



**AGENDA
AIRPORT ADVISORY COMMISSION
REGULAR MEETING
NOVEMBER 9, 2017
6:00 PM
CITY HALL COMMISSION CHAMBERS
204 ASH STREET
FERNANDINA BEACH, FL 32034**

1. CALL TO ORDER

2. ROLL CALL

3. APPROVAL OF MINUTES

3.1 Consider approval of Minutes from October 12, 2017.

4. PUBLIC COMMENT REGARDING ITEMS NOT ON THE AGENDA

5. OLD BUSINESS

5.1 Airport Terminal Construction Project and Financing Update(s)

5.2 Status of Terminal Generator, Nose, and Tail Projects

5.3 Update on plans for current FBO building and CAP trailer on leasehold after the April 1st FBO transition

5.4 Plans for Bulk Hangar Space Associated with the new FBO

5.5 Runway 4 GPS Approach Procedure Development Update

5.6 Airport AWOS Repairs Update

5.7 Airport Financial Report

6. NEW BUSINESS

6.1 Review Airport Advisory Commission Airport Survey

6.2 Airport Coyote Safety Concern Discussion

6.3 March 2018 Events Update

6.4 Airport Rate Analysis Proposal

7. AIRPORT MANAGER AND STAFF REPORTS

7.1 Airport Manager Report

8. COMMISSION MEMBER REPORTS/COMMENTS

9. NEXT MEETING DATE

10. ADJOURNMENT

All members of the public are invited to be present and be heard. Persons with disabilities requiring accommodations in order to participate in this program or activity should contact the City Clerk at (904) 310-3115 or TTY/TDD 711 (for the hearing or speech impaired). All interested parties may appear at said meeting and be heard as to the advisability of any action, which may be considered with respect to such matter. For information regarding this matter, please contact the Airport Manager.

1. **Call to Order:** Vice-Chair Chuck Colcord called the meeting to order at 6:00 pm.
2. **Members Present:** Chuck Colcord (Vice-Chair), Kent McKee, Aaron Morgan, Don Edlin, George Haffey, David Austin
Members Absent: Paul Behan

Others Present: Brad Wenthe, Tom Piscitello, Andy Curtin, Mickey Baity

3. **Approval of Minutes:** The minutes of the September 18, 2017 regular meeting were presented for approval. **A motion was made by Member Haffey, seconded by Member McKee, to approve the minutes. A vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.**
4. **Public Comment Regarding Items Not On The Agenda:** Andy Curtin provided a public comment regarding a concern of airport tenants related to the condition and reliability of the airport's automated weather system (AWOS). Airport Manager Coyle provided an update to the condition of the AWOS stating that the hurricane had recently damaged the wind sensor, and that recent damage to the FBO facility incurred separate damage to the AWOS data connection module, which currently resides within the McGill FBO. Mr. Coyle stated that the wind sensor had been temporarily repaired and is functional, however he had received quotes for permanent repair of the wind sensor at a cost of \$3,000, and \$12,500 for repair of the data connection which would provide a mobile radio-wave connection device to allow relocation of the data connection to the airport trailer with subsequent relocation to the new terminal facility when completed.

Mr. Coyle also stated that the AWOS is currently carried on the airport's CIP for replacement in fiscal year 2023, but that the airport would look at potentially moving the replacement project forward given the maintenance challenges that the AWOS has shown over recent months. Member Edlin asked if the airport fund would be able to support acquisition of a new AWOS. Mr. Coyle stated that the CIP item is eligible for grant funding, and that the airport fund should have sufficient funds to complete the project. Mr. Coyle stated that the CIP projected funding for the system at \$300,000 and that he had found a similar replacement project near \$225,000. Member Edlin pointed out that there is good infrastructure in place, and that the project should be able to use the existing infrastructure to reduce the project cost. Airport Manager Coyle agreed that this should help with mitigating cost of the project. Mr. Coyle stated that he would continue to keep the group updated on his discussions about the CIP and the airport's AWOS.

