

13

~AD HOC REPORT~

Airport Lease-Westconn Aviation (Continued)

Wednesday, October 6, 2010.

Chairman Jack Knapp called the meeting to order at 7:15 p.m. on Wednesday, October 6, 2010, in the Caucus Room, 3rd Floor, Danbury City Hall, 155 Deer Hill Avenue. Present were Committee members Don Taylor and Paul Rotello. Also present were Laszlo L. Pinter, Deputy Corporation Counsel; Paul D. Estefan, Airport Administrator; Robin Kahn, Esq., Cohen & Wolf; Christopher Orifici, Petitioner.

Chairman Knapp introduced everyone present at the meeting and noted that the Director of Finance, David St. Hilaire, was absent due to illness.

Chairman Knapp explained the purpose of the evening's meeting as well as it being a continuance of a meeting held on September 14, 2010. The meeting was continued as Mr. St. Hilaire was not present at the September meeting and there was a desire to afford him the opportunity to offer his input.

Chairman Knapp asked Les Pinter to offer background and advise the Committee of any feedback from Mr. St. Hilaire. Attorney Pinter explained that Mr. St. Hilaire is in agreement with the independent appraisal which indicated an acreage value of \$6,000 annually. He subsequently reviewed additional option terms and determined that the additional option term of 5 years is acceptable. He suggested an annual increase in the rent from the first year forward of 3% annually. Issues regarding term went back before the Aviation Commission. The Commission reconvened on the question of how much acreage should be leased (approximately 1 ½ acres). The Commission determined that the full acreage should be leased (1.75 acres) with a 25-year base term and a 5-year option. The Commission also recommended that a through-the-fence fee be incorporated into the additional acreage and the rent for the additional acreage be deemed to be an access fee to cover the through-the-fence issue. Mr. Estefan read email messages from Donna Woody, Compliance Officer for the FAA in the New England Region and an email message from Attorney Pinter. Mr. Estefan pointed out that the FAA is not pleased with through-the-fence operations. The definition of through-the-fence operations is when a private property owner has access to city owned property. Mr. Orifici did not agree with the straight line percentages. The current owner of the property Mr. Orifici wishes to purchase, Saddler Aviation, carries a CPI but there are no specifications as to which index is being used. He pointed out the long-term benefit to the City in tax revenue once the improvements have been completed on the project. A lengthy discussion ensued regarding the various lease options, FAA requirements, CPI terms and TTF fees. Attorney Pinter advised the Committee that if a lease is produced that is reasonably related to a self-sustaining airport, the FAA will accept that lease. However, if they flat out reject the lease that they are given, then it's a condition the petition will be aware of up front. It is unknown what the FAA will accept until it is presented to them. Chairman Knapp suggested incorporating the TTF fees into the lease amount (ex. \$10,500 which would include the TTF fees). Chairman Taylor pointed out that Saddler Aviation is not currently paying for the space, the City is in a losing position with the operation currently in place, the petitioner desires to improve the property and run a quality operation that will be in place for some time. He desires to move forward as expeditiously as possible in order for Mr. Orifici to get up and running. Mr. Estefan recommended the Committee approve the lease with a CPI, contingent upon FAA approval.

A motion was made by Councilman Rotello and seconded by Councilman Taylor that the Ad Hoc Committee recommend the Council, conditional on final review by the FAA, a lease agreement for 1.75 acres of Airport property as described, for the tie-down of aircraft, for a period of 25 years plus one, five (5) year option, at an initial rent rate of \$6,000 annually per acre, adjusted every three (3) years based on a CPI established by the regional New York/New Jersey/Connecticut as defined by the

Finance Director, with .30 acres of said property rent component attributed to "Through-the-Fence" access costs as mandated by the FAA. The motion carried unanimously.

13-1

A motion to adjourn was made by Councilman Rotello and seconded by Councilman Taylor. The motion carried unanimously at 8:27 p.m.

Respectfully submitted,

Jack Knapp, Chairman

Don Taylor

Paul Rotello