTING OF THE AGENDA - None.

BUSINESS FROM THE FLOOR - None

ADJOURNMENT

The meeting adjourned at 5:15 p.m. to Tuesday, March 30, 2004 in Conference Room 1 of the Chico Municipal Building.

Date: March 30, 2004

Robert A. Grierson, A.A.E.
Airport Manager

**ADJOURNED REGULAR MEETING
AIRPORT COMMISSION**

Tuesday, March 30, 2004

An adjourned regular meeting of the Airport Commission was held at 4:30 p.m. on Tuesday, March 30, 2004, in Conference Room 1 of the Chico Municipal Building.

ROLL CALL

Present at roll call were Commissioners Moran, Sanders, Sherwood and Silva.
Absent: Commissioner Bellin. City Staff: Airport Manager Grierson, Risk Manager Koch and Administrative Analyst Karen Main.

APPROVAL OF MINUTES - MINUTES OF 2/24/04

A motion was made by Commissioner Silva and seconded by Vice Chair Moran to approve the minutes from the meeting of 2/24/04. The motion carried 4 in favor, 1 absent.

MINUTE ORDER NO. 1-04 - RECOMMENDATION TO THE CITY COUNCIL THAT IT AUTHORIZE THE AIRPORT MANAGER TO EXECUTE ON-AIRPORT LEASE BETWEEN CITY OF CHICO AND THE UNITED STATES OF AMERICA

Airport Manager Grierson stated that the FAA lease is a boilerplate lease, similar to the leases that have been executed in the past. A copy of the lease was sent to Commissioner Bellin and Vice Chair Moran to review. Vice Chair Moran said that he did not have a chance to discuss the lease personally with Commissioner Bellin, but she left a voice mail message for him indicating that she did not have any constructive comments on the lease. Vice Chair Moran agreed with Commissioner Bellin's comments.

VICE CHAIR MORAN'S MOTION TO APPROVE MINUTE ORDER NO. 1-04 AS RECOMMENDED BY THE AIRPORT MANAGER WAS SECONDED BY COMMISSIONER SILVA AND PASSED 4 IN FAVOR, 1 ABSENT.

HEARINGS

None.

DISCUSSION OF CRITERIA USED FOR EVALUATION OF RISK AT THE CHICO MUNICIPAL AIRPORT

Chair Sherwood noted that Risk Manager Bob Koch is present at today's meeting to answer the Commission's questions regarding the methods used to evaluate risk and determine the insurance requirements at the Chico Municipal Airport.

In response to Chair Sherwood's request for some background information, Risk Manager Koch responded that the City's insurance requirements are fairly standardized with a certain set of requirements to be followed, with some exceptions for various risks. He stated that the City belongs to a Joint Powers Authority which provides guidelines for insurance requirements. These include that

the City will be listed as additional insured, that the other insurance is primary, a 30-day cancellation notice, and coverage for City's passive negligence. He noted that this is what usually causes the most problems with getting certificates approved. Generally, the insurance company only wants to cover the sole negligence of their insured, but the standard has always been that the City's passive negligence should be covered because absent that relationship the City would have no negligence.

Vice Chair Moran said that the Commission would like to understand the policies that guide the risk management office, and also to convey a sense of what motivates the Commission which is to gain revenues from leases in order to look out for the best interests of the airport.

Risk Manager Koch stated that his office spends a lot of time to get insurance issues resolved. The insurance requirements are listed in the Chico Municipal Code, and then incorporated by the City Attorney's office into the leases and purchasing contracts.

In response to Vice Chair Moran's question whether the City still has risk for transient planes that have no insurance, Risk Manager Koch responded that anybody with an airplane has the right to land at the airport, but a greater level of exposure exists if the City is leasing a space and providing landing privileges, and in effect inviting planes to land at the airport.

In response to Vice Chair Moran's comment that the Commission is interested in establishing a user-friendly environment at the airport, Risk Manager Koch responded that he and his staff are cordial and helpful in trying to resolve issues, but he does not see the City doing away with insurance requirements.

The cost of insurance, Risk Manager Koch noted, can be prohibitive to pilots and businesses. Generally, the insurance companies that will provide endorsements at a lower cost will not comply with the City's insurance requirements.

