M I N U T E S
AIRPORT ADVISORY COMMISSION
November 8, 2016

The Airport Advisory Commission of the City of Farmington met on Tuesday, November 8, 2016, at 4:00 PM, in the Executive Conference Room in the Municipal Building, 800 Municipal Drive, Farmington, New Mexico.

Members Present:	Chairman Richard Neely Steve White Tony Bennett John Arrington Theresa Pacheco Wayne Mangum
Members Absent:	none
Staff Present:	Russel Frost Jody Carman Mike Lewis Julie Baird
Others Present:	Felicia Bekis– Atlantic Aviation Marieanna Yazzie – Atlantic Aviation Dylan Garrison – Vernon Aviation Mike Arnold – Vernon Aviation George Riley – Vernon Aviation Debbie Meador – Great Lakes

Call to Order
The meeting was called to order at 4:03 p.m. by Chairman Neely, there being a quorum present; the following proceedings were duly had and taken.

Approval of the November 8, 2016 Agenda
Chairman Neely asked for a motion to approve the agenda for November 8, 2016. He asked if anyone had changes or wanted a discussion. A motion was made and was seconded by Steve White to approve the agenda for November 8, 2016 and passed unanimously by a vote of 4-0.

Approval of the Minutes of the October 11, 2016 Regular Meeting of the AAC
Chairman Neely asked for a motion to approve the minutes from October 11, 2016. He asked if anyone had any changes or wanted a discussion. A motion was made and seconded by Tony Bennett to approve the minutes of the October 11, 2016, regular meeting of the Airport Advisory Commission and passed unanimously by a vote of 4-0.

Operations Report
Airport Manager Mike Lewis presented the statistics included in the November 8, 2016 agenda. Mike Lewis noted that Great Lakes boarded 31% of their customers in October, 2016 and had zero (0) cancellations. Mike explained a little more about fuel flowage access during his Atlantic report explaining Great Lakes is not buying as much fuel, at this time, as last year.

Mike Lewis briefly discussed No Worries and mentioned their pay schedule will be at 100% in February, 2017. As they continue to pay their rent after February, 2017 and reach $400,000, they will then start to pay an additional 5%.

Mike Lewis introduced a new operations chart, included in the agenda, for Vernon Aviation. Airport staff will look into getting consistent Vernon numbers to the FAA, which will contribute to the continued success of the airport.

Mike Lewis asked if there were any comments or questions about the operations report. John Arrington asked if there was additional funding coming in from the FAA. Mike Lewis said yes, we will take a look at that subject during his presentation of supplemental operation items (noted below).

Additional items presented by Mike Lewis:

- The west end erosion control project was completed early and under budget. The project was scheduled for 20 days but was completed in 8 days. The project was authorized at $178,772.66, the bid was $166,107.00, and the actual cost was $165,857.66. The final inspection took place on Thursday, November 3, 2016. The project was accepted by the DOT State Department of Aviation. Mike Lewis presented a short video to the commission and floor while making a short explanation about the process involved in executing the erosion control project.

- Mike acknowledged the next item concerned the FAA funding question John Arrington had asked earlier. Mike discussed future work plan for 2017 is to do all three (3) taxiways, E, F, & G. That was put out to bid last year and we were hoping it would come in at around 1.6 or 1.8 million. However, the bid ended up totaling over 2 million, so the airport will wait till next year for full funding. We have already gone through the process of developing the bid and having it bid on. So, we are in position for next year.

- Mike Lewis informed the commission Jane Lucero from the NM Department of Aviation took a look at pavement where it is presenting "alligator" cracking. Jane will check how much funding is left to spend for 2016. The plan is to work with Armstrong to present a report on what is needed for appropriate repair. The airport would like to execute a construction project early in the spring of 2017 to repair cracking. The cracked area is located on the ramp side of Gate 4. Earlier this year the airport did some repair, but unfortunately it is getting progressively worse, which has pushed airport administration to look at state funding.

- Mike Lewis spoke about the Donald Trump Jr. visit to Farmington via Four Corners Regional Airport, and noted to the commission, that everything went smoothly.

- Mike Lewis announced that the airport received a pavement management report from state DOT Department of Aviation. A study was commissioned that would be instrumental in enabling Four Corners Regional Airport receipt of federal and state funding for paving projects. This is a free service the state provides.

