

CEDAR CITY REGIONAL AIRPORT BOARD MEETING
APRIL 12, 2018

A regular meeting of the Cedar City Regional Airport Board was held on Thursday, April 12, 2018 at 8:00 AM in the conference room of the Airport located at 2650 West Aviation Way, Cedar City, Utah.

PRESENT:

Jyl Shuler, Chairperson	Casey Nelson, SkyWest
Bill McVay, Member	Kirt McDaniel, Aviation
Burt Poulsen, Member	Blaine Nay, Staheli West
Vaughn Montgomery, Member	John Appel, Citizen
Terri Hartley, Member	Vicki Thompson, Citizen
Dale Brinkerhoff, Member	J.J. McGuire, Sphere One Aviation
Scott Truman, Member	Chuck Taylor, SyberJet
Jeremy Valgardson, Airport Manager	Clayton Cheney, Citizen
Tresten McKay, Airport Operations	
Kathy Dahl, Executive Secretary	

ABSENT/EXCUSED:

Mark Leavitt, Member

Shuler welcomed everyone and called the meeting to order.

APPROVAL OF MINUTES

Brinkerhoff moved, Poulsen seconded and motion carried unanimously that the minutes from the February 8, 2018 meeting be approved.

INFORMATIONAL ITEMS

- SkyWest –

Casey Nelson from SkyWest reported their performance so far this month is good, running about 95%. Staffing is good, though they may be hiring a temporary agent this summer as one of their employees will be on maternity leave. They have a piece of equipment down that should be repaired Tuesday, and should not affect their operation. In answer to query from Shuler, Nelson stated that the slight adjustment in the evening departure schedule from 6:20 PM to 6:30 PM has been good for their performance and he has not heard any negative feedback about it.

Enplanements for February, 2018 = 1,048; March, 2018 = 1,228.

- GDA – No one was present.
- TSA – No one was present.
- BLM – No one was present, but their office is scheduled to officially open May 17, 2018.

- FBO –

J.J. McGuire from Sphere One Aviation reported they have been selling quite a bit of fuel and have seen a heavy presence in military aircraft over the last couple of months. This is the first time they have had a Coast Guard aircraft here. In answer to query from Shuler, McGuire reported that the expansion project is moving ahead slowly. Valgardson reported that he received notice from Thomas Matthew, owner of Sphere One, that the steel has been ordered and should be delivered any day.

- MSC Aerospace –

Chuck Taylor reported to the board that things at his operation are moving ahead. They have a challenge with the test aircraft in San Antonio with the Honeywell boxes not talking to themselves yet. They have programmers from several locations working to get the computers communicating. He said their aircraft is ready and they are looking at the first flight probably by the first of June and then will go into flight testing. At about that same time, production will begin here in Cedar City on the deliverable units and they will probably, by mid-July, start installing the assembly wing to body made for Aircraft 12 over at their hangars here, and then as space becomes limited, they will break ground and start their new building on Aviation Way.

- SUU – No one was present.

- Jviation

Kirt McDaniel of Jviation reported that they are in the process of closing out the Prairie Dog Fence Project. The Ramp and Taxiway Project preconstruction meeting was held yesterday and the project will start on Monday, April 16, 2018. The contractor is Western Rock. They have a Runway Project submittal due to FAA in a couple of weeks, and that project is moving forward. They anticipate advertising the end of May, 2019 and hopefully starting construction the end of June, 2019.

AIRPORT MANAGER'S REPORT

Valgardson went over the phasing portion of the Ramp/Taxiway Project. This will be a complete reconstruction, not just a mill and overlay. The contractor will be going down 20-inches taking up the base and putting new base down. It will be built to hold a 757. Because it will be done in 4 phases, it will take a longer time to complete, but it won't impact the airport users as much as doing the entire project at one time. Valgardson reminded everyone that the projected time sequences are based on normal working conditions. Phase 1 will start on Taxiway Charlie and go to SUU's big hangar. It will start April 16, 2018 and go through May 18, 2018, a total of 25 working days. Phase 2 will go to Sphere One's maintenance hangar and is projected to start May 21, 2018 and go through June 27, 2018, a total of 27 working days. Phase 3 will go all the way to the edge of Bravo island. Aircraft will have access to the self-serve from the back side. It is projected to start June 27, 2018 through August 2, 2018, a total of 24 working days. Phase 4 is a small project west of Taxiway Charlie for a total of 12 working days.

Valgardson reminded everyone that if they need to find a place to park their aircraft for the duration of any of these projects, reach out to the airport staff and they will try and find you a hangar or put aircraft on the east ramp or the helipad.

- Russ Roberts/Appel Enterprises, LLC – Lease Transfer

Valgardson reported that Russ Roberts is selling his hangar to Mr. John Appel. The current lease on this hangar and parcel of property was issued in 2009 and expires in 2029 with 5 5-year renewal options, or potentially a 45-year lease. Prior to the lease expiration date, it can be renegotiated for an additional 5 years. Mr. Appel will take over the existing lease at the existing rate. This is a standard lease transfer, with the next CPI adjustment in 2019. The current lease rate is \$622.35 annually. The CPI adjustment is made every 5 years. There was some discussion on the reversionary clause in this lease. Valgardson stated that most of our leases don't have that clause and our new lease template doesn't contain the clause. In answer to query, Valgardson stated that a lease transfer picks up the terms of the current or existing lease including the lease rate. A new lease would be rewritten and would include the current rate. For this particular parcel, that current rate for a new lease would be approximately \$1,800.00 annually. McVay moved, Poulsen seconded and motion carried unanimously that the board approve the transfer of this existing lease from Russ Roberts to John Appel as outlined in the lease documents.