Risk Manager Koch stated that he has discussed with the City Manager having a general discussion with the City Council regarding the problems encountered in trying to implement the insurance requirements and how much risk Council is willing to accept and if it is willing to get rid of the sole negligence language. Risk Manager Koch stated that the insurance issue will probably be heard by the Finance Committee in April.

Bill Meyers, Ace National Insurance, was present and discussed some of the problems with obtaining insurance for airports. Mr. Meyers said that the City's airport liability contract will not increase in August. He said that the Chico Municipal Airport has had a remarkable record and he expressed appreciation for the way the airport has been run without incident for the past 15 years. Mr. Meyers suggested that whenever there is an applicant for a leasehold at the airport, the City should look beyond the insurance requirements and see if the lessee would be a good tenant.

In response to Risk Manager Koch's statement that the City does not require every person at the airport to have insurance, Vice Chair Moran asked why Henry Roberson is required to have insurance when others are not. Risk Manager Koch responded that Mr. Roberson has one of the larger hangars, and if damage is done to one of the large hangars and the operator walks away, the City is responsible to clean up whatever is left.

In response to Vice Chair Moran's comment that the City is only leasing dirt, Risk Manager Koch noted that the lease includes terms wherein the City will ultimately own the building.

In response to Vice Chair Moran's question regarding the reason for the hang-up in approving insurance for Mr. Roberson, Risk Manager Koch stated the hold up is the sole negligence language. The City Council would ultimately be responsible for changing the requirement.

Mr. Meyers stated that at many airports the insurance is handled on a case-by-case basis. Risk Manager Koch responded that the City does not want to be perceived as being arbitrary. The history has been that there is a standardized policy and procedure across the board.

The consensus of the Commission was for the Airport Manager to meet with the Risk Manager and provide a list of recommendations to the Commission on methods to address this issue.

DISCUSSION OF TENANT ISSUES AT THE CHICO MUNICIPAL AIRPORT

Airport Manager Grierson stated that over the last five years the number of tenants at the airport has fluctuated between 129 and 135. There has been a slight downtrend in the numbers, but part of the reason is because there are not enough hangars at the airport. The facilities that are there do not have lavatory facilities, lighting, concrete flooring, or electrical outlets. Congress recently allowed Airport Improvement Program (AIP) funds to be used for revenue-producing ventures. Reinard Brandley has included the construction of 60 T-Hangars in the recent AIP application. Airport Manager Grierson said that he would like to see all of the old port-a-ports gone by 2008-09.

In response to Commissioner Silva's question as to whether or not the airport is in the redevelopment area, and if redevelopment funds can be used for the construction, Airport Manager Grierson responded yes, and that the 5 percent match could come from redevelopment funds.

Airport Manager Grierson said that he would like to have a card lock fuel system with a 12,000 gallon tank installed where the port-a-ports are currently located.

In response to Vice Chair Moran's question regarding private enterprise building the

hangars, Airport Manager Grierson responded that it does not provide enough revenue to support the airport.

In response to Vice Chair Moran's question how long the ground leases generally run, Airport Manager Grierson replied that it depends on the investment that the tenant makes, but the average is a 20 to 25 year lease term.

Vice Chair Moran indicated that he would like to revisit the discussion of minimum standards at a future meeting.

Airport Manager Grierson reported that he has received orders to report to Fort Rucker, Alabama for seven weeks. He stated that he will be able to receive e-mails and will have his cell phone. Jesse Smyth, the Airport Supervisor, will be at the airport handling maintenance matters. He noted that everything seems to be in good order and he would recommend that the Commission adjourn the April 27 meeting to May 25, 2004.

ITEMS ADDED AFTER POSTING OF THE AGENDA

None.

BUSINESS FROM THE FLOOR

None.

ADJOURNMENT The meeting adjourned at 5:50 p.m. to 4:30 p.m. on Tuesday, May 25, 2004 in Conference Room 1 of the Chico Municipal Center, 421 Main Street, Chico, California.

Date: June 29, 2004

Robert A. Grierson, A.A.E.
Airport Manager

ADJOURNED REGULAR MEETING
AIRPORT COMMISSION

Tuesday, June 29, 2004

An adjourned regular meeting of the Airport Commission was held at 4:30 p.m. on Tuesday, June 29, 2004, in Conference Room 1 of the Chico Municipal Building.