- Mike Lewis noted that we continue to launch marketing efforts. Administrative Aide, Jody Carman is working with the Farmington Branding Alliance to create messaging to encompass all services available at the airport. The effort is to align the airport with the universal City-wide vision to engage more business activity in the Four Corners area. She has agreed to work with the "Live Here Stay Here" committee. She was accompanied by the Vernon Aviation pilots to the last Branding Alliance meeting with hopes it would assist them in networking with local businesses regarding their charters. The airport Facebook page and the airport website are updated and currently available.

- Mike Lewis presented a recent update regarding the activity surrounding the San Juan College Helicopter School. San Juan College has developed an RFP and Mike reported he is involved with a small advisory group to expedite this process within the college. This group will meet again in 30 days to review the RFP results before issuance.

Chairman Neely asked if there were any further questions from the floor. There were none so Chairman Neely introduced the next item on the agenda, discussion of Hangar 9.

Discussion: Hangar 9

The topic of Hangar 9 was opened by Ricard Neely and passed to Mike Lewis to begin the discussion. George Riley presented his interest in leasing Hangar 9 in its entirety. Mike noted that he took them for a tour of the facility a few days after last month commission meeting. With that being said, George Riley expressed that he would like to lease the entire hangar. Prior to Vernon's interest in the building, the city had taken steps to lease Hangar 9 to Guidance Aviation through San Juan College for a helicopter school. Mike Lewis noted that George's interest in this hangar conflicts with plans to install the San Juan College Helicopter School in that hangar space.

Airport Manager Mike Lewis has considered movement in the direction of a Hangar 9 lease to Vernon Aviation. However, Mike proposed to postpone the decision to lease to Vernon Aviation for a period of 30 days. Mike noted that George Riley was considering purchase of a Pilatus Airplane. Mike Lewis offered George space to store his new plane within Hangar 9 while lease details were being settled.

Chairman Neely expressed concern, that in the long run if Vernon Aviation did lease the hangar, George Riley might be asked to leave Hangar 9 when the San Juan College Helicopter School was ready to occupy that space. Mike explained when looking over the facility last spring with the Guidance Aviation management team, they were interested in how cost might be shared with other entities. Guidance Aviation management was not completely interested in the larger part of the hangar, so that section of Hangar 9 could be a viable lease option for Vernon. Mike suggested that George might have something to say.

George Riley said he went to tour Hangar 9 a day after the last meeting. George responded to Airport Manager Mike Lewis with an email stating they definitely wanted to lease the entire Hangar 9. Vernon would be willing to sublease the sections they would not be using. However, George stated his primary interest is the large hangar space and the east side vestibule, rear window portion, of the smaller hangar. He said he felt that would suffice, for now, regarding his future plans. George explained his future plans were not just about purchasing a larger Pilatus aircraft, but the first step in execution of Vernon Aviation's business plans. George explained there are additional projects in the works Vernon is not ready to publicly release information about at this time. George Riley spoke about his future plans for expansion of his charter flights and flights to Las Vegas. Vernon is hearing inquiries about charter options from businesses around the four corners and from the hospital. Vernon Aviation is meeting with Durango Airport next week to address their needs and how Vernon Aviation might assist. George Riley is very excited about Vernon's future plans. He feels that with the currently downturned economy, a lot can happen in the aviation industry when the economy turns around.

George Riley expressed concern that at the last AAC meeting where Mike had agreed to rewrite the lease for Vernon, he is now is asking for another 30 days. George asked Mike and the commission how fast San Juan College could move on securing Hangar 9. George Riley discussed the options he has been offered by Mike, but he feels those options are unsatisfactory and he has to move forward. He is agreeable to leasing the entire hangar and subleasing space to the helicopter school. He explained that he wants to keep his currently leased Hangar 11 for a period of time. George noted Hangar 11 could also suffice for additional sublet space and be available for other options. George stated Mike told him the San Juan College Helicopter School may bring 100 jobs to this area. George feels that there may only be 100 students that would include maybe 20 jobs and 80 students. Mike explained he meant to convey there will be 100 people coming into the community as a combination of students, mechanics, and trainers. Mike feels that 80% of those people will be veterans and on a stipend. George Riley added that he has been trying to hire veterans for the last 10 years, and he's only ever hired one veteran. George has been involved in veteran recruitment for many years and hasn't had much luck.

