

REGULAR MEETING

Danbury Aviation Commission
Danbury City Hall, 155 Deer Hill Avenue, Danbury, CT 06810
Third Floor / Conference Room #3C / Tuesday, November 16, 2010, at
7:00 p.m.

AGENDA:

1. Meeting Called to Order
2. Roll Call
Minutes of Regular Meeting: September 21, 2010
3. Liaison Report
4. Administrator's Monthly Report
5. Public Speaking Session on Items Listed on Agenda

OLD BUSINESS:

NEW BUSINESS:

Danbury Municipal Airport Leases, Minimum Standards, and Through-the-Fence Agreements

cc: Commission Members
Town Clerk's Office
Atty. Pinter, Corp Counsel
FBO's / Tenants
File

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BY: 



CITY OF DANBURY

155 DEER HILL AVENUE
DANBURY, CONNECTICUT 06810

DANBURY MUNICIPAL AIRPORT
P.O. BOX 2299
DANBURY, CT. 06813-2299

AIRPORT ADMINISTRATOR
PAUL D. ESTEFAN
(203) 797-4624

October 19, 2010

Ms. Gail Lattrell
Federal Aviation Administration, Airports Division
New England Region, ANE-600
12 New England Executive Park
Burlington, MA 01803 – 5299

Re: Danbury Municipal Airport Leases, Minimum Standards and Through-the-Fence Agreements

Dear Ms. Lattrell,

As part of Phase 2 of the Danbury Municipal Airport's Obstruction Analysis, the City of Danbury Connecticut entered into a contract with Hoyle, Tanner & Associates to complete the following tasks:

- Review and recommend revisions to existing airport leases and develop a standard lease template for airport land leases.
- Review Airport Minimum Standards for the Conduct of Aeronautical Activity and existing Through the Fence Operating Rights and Access Agreements (TTF) and make recommendations for improvements.

This letter addresses each of these items, in turn, below.

Review and recommend revisions to existing airport leases and develop a standard lease template for airport land leases.



Danbury Airport has some very challenging existing lease rights that it is managing. Many of the leases are historic and executed without the benefit of Airport Minimum Standards in force at the time of execution or FAA compliance review at initiation. Attempts to bring these older leases into compliance will require expensive litigation and strong FAA encouragement and support. As an example, a recent acquisition of one on-airport FBO by another was an opportunity for the Sponsor to disapprove of the rights transfer and renegotiate the lease but because of the language of the existing lease which specifically allowed assignment of the lease rights and the known litigious nature of the FBO owners, the Sponsor was understandably reluctant to legally block the action. Some of the more recently executed leases are consistent with FAA compliance requirements. A spreadsheet comparing the leases and fee structures from both on airport leases and off airport Through the Fence (TTF) FBO operating licenses is attached as **Enclosure 1**. A lease template with FAA compliant language suitable for any new on-airport FBO's is attached as **Enclosure 2**.

Review Airport Minimum Standards for the Conduct of Aeronautical Activity and existing Through the Fence Operating Rights and Access Agreements (TTF) and make recommendations for improvements.

The Danbury Airport has as many TTF FBO's as on-airport FBO's but all operators are required by existing Airport Minimum Standards to be licensed in the same manner and pay the same fees for providing the same services to the flying public. This generally holds true except for Conanicut Aviation who owns and operates a large private box hangar and a 10 unit nested T hangar off the airport with deeded access rights to the airport. One other off airport hangar (Macton) does not appear to provide any services. The Airport does not currently have an FBO category of licensing for aircraft hangaring in their Minimum Standards as is found at many airports and therefore the owners of Conanicut and the tenants in the nested T's pay no fee for access or use of the field. A reasonable solution would be for the Airport to add aircraft hangaring to the FBO licensing categories with a fair and reasonable fee attached in their existing Minimum Standards. In this way all TTF operators generating revenue by hangaring aircraft would be in compliance with FAA requirements to be charged fair and reasonable fees and the airport would gain some additional revenue. This may be difficult to adopt as the existing TTF operators will consider it a burdensome fee. It may be necessary to grandfather the existing TTF operators who already pay for the opportunity to conduct a business and access the field and only require the hangaring fee to apply when they sell or transfer their business interests. The Conanicut Deed, **Enclosure 3**, requires the owner and assigns to comply with all rules and regulations that apply equally to other users who access the field. By reference this deed requirement would include the Airport Minimum Standards so a change requiring a fee for hangaring would be an appropriate mechanism. A copy of the Airport's current Minimum Standards is provided as **Enclosure 4**. Language that would add a hangaring FBO permit or