ROLL CALL

Present at roll call were Commissioners Sanders, Sherwood and Silva. Absent: Commissioners Bellin and Moran. City Staff: Airport Manager Grierson and Administrative Analyst Karen Main.

APPROVAL OF MINUTES - MINUTES OF 3/30/04

A motion was made by Commissioner Sanders and seconded by Commissioner Silva to approve the minutes from the meeting of 3/30/04. The motion carried 3 in favor, 2 absent.

DISCUSSION OF FISCAL YEAR 2004-05 AIRPORT BUDGET

The Commission discussed issues related to the airport operating budget for Fund 856. The revenues for Fund 856 and 303 were also discussed.

Chair Sherwood asked if it would be possible to use the Police Department's VIPs for security at the airport, and Airport Manager Grierson responded that he would check and report back.

In response to Chair Sherwood's question as to the condition of the crash fire rescue, Airport Manager Grierson said that it is in good shape, but a new 1,500 gallon tanker will soon be the primary response vehicle, with the older tanker kept in reserve.

In response to Chair Sherwood's question as to whether Station 3 responds to City fires, Airport Manager Grierson answered yes, but noted this can technically create conflicts with the FAA agreement which states that the fire department will be staffed 15 minutes before arrival or after departure of a plane.

Airport Manager Grierson stated that Fund 856 does not generate sufficient revenue to be self sufficient. Chair Sherwood asked if it has to be self sufficient, and Airport Manager Grierson responded no. He noted that when he first started working as the Airport Manager many of the fees at the airport had not been increased since 1982, and the leases were written to be long term with little oversight.

In response to Commissioner Sanders question whether fees have been increased recently, Airport Manager Grierson answered yes.

Airport Manager Grierson reported that the landing fee revenues have increased substantially over the past year, but the area that generates the most revenue is rentals and leases.

Commissioner Sanders stated that fuel flowage fees should have some type of built-in incremental increases in the agreements, and language which states that the fuel flowage fees will be based on the master fee schedule.

DISCUSSION OF METHODS TO ENHANCE REVENUE AT THE CHICO MUNICIPAL AIRPORT

Airport Manager Grierson stated that there are not enough hangars at the airport, and general aviation aircraft are being turned away. Chair Sherwood asked if a bond measure could be used to generate money to build hangars, and Airport Manager Grierson stated that it could be, but because of the limited return on investment it generally does not work well. He suggested one option may be to utilize redevelopment funds or AIP funds to build approximately 60 new hangars in the existing T-hangar area.

Chair Sherwood asked that the Airport Manager try to determine how many of the new hangars would be rented if they were built.

Commissioner Silva suggested asking the Chamber of Commerce Aviation Committee to do a needs analysis.

A motion was made by Commissioner Silva recommending that the Airport Manager pursue redevelopment agency funds when available, and to develop an analysis of the need, type, and funding mechanism for hangars. Commissioner Sanders seconded the motion and it passed 3 in favor, 2 absent.

Airport Manager Grierson suggested another option could be charging for parking at the airport. Chair Sherwood said that this could be seen by the public as taking away one of the perks they have come to expect for flying out of Chico. Airport Manager Grierson said that he has heard this argument, and there is no clear answer as to what the public will do, but there will probably be an adjustment period where some people may drive to Sacramento to catch a flight from there. However, Chico is one of the only airports left in California that does not charge for parking. Airport Manager Grierson noted that a new parking lot was built a couple of years ago, and the way it is configured it could be used for long term and short term parking.

In response to Chair Sherwood's question as to the demographics of passengers, Airport Manager Grierson responded that approximately 65 percent are business people that fly on a regular basis.

In response to Commissioner Silva's question as to how many parking spaces are taken, Airport Manager Grierson responded there are approximately 83 spaces taken each day. Commissioner Silva suggested first looking at the option of generating funds from the construction of hangars before imposing a parking fee.

Commissioner Sanders commented that almost everywhere you drive nowadays you have to pay for parking, and he is in favor of charging for parking.