George spoke a little about his business and challenges the amount of veterans the helicopter school could acquire for enrollment. George Riley has visions he would like to share in the near future. He feels the need to secure the facility in which to grow into as soon as he can.

George Riley has records where he started looking into Hangar 9 on March 16, 2015 and again on September 16, 2015, with a response from the city on March 7, 2016. George has been requesting access to Hangar 9 for almost a year. George presented documentation regarding the history of his interest in acquisition of Hangar 9. He explained he is anxious to move forward. George Riley is agreeable to two (2) separate leases for the one hangar.

Chairman Neely asked if Hangar 11 could accommodate the helicopter school. Mike explained that it doesn't have classrooms. Chairman Neely asked if classrooms could be built within Hangar 11. Mike said there is not much room for classrooms in that hangar space. Mike Lewis explained Mesa had classes at the college in the past. Mike added there was no room in the downstairs area of the airport office for classrooms. George Riley noted he will keep requesting a lease for Hangar 9.

Richard Neely would like to make a decision on how to divide the space very soon. A short discussion ensued about the timeframe of the RFP being generated by the college and how long it might take to have any information about that process. It was agreed by all that it might be 90 days before the college makes a decision about the flight school. Chairman Neely encouraged the idea the building should be split to accommodate both businesses. George Riley explained he would be fine with either option, partial building lease or to lease entire Hangar 9. Chairman Neely asked if specific conditions could be written into the lease in order to make necessary changes down the road. Vernon Aviation Pilot, Dylan Garrison noted they would like to lease the whole hangar and sublease to whoever could use the space. He asked if that couldn't be written into the lease. Dylan followed up by saying that Vernon is here to support the community and they are a business that wants to move forward.

Steve White asked Mike if it could be articulated about what Mike was afraid he would lose, if the entire hangar lease went to Vernon. Mike explained that the building was built in the late 80s and needs serious upgrades. That status would need to be reconfigured, i.e. upgrades. Mike noted the college is looking at ways to acquire grants to set the specifications they may need. The college may not be able to justify grant capabilities if there is a sublet situation and a third party company involved.

Theresa Pacheco and Dylan Garrison asked the lease be split right away. Richard Neely explained certain provisions may need to be written into the lease. Dylan wanted to know if there is a way to discern how the property can be subdivided. A short discussion ensued about ways, timeframes, and conditions to splitting a lease. Mike responded that he would appreciate another 30 days to make a decision on how to proceed. It was noted Hangar 9 has been unoccupied since January 2015.

Dylan asked if we could vote today. Chairman Neely explained that they could vote on it, but the Airport Advisory Commission is an advisory commission. It was then noted by Assistant City Manager, Julie Baird that Hangar 9 was on the agenda as a discussion and could not be voted on. These minutes should reflect that Vernon Aviation and the AAC thought that it could be voted on as a discussion item. That action was the consensus at the last AAC meeting. The commission asked if they could record a consensus as a show of support for Vernon Aviation.

Tony Bennett explained it could be another year before the college might make any decisions, then the situation would still be the same. George Riley stressed he wanted the whole hangar and would be willing to provide subletting options to anyone interested.

Chairman Neely explained that subletting options could hurt the helicopter school opportunity. Julie Baird explained that the city would have more flexibility in negotiating with San Juan College if there was a lease directly to us as a state entity, as opposed to a sublease through a third party, which is a private business. She added that it is her recommendation to lease only what is necessary at this time. Julie noted that subletting options might also be an anti-donation issue, possibly a problem for a private company, which would not necessarily be an issue with the college. Julie noted that a lease for the helicopter school would need to be made between the city and the college, and that is the main concern. George Riley responded that he would like first right of refusal for the remainder of the space itself.

Wayne Mangum suggested some time options be entertained. A discussion ensued about splitting the lease or subletting the lease. Tony Bennett noted that the college lease may not be lucrative anyway. Wayne suggested creating a short term lease for Vernon.

Mike Lewis conveyed his wish is to keep the lease options open at this time. He felt another lease on Hangar 9 could obstruct future plans for the helicopter school. Mike conveyed he felt that Vernon is a first class operation and he does want to encourage forward movement. However, Mike feels the city should not commit to a lease or sublet of Hangar 9 to Vernon Aviation at this time.