5. **Old Business:**
 - 5.1 **Airport Terminal Finance Plan Update, including cot shares for the City and Eight Flags Aviation FBO**

Airport Manager Coyle provided a breakdown of existing funding available for construction of the FBO facility. Funding sources were provided to the commission on a spreadsheet

within the meeting packet and included an outline of grant funding from the Federal Aviation Administration (FAA), Florida Department of Transportation (FDOT), and Florida Department of Economic Opportunity (FDEO). The sum of currently executed and anticipated grant funding for this project currently totals \$2.8M. Mr. Coyle reported that the airport projected used of \$751,000 from airport fund balance between \$825,000 and \$1M to be financed by the City to cover the remaining cost of the project. Finally, Mr. Coyle outlined a potential \$355,000 financing option that Eight Flags Aviation has provided, to meet the intent of the agencies FBO proposal, to cover a portion of terminal facility design cost and the acquisition of a nose and tail. The terms of this financing option will be outlined in a construction/financing agreement between the City and Eight Flags Aviation. Mr. Coyle reported that the City and Eight Flags Aviation were attempting to place this draft agreement on the October 12th Commission agenda for consideration, but that the draft was not yet completed, and staff is now tentatively targeting the November 8th Commission meeting agenda for potential presentation to the Commission.

5.2 Status of Terminal Generator, Nose, and Tail Projects

Airport Manager Coyle reported that funding for the facility nose and tail are being negotiated within the construction and financing agreement as discussed under the previous agenda item. Mr. Coyle also stated that he has provided information for application of a FEMA grant in hopes of receiving funds to acquire a generator for the new terminal facility.

Member Morgan asked if there is a timeline for purchase and installation of the generator. Airport Manager Coyle stated that there is not a timeline yet established for the purchase and installation, however the City is attempting to make smart decisions when constructing the facility and infrastructure associated to the generator to allow for placement when the acquisition does occur.

Member McKee asked what floor of the facility the generator would be installed on, and stated that a second floor installation had been discussed at one time in an effort to minimize risk of flooding impact to the generator. Airport Manager Coyle stated that he was unaware of the discussion to place the generator on the second floor but would research the topic to understand the discussion, and be prepared to speak to this at the next meeting.

5.3 Update on plans for the current FBO building and CAP trailer on leasehold after the April 1st FBO transition

Airport Manager Coyle reported that he had met with representatives from Civil Airport Patrol to discuss their existing use of the trailer on the McGill leasehold and to understand needs moving forward. Mr. Coyle stated that he had also discussed the matter with Brian Echard from Eight Flags Aviation who agreed that the public meeting space within the new terminal facility could be scheduled for use by airport/aviation groups.

Tom Piscitello provided comment that an existing small cinderblock facility adjacent to the McGill FBO could provide a location for placement of the EAA's flight simulator and for use by CAP and EAA as meeting space moving forward. Mr. Piscitello stated that the EAA

and other tenants may be willing to help with some minor improvements to the facility, and asked that the airport consider leasing/renting the facility to the group at no cost. Airport Manager Coyle stated that understood the facility to be on the existing ground lease for Eight Flags Aviation, but would discuss the matter with Brian Echard to better understand his potential interest in the building. Mr. Coyle also mentioned that he was alerted that the roof on the building may be in poor condition and need repairs, which is something that may need to be considered by any parties interested in use of the building moving forward.

5.4 Plans for Bulk Hangar Space Associated with the new FBO

Airport Manager Coyle stated that there were still no new developments on this topic at this time, and that he would continue to carry this item until an update is available.

5.5 Runway 4/22 GPS Approach Procedure Development

Airport Manager Coyle stated that, following the last AAC meeting, he reached out to the FAA flight procedures office to inquire as to the status of a potential previous request for development of a procedure to Rwy 4. Mr. Coyle learned that a request was made in September of 2016, roughly a year prior, but that the request went dormant for an unknown reason. Mr. Coyle asked the flight procedures team to re-initiate the request for potential development of a procedure to Rwy 4. Following this conversation, Mr. Coyle came across a letter from a previous City Manager in 2011 requesting that development of procedures to the airport be halted. Mr. Coyle stated that, through research, he understood that this letter was issued by direction of the City Commission following an unrelated but parallel discussion regarding clear cutting of trees on airport property. Mr. Coyle finally stated that he could not find any additional discussion where a direction was given to rescind the position of the letter and, by recommendation of Mr. Martin, suggested that the group consider a recommendation to the Commission to rescind the letter.

Member Edlin stated that he thought the letter had already been rescinded. Vice-Chair Colcord stated that he was not sure the letter had been rescinded. Airport Manager Coyle stated that he searched previous commission minutes database at length but couldn't find any discussion to that effect. The group recommended to Mr. Coyle that he spend no more than 72 hours searching for the minutes before preparing a request that the commission rescind the position.

