

DANBURY AVIATION COMMISSION MEETING
SPECIAL MEETING
MINUTES

Danbury Aviation Commission -- 7:00 p.m.
Danbury City Hall: 155 Deer Hill Ave., Danbury, CT 06810
Third Floor / Room 3C / Thursday, January 28, 2010

RECEIVED FOR RECORD
2010 FEB 11 P 3:30
DVA


- 01 Meeting Called to Order By Chairman Ashkar.
- 02 Roll Call:
Present: Commissioners Ashkar, Zilinek, Oppermann, Baker
Absent: Frizzell

Public Speaking:

Mr. Rob Zohn, Business Aircraft Center, stated the plowing job at the Airport was very good this year and wanted the Commission to hear about it.

Motion was made to close public speaking by Commissioner Zilinek, seconded by Commissioner Oppermann, and unanimously approved.

New Business

Executive Air Service, Request for Permit "B"

Mr. Estefan read into the minutes letter from Executive Air Service, LLC dated January 21, 2010 (copy attached).

Motion was made to accept the proposal by Executive Air Service, LLC to add a Class "B" Permit for Charter Operations effective February 1, 2010 by Commissioner Zilinek, seconded by Commissioner Oppermann, and unanimously approved.

Business Aircraft Center, Assignment of Lease

Mr. Rob Zohn of Business Aircraft Center stated there is a significant amount of operators on the field that are all on private property and the City does not get anything from them except for the taxes. Attorney Pereira advised Mr. Zohn is entitled to this consent for the two criteria as stated. Chairman Ashkar stated that this commission will not be voting to assign this lease tonight and the City is losing money on this operation and how can we accept this assignment without any notice. Attorney Yamin advised that this is a complicated matter and involves a 20 year lease and will need to do your due diligence before you can approve or disapprove this. Chairman Ashkar advised that Mr. Silvestro agreed at the time he bought New England Aircraft that we would renegotiate the lease; to which Mr. Silvestro agreed to build hangars on the additional four acres when the economy gets better. Attorney Pereira stated that the ability to assign Mr. Zohn's lease is stated in his lease which was negotiated by this commission and the city's attorneys. Chairman Ashkar stated it wasn't fair that this commission should be given just a couple of days to decide this matter.

Attorney Yamin stated that they don't have the right to walk in here with that clause and expect the commission to assign the consent on a 20 year lease tonight. Mr. Estefan stated there were two arbitration cases with Executive Air Service and New England Aircraft Sales where Business Aircraft Center's lease payments were reduced because of such arbitration. He further recommended that we go into Executive Session to discuss the financial capabilities and at least alleviate that issue. Mr. Zohn advised when we first came to the city and they demanded that we pay as much as all the other FBO's combined I said okay but in exchange you need to agree that if you ever negotiate the lease subsequent to mine that it is less than mine that you agree to lower our rent to match that level as stated in a paragraph 21B of my lease.

Attorney Pereira advised Mr. Zohn pays all his obligations in a timely fashion to the city. Mr. Zohn added that my building is in excellent condition and I have been an excellent tenant to this airport.

Attorney Pinter stated that both these properties because of the two arbitrations was once New England Sales dropped it's excess permits and complied with the standards of the airport that the rents can be adjusted. You can consider whether those rents can be adjusted legally. Attorney Yamin reiterated that you can change the financial obligation under this lease can be increased right now without changing one word and we need to look into that. It was stated that these two companies will be operating as two separate businesses. Attorney Yamin stated by consenting to this assignment you theoretically waive your right for the next 20 years to raise the rent on this property.

Mr. Estefan stated this executive session is to solely determine Mr. Silvestro's financial status to determine if they are financially capable of taking on this burden. There is no tape, no minutes; just the commission members, Mr. Silvestro and his attorney, and the city's attorney. Mr. Silvestro stated this has more effect on Rob Zohn than me and for the record just because you don't like the lease that the City of Danbury agreed to for Rob Zohn and now you want to change it. I think this is against the law. Chairman Ashkar asked if you denied we discussed this two years ago about taking the additional four acres to which Mr. Silvestro replied I have all intentions of taking the four acres when the economy turns around at \$5,500 per acre. I have the permits from the FAA but right now it is not a good business decision.

Attorney Yamin stated it would be reckless of this commission to sign a consent on a 20 year lease to turn it over the same night would be a violation of their fiduciary duties. This commission has the right to their due diligence. Attorney Yamin asked Attorney Barr in your opinion is the commission obligated to approve this request tonight; in which Attorney Barr responded they are obligated under the circumstances yes because you are looking at financial status and looking at operational responsibility which Mr. Silvestro has both.

Commissioner Oppermann stated that we as a commission do not have any authority to make any changes in the lease going from one party to another and all we do is verify the ability of the second party to come up with the funds to operate the FBO as it is. Attorney Pinter advised that the existing FBO has a deal with another operator at the airport and they are coming to you with a package deal; you are entitled to consider under the operational clause of the lease is whether the operator is financially capable of undertaking BAC's business because BAC has categories other than what Danbury Aviation has and if he is capable of doing that and second entitled under the operational clause that the commission is capable and has to take under consideration that the commission was given a commitment that in exchange for taking on the low New England Aircraft Sales rent at the time the condition for that just as Rob's promise was you get this deal in the lease you have to honor it for the next 30 years. This is a package transaction and consider it that way. BAC's lease is currently in its first renewal term and then has another 10 year renewal term after that. Attorney Barr advised it is a business judgment on Mr. Silvestro to not take the additional 4 acres at this time and Mr. Zohn will be present on the airport to help Mr. Silvestro through the transition.

Chairman Ashkar advised we could have another Special Meeting in a week or so but we would need time to consult with the City's attorneys. We need to review all the information before a decision is to be made. Mr. Zohn added that his taxes which have quadrupled since 1983 are now deducted from his rental payment. Attorney Pinter advised that the FAA is inquiring into all leases on the field and the field perimeter and we don't know how this would affect this transaction.

Motion was made by Commissioner Tom Oppermann, seconded by Commissioner Charles Zilinek to adjourn to executive session to review Mr. Silvestro's financial status, and unanimously approved.

Members of the Commission returned from Executive Session at 9:03 p.m. Chairman Ashkar advised the financial status of Mr. Santo Silvestro is fine and a motion was in order.

Motion was made by Commissioner Tom Oppermann to table the decision of the assignment of the lease from Business Aircraft Center to Tango Yankee, LLC and revisit the issue pending receipt of additional information from Attorneys Yamin and Pinter and hold an additional Special Meeting, seconded by Commissioner Baker, and unanimously approved.

Motion made to adjourn, seconded, and unanimously approved.

Ald

Executive Air Service LLC
49 Miry Brook Rd
Danbury CT 06810

01-21-2010

Dear Paul Estefan and Danbury Airport Commission,

Executive Air Service LLC would like to add a Charter Permit (permit B) to our FBO.
We request that this be added to the agenda at the next Commission meeting.

Respectfully yours,

Anthony Debany
General Manager





January 21, 2010

Mr. Paul Estefan
Secretary, Danbury Aviation Commission/Airport Admin.
PO Box 2299
Danbury, CT 06810-2299

By Hand and US Mail

Re: Assignment of Lease

Dear Paul,

Good morning. Please be kind enough to convene a special meeting of the Aviation Commission this month to review the above-noted issue.

Thank you in advance for your cooperation and that of the commissioners.

Sincerely
BUSINESS AIRCRAFT CENTER, INC.

A handwritten signature in black ink that reads 'Rob' in a cursive, stylized script.

Robert B. Zohn
President

cc Les Pinter