George Riley responded his record backs up his investment in his company. He acquired a 135 certificate which is hard to earn, considering the current FAA requirements and terrorism climate.

John Arrington noted they can't vote today. However, as a consensus, the commission would like to go on the record they recommend to the City Council, Rob Mayes, and the Mayor, to lease Hangar 9 to George Riley. Julie Bard assured everyone that the consensus would be reflected in the minutes. In the meantime, Julie explained that she would like to visit with legal to find out just what options could be. Julie agreed to conduct some research. She noted the city of Farmington attorney has been in attendance at this meeting and listening to the discussion, so he will be fully informed of the situation.

The commission unanimously agreed they are in complete support of leasing Hangar 9 to George Riley. John Arrington wants to go on the record and let the minutes show a recommendation to City Hall in favor of

supporting George Riley with a lease for Hangar 9. As a consensus the commission feels it is what is best for the airport.

George Riley asked if it could be posted on the agenda next month to be put to a vote then. Chairman Neely replied that if we have a consensus at this meeting, that is as good as a vote. He explained that even if we voted on it, this commission is still only voicing a recommendation. The Airport Advisory Commission doesn't have any power, however they can recommend. John Arrington noted that as long as the City Council, et al, is aware that this Airport Advisory Commission is in favor of leasing George Riley Hangar 9, it is in the best interest of the Airport Advisory Council to do what is best for the airport and the commission is in agreement.

George Riley asked if he would have to wait another month to get Hangar 9 lease topic on a City Council meeting. It was noted by Chairman Neely that George Riley could attend the City Council meeting held tonight at 6:00 p.m. and speak about his situation in the public hearing section of the City Council meeting. The next step is to get the item on the City Council meeting agenda.

John Arrington said that he was ready tonight to make a motion that Hangar 9 should be rented to Vernon Aviation. Under the circumstances he noted that if he can't make a motion he can make a resolution that the Airport Advisory Council is in agreement to create a Hangar 9 lease for George. He asked that these minutes reflect support for Vernon Aviation.

Tony Bennett felt that the airport should move this item forward and not let the hangar sit empty for the next year. Chairman Neely stated, for the record, Hangar 9 should be put on the AAC agenda for a vote at the next meeting, which should put emphasis on the need to move forward.

John Arrington and Chairman Neely were both agreed that George Riley should attend the city council meeting this evening, Tuesday, November 8, 2016 and explain that George has the support of the Airport Advisory Commission.

Chairman Neely asked if everyone on the floor and commission members were in agreement. The commission noted as a group they require a decision and lease drawn up by next meeting. Whatever it takes to split the building lease is desirable in lieu of a sublet option for the whole hangar. More discussion ensued regarding the subject of leasing this hangar to Vernon Aviation. George Riley asked the city attorney if splitting a lease was an acceptable option. Russel Frost replied that it was. Julie supported that answer by saying the city does utilize split lease options for different venues.

Tony Bennet asked that a lease be drawn up tomorrow and expressed that we should move forward. It was noted by John Arrington that the city should come up with a forward plan. Chairman Neely explained that we have put it in the minutes and the record shows the airport manager, assistant city manager, and legal staff come up with a solution for the next meeting. It should be stated on the agenda that the commission should vote, which will underline the urgency. George Riley stated that there should be a lease to review by the next meeting. Dylan suggested that we work out a sublet situation for Vernon's optimum needs. There was a short discussion about those options from Vernon and commissioners.

Richard Neely cautioned that a sublet option could hinder the development of the helicopter school. The best interest of the airport and the commission would be to figure out a way to make both options, Vernon lease and San Juan College Helicopter School lease happen.

Business from the Chairman:
Chairman Neely asked if there was any other discussion or questions. There were none.

Business from the Floor:
Chairman Neely asked if there were any more questions for Mike Lewis from the floor. There were no more questions.

Adjournment:
There being no further business to come before the Commission, the meeting was adjourned by Chairman Richard Neely, and the motion was seconded at 4:53 p.m.

Chairman Neely made a closing comment to the floor that Felicia Bekis and Atlantic Aviation was doing a great job.

Richard Neely - Chairman

Jody Carman – Administrative Aide