A motion was made by Member Edlin that if record of a previous direction to rescind this position could not be located by Mr. Coyle that the Commission rescind its position from 2011 for halting development of procedures at the airport. Member Austin seconded the motion. A vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.

5.6 Airport Financial Report

Airport Manager Coyle provided the tentative end of year financial report for the commission's review. Mr. Coyle stated that the airport fund appears to be healthy with strong lease revenue sustaining the airport. There were no comments or discussion on the report.

6. New Business:

6.1 Update on Draft Airport Construction and Financing Agreement between the City and Eight Flags Aviation

Airport Manager Coyle stated that this draft agreement was not yet available for review. Vice-Chair Colcord asked that the group be able to have a copy of the draft agreement when it becomes available. Mr. Coyle stated that he would provide a copy to the group at an upcoming airport advisory commission meeting or via email if it appeared that the agreement would reach the commission prior to the next meeting.

6.2 Airport Advisory Committee Survey Proposal from Airport Manager

Airport Manager Coyle presented a survey for consideration of the AAC to be completed and discussed at the next meeting. The survey requests information as to what the group believes is working well at the airport or makes the airport more attractive than other airports in the region, and also asked for feedback about what components could be improved at the airport. Mr. Coyle stated that he would use the information, specifically items for improvement, to help with building advisory commission agendas to address these issues in the future.

7. Airport Manager and Staff Reports:

Airport Manager Coyle reviewed the report provided to the commission within the agenda packet. Member Edlin stated that he appreciated the format and asked that the report also be sent to the Fernandina Tenants Association prior to each advisory commission meeting. Airport Manager Coyle stated that he would plan to provide the report to the tenants association each month moving forward.

- Airport Manager Coyle discussed two items not listed on his written report to the group, which included recent news that SVRA would not be holding its Gran Prix event at the airport in March, and that Russo and Steele has asked to move its event onto the approach end of Rwy 27 and on Twy A, east of Rwy 9/22. Mr. Coyle provided a rough sketch of the proposed area for use by Russo and Steele and stated that he had just received the request the evening prior to the AAC meeting, and had not reviewed the map yet in great detail.

8. Commission Member Reports and Comments:

Member Morgan asked what the term of agreement currently is for the Russo and Steele events at the airport. Airport Manager Coyle stated that the current term is a one-year event however he is aware that the Russo and Steele is interested in requesting a longer term

agreement for this event. Member Austin suggested that the rate for use of the airport be considered since moving the event would incur a longer closure of Runway 9/27, and Mr. Coyle stated that he did intend to discuss this with Russo and Steele.

Member Austin suggested that the airport consider developing an airport distribution email list for use in releasing official information to all airport tenants. Airport Manager Coyle stated that a list did exist, but he had confused this distribution list with the tenants association distribution when he arrived. Mr. Coyle stated that he had not yet confirmed that the airport's email list is complete and accurate but that he would work toward that goal moving forward.

Member Haffey suggested that the airport consider potential links to NEXTGEN if the airport pursues acquisition of a new AWOS for the airport. Airport Manager Coyle agreed and stated that he would review any potential links when the airport begins its acquisition process. Member Haffey also requested that Airport Manager Coyle provide information for discussion and awareness regarding the ATC privatization discussion, when it becomes available. Mr. Coyle stated that he does receive updates on these discussions and will share this information when noteworthy updates are provided.

Member Colcord stated that he would like to thank airport staff for keeping the airport in good condition and repair during and after the recent hurricane, noting the airport's efforts to quickly repair jammed T-Hangar doors immediately after the storm.

- 9. Next Meeting Date:** The group agreed that the next meeting date would be held on Thursday November 9, 2018.
- 10. Adjournment:** There being no further business to come before the Airport Advisory Commission, the meeting was adjourned at 6:55 pm.