- SkyWest Lease

Valgardson presented to the board the lease for SkyWest for office space in the airport. They will be leasing 762 square feet at \$1.30 per square foot per month, or \$990.60 per month. This is a 5-year lease and FAA is now allowing one additional 5-year lease renewal. The cost is based on current appraisal. Brinkerhoff moved, Montgomery seconded and motion carried unanimously that the lease for office space for SkyWest in the airport as proposed, be recommended for approval to the Cedar City Council.

- Sphere One – North FBO Expansion Area

Valgardson presented to the board a request from Sphere One Aviation for a raw land lease where they propose to build another hangar. The proposed hangar will be large enough to hold a G-5 aircraft and will have 80 feet of ramp. There will be a pad behind this hangar for them to house their fuel trucks to keep them on their property and secure. This will not interfere with the self-service fuel station. The gate will have to be moved between the building and the self-service fuel station, and a new 45-foot beacon will have to be erected. From the time the raw land lease is approved, they will have one year to pull a building permit. The raw land lease will be for 53,817.29 square feet at our current rate of 20¢ per foot, or \$10,763.26 per year. The lease will be for 20-years with 5 additional 5-year renewals. There is no reversionary clause in this raw land lease. Poulsen moved, McVay seconded and motion carried unanimously that the raw land lease for Sphere One Aviation as proposed, be recommended for approval to the Cedar City Council.

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- Airport Rules and Regulations and Minimum Standards Update

Valgardson brought to the board an amendment to the Airport Rules and Regulations and Minimum Standards, Chapter 3 Section 6 "Airport Leases Non-Transferable." There are some old leases that are only paying 3-6¢ per year and when there is a lease transfer, that same rate applies to the new lessee. This small amount doesn't help with the upkeep of the Airport at current prices. Also, FAA won't pay for asphalt maintenance 40 feet out from the front of all ineligible hangars because it can't be designated as space for public use. This would apply to every hangar down the south and center ramps. If it was in the lease that the lessee will maintain the asphalt, then the lessee would have to take care of it. Also, some of the current hangar owners were asked if they would contribute to the maintenance of the asphalt in front of their hangars, but FAA said all must contribute or none. Right now, that section of asphalt is City property and is maintained as a customer service. Aviation has estimated that it will cost approximately \$150,000.00 to maintain that asphalt, and the only way that cost can be recouped is from lease holders. At the recommendation of the Cedar City attorney, the following sentence will be added: "The lease holder of any assigned or transferred lease shall pay the current raw land lease rate as adopted by Airport Board and City Council and amended from time to time." There would still be the ability to do a lease transfer, but it would be in the new lessee's best interest to enter into a new lease. In answer to query from Hartley, Valgardson stated that future leases would not have ramp maintenance in them unless it was negotiated with the lease holder. Chuck Taylor with Syberjet stated that by removing the grandfathering clause, this would devalue a lease and if it contained a reversionary clause it would make it of less value to the City. Valgardson stated that the City is aware of this, and though there are very few leases with reversionary clauses, it will be recommended that they be terminated and a new lease started when they expire. Hartley moved, Poulsen seconded and motion carried unanimously that the amendment to the Airport Rules and Regulations and Minimum Standards as proposed, be recommended for approval to the Cedar City Council.

- Snow and Ice Control Plan

Valgardson discussed the Airport's snow and ice control plan. This is required by FAA each month. The snow season was very light this year and the staff plowed 3 times this year. There were a couple of delays, but they were caused from weather issues in Salt Lake City. There were no cancellations or delays during the winter season caused in Cedar City. If you have any concerns, please bring them up and if you are going to be flying and the weather is not ideal, let the airport staff know and they can assist you.

OTHER BUSINESS

Shuler discussed with the board a concept for art on the 3 walls of the baggage claim area depicting a tribute to Maurice Graham. This concept is different from the 2 presented by Steve Decker to the board several months ago. Mr. Graham was a decorated World War I pilot and co-founder of Western Air Services, who flew the mail from Los Angeles through Las Vegas to Salt Lake City. In short, he was an innovative pilot and inventor of aviation equipment. He lost his life after his plane crashed in a snowstorm on January 10, 1930. His crash prompted the largest and longest aerial search in history. His plane was discovered 2 miles east of Hornet Hill on Kanarra Mountain. He had managed to land safely in the dark in a howling snow storm with no beacon or visual reference to guide him. His remains were eventually discovered in late July in Spanish Hollow, Crystal Creek Canyon. He had tried to walk out. He had the securities mail bag in his arms. Shuler felt this was a piece of aviation history relating to our area that would be of interest. Shuler stated that this is in the very preliminary stages and she doesn't have costs or timing. It could possibly involve artifacts as well as wall paper paintings and maps. As she understands it, this would not be done with airport funds. Mr. Decker has done art projects in several of the City buildings and so far the City has covered the budget. Hartley said she could check with Mr. Decker on funding for something like this coming under the budget he has proposed to the City Council for the upcoming fiscal year. The general consensus of the board was favorable to discuss this further.

As there was nothing further, Truman moved, Montgomery seconded and motion carried unanimously that the meeting be adjourned at 8:55 AM.