have to consider adopting another change to the existing Minimum Standards and licensing fees. It is not expected that the owners of Conanicut or Macton, airport users who currently have deeded access, would willingly embrace either of these alternatives however these are the alternatives that would create a fair and more equal business environment for all TTF operators at Danbury. A copy of a suitable TTF access license agreement suitable for tailoring for any new off-airport TTF operators is attached as **Enclosure 5**. A long range strategy is for the City and Airport Commission to consider designating the off airport lands that are currently being used for Aviation purposes as "to be acquired" during the next Airport Master Plan Update. The Airport would have to be prepared to acquire the TTF parcels to extinguish the sometimes unfair business competition the TTF operators have over the on Airport FBO's. Although tax revenues would be possibly lost, Aviation related lease rates should continue to escalate to a fair market value. This land acquisition strategy would help ensure the City maintains aviation compatible land uses around the airport.

Please do not hesitate to contact me or Evan McDougal of Hoyle, Tanner & Associates, Inc. at (603) 669-5555 or emcdougal@hoyletanner.com should you have any questions regarding this letter.

Sincerely,

DANBURY MUNICIPAL AIRPORT

Paul D. Estefan
Airport Administrator

Enclosures

CITY OF DANBURY
Danbury Municipal Airport
Lease Summary

Aviation Related - on Airport	Lease signing date/initial term	Lease renewal options	2009 annual payment amount	acres	sq ft leased	lease \$ psf
Business Aircraft Center	2/7/1983 - 25 years	2 X 10 years (expired)	\$11,500.00	7.0000	304,920.00	\$ 0.038
Executive Air Services	7/1/2002 - 25 years	2 X 10 years	\$30,270.47	5.0100	218,235.60	\$ 0.139
Executive Hangers Condo Assoc	7/1/2002 - 25 years	1 X 10 year & 1 X 10 ROFR	\$9,802.74	2.8130	122,534.28	\$ 0.080
Santoto LLC (Danbury Aviation)	7/14/89 - 25 years	1 X 15 years	\$947.65	1.0000	43,560.00	\$ 0.022
			\$52,520.86		689,249.88	

Aviation Related - off Airport with additional Leased Airport Land	Date	Lease renewal options	Amount Due	acres	sq ft leased	lease \$ psf
Curtiss Aero	9/1/2005 - 10 years	1 X 10 years	\$3,316.87	0.5835	25,417.26	\$ 0.130
Reliant Aircraft	11/1/2002 - 5 years	2 X 5 years	\$7,316.35	1.1300	49,222.80	\$ 0.149
Sadler Aircraft	5/1/2006 - 10 years	1 X 10 years	\$10,472.04	1.7556	76,473.94	\$ 0.137
			\$21,105.26		151,114.00	

Aviation Related - off Airport Privately owned deeded TIF access	Date	renewal options	Amount Due	acres	sq ft owned	\$ access fee
Conamatic Aviation (10 T's and 1 corp hgr)				2.2000	95,832.00	\$ -
Miry Brook LLC (Macton) (at least 1 hgr)				3.1800	138,520.80	\$ -
					234,352.80	

Non Aviation on Airport Revenue	Date	Lease renewal options	Amount Due	acres	sq ft leased	Total lease \$ psf	Taxes \$ PSF	Total \$ PSF
Olive Garden - parcel 2	10 year	4 X 5 years	\$100,350.00	2.3800	103,672.80	\$ 0.968	0.80	\$ 1.77
Red Lobster- parcel 3	10 year	4 X 5 years	\$100,350.00	2.2900	99,752.40	\$ 1.006	0.80	\$ 1.81
Urstadt Biddle parking (rear)	15 years	3 X 5 years	\$24,449.00	0.3692	16,084.00	\$ 1.520	0.00	\$ 1.52
Urstadt Biddle parking (side)	15 years	3 X 5 years	\$18,515.00	0.2312	10,069.00	\$ 1.839	0.00	\$ 1.84
Urstadt Biddle parking (additional Side Parcel)	15 years	3 X 5 years	\$23,326.00	0.3194	13,915.00	\$ 1.676	0.00	\$ 1.68
Weeks Automotive	7/1/2007 - 10 years	2 X 5 years	\$15,554.87	0.8449	36,804.00	\$ 0.423	0.80	\$ 1.22
Jay Earl Associates	2003 - 20 years	2 X 5 years	\$12,807.83	1.9100	83,199.60	\$ 0.154	0.80	\$ 0.95
			\$295,352.70		363,496.80			