In response to Chair Sherwood's question as to whether or not it would be possible to do some kind of an exit poll in the terminal regarding parking, Airport Manager Grierson said that there are going to be some interns that could probably do an exit poll.

Chair Sherwood noted that the Commission explored parking fees and new hangar construction, and the Airport Manager will report back to the Commission with answers to the questions that have been asked at today's meetings.

DISCUSSION OF TENANT ISSUES AT THE CHICO MUNICIPAL AIRPORT

It was the consensus of the Commission not to discuss this item at today's meeting since both Vice Chair Moran and Commissioner Bellin are not present.

AIRPORT MANAGER UPDATES

The Airport Manager reported that the Airport Master Plan is in the hands of the FAA and he is not sure of the status at the present time, but it can take about six months for FAA review before it goes through the NEPA process.

About a year ago, the Commission examined Title 19.48 of the Chico Municipal Code, and made a recommendation to the Planning Commission. The Planning Commission is scheduled to meet on July 1, 2004, and is expected to recommend to Council that the Airport Commission's recommendations be adopted.

ITEMS ADDED AFTER POSTING OF THE AGENDA - None

BUSINESS FROM THE FLOOR

Paul Hendricks was present and asked for an update regarding the meeting with FAA earlier in the month. The Airport Manager Grierson responded that City Manager Tom Lando, Assistant Community Development Director Clif Sellers, and he went to a meeting with the FAA. The FAA made it clear they will not fund anything until the environmental reports are done. They will fund some capital improvements, but not the runway extension until the justification has been analyzed.

Mr. Hendricks stated that this sounds a little different from what he heard from Assistant City Attorney Lori Barker through his attorney. He stated that he has asked the City Manager for an update, but has not received a response. Airport Manager Grierson stated that the City Manager is still examining the issue. There are two new staff members at FAA, and they have not taken any action because they are not up to speed on the issues.

ADJOURNMENT The Commission will adjourn to Tuesday, July 27, 2004, at 7:30 p.m. in the City Council Chamber of the Chico Municipal Center, 421 Main Street, Chico, California.

Dated: 10/26/04

Robert A. Grierson, A.A.E.
Airport Manager

REGULAR MEETING
AIRPORT COMMISSION

October 26, 2004

ROLL CALL The meeting was called to order by Chair Allen R. Sherwood at 7:30 p.m. in the City Council Chambers of the Chico Municipal Center. Commissioners present were Georgie Bellin, Michael Moran, Al Silva, and Allen R. Sherwood. Absent: Craig Sanders. Staff present were Airport Manager Robert A. Grierson and Administrative Analyst Karen Main.

APPROVAL OF MINUTES - MINUTES OF 6/29/04

A motion was made by Vice Chair Moran and seconded by Commissioner Silva to approve the minutes from the meeting of 6/29/04. The motion carried 4 in favor, 1 absent.

DISCUSSION OF CHICO AIR MUSEUM

Chair Sherwood explained that he requested that this item be placed on the agenda to discuss Chico Air Museum's long and short-term organizational plans, funding, and restoration progress. He said that he has received several e-mails regarding the status of the museum.

Norm Rosene spoke on behalf of the museum, noting that there is a lot happening behind-the-scenes at the museum at this time. He said that they are in the process of restoring aircraft, they have regular board meetings, and a school program has been established.

Noel Wheeler discussed the museum's funding and school programs. Mr. Wheeler indicated that all donations have been from private sources, and everyone that works at the museum does so on a voluntary basis. He said that the museum is also selling sign space inside the yard for additional revenue. The museum should be opening on a regular schedule within approximately two to three months. One of the goals is to use the museum as an educational tool for students to inspire an interest in aviation.

Commissioner Bellin suggested that there might be some videos of planes that could be purchased by a donor. She also said that there are many people that submit applications for the Airport Commission that have a real interest in aviation, and the museum might be able to use that as a resource to recruit volunteers. Chair Sherwood suggested talking to Laura Urseny at the Chico Enterprise Record, and Mr. Wheeler indicated that they have talked to Laura.

In response to Vice Chair Moran's questions as to the long-range plans for the museum, and whether or not the museum is structured as private, government, or corporate, Mr. Rosene responded that it is associated with a nonprofit agency called North Valley Community Enhancement. The long range plan is to open the museum on a regular basis, operate school outreach programs, and develop a building plan to have a permanent structure to house the aircraft.

