

**BURLINGTON INTERNATIONAL AIRPORT
BOARD OF AIRPORT COMMISSIONERS
MINUTES OF SPECIAL MEETING
January 23, 2015**

APPROVED – 2/23/15

MEMBERS PRESENT: Jeff Munger (Chairman)
Bill Keogh
Pat Nowak
Alan Newman (via teleconference at 2:12 PM)

MEMBERS ABSENT: Jeff Schulman

BTV STAFF PRESENT: Gene Richards, Director of Aviation (via teleconference)
Kelly Colling, Operations & Maintenance
Nic Longo, Accounting Office Assistant
Marie Friedman, Financial Advisor
Erin Knapp, Marketing

OTHERS PRESENT: Marianne Riordan, Recording Secretary

1.0 CALL TO ORDER

Chairman Jeff Munger called the special meeting to order at 2:07 PM.

2.0 AGENDA

MOTION by Bill Keogh, SECOND by Pat Nowak, to approve the agenda as proposed for January 23, 2015 and amended by deleting items 4.3 (approval of garage rate increase) and 4.4 (approval of advertising contracts). VOTING: unanimous (3-0)[Alan Newman not present for vote]; motion carried.

3.0 PUBLIC FORUM

No one from the public was present at the meeting.

4.0 ACTION REQUIRED

4.1 Lease for 700 Airport Parkway

MOTION by Bill Keogh, SECOND by Pat Nowak, to approve the lease agreement for 700 Airport Parkway for the purpose of discussion. VOTING: unanimous (3-0)[Alan Newman not present for vote]; motion carried.

Nic Longo explained the site of the former Budget Rent-a-Car business has been vacant for a while. Heritage Auto Sales, Inc. wants to lease the space and plans to improve the facility. Legal counsel has reviewed the lease (it is a standard lease) and found no issues. Gene Richards said the lease is a win-win for the airport because the airport has been paying taxes, heat and utilities on the property for the past three years. Through the lease costs will be recouped and improvements will be made to the building.

Bill Keogh asked if the lease rate is comparable. Mr. Richards said the rent is not comparable (there were no interested parties at \$6,000 per month), but it is a competitive market rate. Nic Longo noted the lease is mutually revocable for a

term of one year with an option for four additional one year terms and a 3% yearly accelerator. The lease does not cover taxes (i.e. is not triple net).

MOTION by Bill Keogh, SECOND by Pat Nowak, to approve adoption of the resolution (lease agreement between the City of Burlington and Heritage Automobile Sales, Inc. for 700 Airport Parkway) and recommend to City Council. VOTING by roll call: 4 ayes (Keogh, Newman, Nowak, Munger), 0 nays; motion carried.

4.2 Rental Car Wash Lease

MOTION by Bill Keogh, SECOND by Pat Nowak, to approve adoption of the resolution (lease agreement between the City of Burlington and Enterprise Holding Inc. and Hertz Corp. for 1200 Airport Drive).

DISCUSSION: Nic Longo explained the facility is located north of the air traffic control building and is leased by Enterprise Rental Car and Hertz. The cumulative lease rate was \$600 per month (original lease began in the late 1980s), but with approval of the amendment the rate will increase to \$6,000 per month retroactive to January 1, 2015 and carrying forward through June 30, 2015 and then decrease to \$4,000 per month beginning July 1, 2015 through June 30, 2016. The lease is triple net. Further details of the lease can be discussed in Executive Session. The lease is a great opportunity for the airport. The airport has long term plans to build a new facility using CFC fees (customer facility charges). Bill Keogh asked if the lease information will be available to the public. Nic Longo said it would not. There was mention of holding Executive Session. Bill Keogh objected because the session was not warned on the agenda per the Open Meeting Law and holding the session without advertisement would not be “good government”. Alan Newman argued it is not the job of the Airport Commission to do “good government” but rather to make decisions to benefit the airport. Mr. Newman said he does not believe there is such a thing as “good government”. Pat Nowak suggested voting on the resolution and warning an Executive Session on the next meeting agenda (February 23, 2015) to discuss the details. There were no further comments.

VOTING by roll call: 4 ayes (Keogh, Newman, Nowak, Munger), 0 nays; motion carried.

5.0 COMMUNICATION/DISCUSSION

5.1 Heritage Sub-Leases – Letter re: Rate Reduction and Intent

Nic Longo reported the sub-leases are for 265 Aviation Avenue, also known as the Heritage aviation support hangar. The first sublease is a good opportunity for the airport and a way to help grow the aviation industry in Vermont. The lease is to Vermont Technical College for the Professional Pilot Program which prepares participants for the aviation industry.

Gene Richards stated the sublease has no effect on the airport except as a great way to use the building in an aviation like manner which is exactly what the airport wants Heritage to do (i.e. rent to aviation type activities). Nic Longo noted legal counsel reviewed the lease which refers to use of the premises specifically for aviation related services and if not then written approval is needed from the lessor for the activity (Director of Aviation is deemed the agent for BCDC to manage the leases). The lease also requires maintaining self-sufficiency.

Jeff Munger asked if there is any impact on the aviation program by Burlington Tech Center. Gene Richards said there is no impact. The airport is trying to work with Heritage with a focus on aviation matters, and this was done with the sublease.

6.0 ADJOURNMENT

Next meeting: February 23, 2015 at 4 PM.

MOTION by Bill Keogh, SECOND by Pat Nowak, to adjourn the meeting.

VOTING: unanimous (4-0); motion carried.

The meeting was adjourned at 2:28 PM.

RScty: MERiordan