In response to Vice Chair Moran's question regarding the museum's current lease

agreement with the City, Mr. Rosene stated they lease the property on a year-to-year basis for \$1.00 a year, with the stipulation that should the site be needed for other tenants, the museum would have to find another location. Airport Manager Grierson clarified that the lease was for a six-month term with five six-month extensions.

Chair Sherwood said that one of the most important issues is the physical appearance of the site. He emphasized that if flags are going to be hung they need to be kept in good repair, and there has to be a spotlight on them if they are going to be left out all night. Chair Sherwood asked that the museum put the Airport Commission on its mailing list to receive information about board meetings.

AIRPORT MANAGER UPDATES

Airport Master Plan - Airport Manager Grierson stated that the Master Plan that was adopted by the City Council has been received by the FAA. The FAA has stated there needs to be additional studies on the North Clear Zone, the Mud Creek area, and any area affected by the extension or it will not fund the runway project. Staff felt that the best course of action is to amend the runway extension portion as "conceptual only" while the studies are undertaken.

New General Manager at Chico Aviation - The new General Manager, Siggy Aranson introduced himself to the Commission. His goals are to expand the flight school and further develop the air charter business.

Beachfront Deli change of ownership - Roseanne Hansen, the new owner of the former Beachfront Deli introduced herself to the Commission. She stated that she has changed the name of the business to Rosie's on the Runway. She also stated that she has many items that were in a museum that Pam Wilson had at the Beachfront Deli, and she would like to work with the Chico Air Museum, and possibly use some of these items in the Chico Air Museum.

Aero Union hangar project - Airport Manager Grierson reported that the 45,000 square foot hangar project is nearing completion. The hangar probably will not be fully completed until February, but a certificate of occupancy should be issued in November.

FAA & TSA inspection results - Airport Manager Grierson reported that the new FAA inspector, Gretchen Catron, has finished the FAA inspection. Overall, the inspection went very well, with just a couple of minor problems that need to be corrected. The TSA conducts a four-part inspection throughout the year. There have been no less than five different agents since TSA was formed. Based on inspections, the airport is fully in accordance with Rule 1542.

BUSINESS FROM THE FLOOR

Dr. Grossman was present to discuss the problem he is having with the lease for his hangar. His lease has expired, and he has not signed a new lease with the City. He was advised by the Airport Manager that his lease has been terminated and his hangar ownership passed to the City. His gate access card has been deactivated. Dr. Grossman indicated that he would like to sign a similar lease to the lease he had previously, and he would like to maintain ownership of his hangar. He indicated that if the value of the land

has gone up he is willing to negotiate a higher rate for the rent.

Chair Sherwood asked Dr. Grossman to provide any documentation he has to the Commission. It was the consensus of the Airport Commission to place the matter for discussion on the agenda for November 30, 2004. Chair Sherwood asked for a synopsis of events leading up to tonight's meeting, and Airport Manager Grierson stated that he would provide a copy of the expired lease agreement, all correspondence relating to Dr. Grossman's lease of the hangar, and the proposed new lease agreement.

Hangar tenant, Doug Benson, was present and addressed the Commission regarding his hangar at the Airport. He stated that he does not understand the need for fire insurance for a concrete slab and steel hangar. He indicated that it has been difficult to obtain fire insurance. He thought the issue had been resolved in a meeting with the City Manager.

Vice Chair Moran said that his understanding is that insurance is required for all permanent structures, but not the temporary T-Hangars. He said that he was involved in a meeting with the City Manager, Risk Manager, and City Attorney and the outcome was that it is now understood by the City that if the insurance required by the City was not being offered by the industry, then as long as the owner has liability insurance on the aircraft, they would not be required to have fire insurance.

Chair Sherwood advised Dr. Benson that an answer would be provided to his question regarding the insurance requirements.

ADJOURNMENT

The Commission adjourned at 8:20 p.m. to Tuesday, November 30, 2004, at 4:30 p.m. in Conference Room 1 at the Chico Municipal Center, 421 Main Street, Chico, California.

Dated: January 25, 2005

Robert A. Grierson
Airport Manager