Secretary

Chuck Colcord, Vice-Chair

KFHB RNAV RWY 04

Legend

- NAVAID
- TREE



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 City of Fernandina Beach
 YEAR-TO-DATE BUDGET REPORT

AIRPORT

 PRELIMINARY
 OCTOBER 2017

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FOR 2018 01

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	% USED
420 AIRPORT							
420 33220		FAA GRANT					
	-350,000.00	-350,000.00	0.00	0.00	0.00	-350,000.00	.0%
420 33323		FDOT GRANT					
	-1,625,000.00	-1,625,000.00	0.00	0.00	0.00	-1,625,000.00	.0%
420 33440		OTHER GRANT					
	-470,000.00	-470,000.00	0.00	0.00	0.00	-470,000.00	.0%
420 34970		FUEL SALES					
	-35,000.00	-35,000.00	-945.33	-945.33	0.00	-34,054.67	2.7%
420 34971		LEASE PAYMENTS-LAND LEASE					
	-37,240.00	-37,240.00	-3,924.05	-3,924.05	0.00	-33,315.95	10.5%
420 34973		LAND LEASE- AMELIA RIVER					
	-199,500.00	-199,500.00	-13,498.33	-13,498.33	0.00	-186,001.67	6.8%
420 34974		LAND LEASE PAYMENTS-NON TAXABL					
	-33,295.00	-33,295.00	-2,786.02	-2,786.02	0.00	-30,508.98	8.4%
420 34975		RENT/LEASE PAYMENTS					
	-306,503.00	-306,503.00	-24,141.11	-24,141.11	0.00	-282,361.89	7.9%
420 36990		OTHER REVENUE					
	-90,000.00	-90,000.00	-1,791.00	-1,791.00	0.00	-88,209.00	2.0%
420 36995		LATE FEES					
	0.00	0.00	-99.20	-99.20	0.00	99.20	100.0%
420 38410		LOAN PROCEEDS					
	-1,000,000.00	-1,000,000.00	0.00	0.00	0.00	-1,000,000.00	.0%
420 38910		CASH BALANCE FORWARD					
	-1,020,700.00	-1,020,700.00	0.00	0.00	0.00	-1,020,700.00	.0%
420 51200		SALARIES					
	119,340.00	119,340.00	8,795.40	8,795.40	0.00	110,544.60	7.4%
420 52100		FICA					
	9,130.00	9,130.00	643.09	643.09	0.00	8,486.91	7.0%
420 52200		RETIREMENT					
	40,600.00	40,600.00	3,383.33	3,383.33	0.00	37,216.67	8.3%
420 52300		HEALTH INSUR					
	18,448.00	18,448.00	2,352.16	2,352.16	0.00	16,095.84	12.8%
420 52301		LIFE INSUR					
	743.00	743.00	49.45	49.45	0.00	693.55	6.7%
420 52350		OPEB COSTS					
	785.00	785.00	65.42	65.42	0.00	719.58	8.3%
420 52400		WORKERS' COMP					
	2,067.00	2,067.00	172.25	172.25	0.00	1,894.75	8.3%
420 53100		PROFESSIONAL SERVICES					
	40,000.00	40,000.00	0.00	0.00	0.00	40,000.00	.0%

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City of Fernandina Beach
YEAR-TO-DATE BUDGET REPORT

AIRPORT

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FOR 2018 01

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	% USED
420 53200		AUDITING					
	6,795.00	6,795.00	566.25	566.25	0.00	6,228.75	8.3%
420 53400		CONTRACTUAL					
	53,535.00	53,535.00	1,430.00	1,430.00	0.00	52,105.00	2.7%
420 53910		HOUSING ALLOWANCE					
	2,000.00	2,000.00	500.00	500.00	0.00	1,500.00	25.0%
420 54000		TRAINING/TRAVEL					
	3,000.00	3,000.00	0.00	0.00	0.00	3,000.00	.0%
420 54100		COMM - PHONE/FAX/ALARM					
	1,922.00	1,922.00	0.00	0.00	0.00	1,922.00	.0%
420 54101		COMMUNICATIONS-CELLULAR					
	2,000.00	2,000.00	0.00	0.00	0.00	2,000.00	.0%
420 54103		COMMUNICATIONS-INTERNET					
	5,750.00	5,750.00	0.00	0.00	0.00	5,750.00	.0%
420 54200		POSTAGE					
	100.00	100.00	0.00	0.00	0.00	100.00	.0%
420 54300		UTILITIES ELECTRIC					
	20,000.00	20,000.00	0.00	0.00	0.00	20,000.00	.0%
420 54310		UTILITIES-WATER & WASTEWATER					
	11,000.00	11,000.00	0.00	0.00	0.00	11,000.00	.0%
420 54500		INSURANCE					
	47,928.00	47,928.00	3,994.00	3,994.00	0.00	43,934.00	8.3%
420 54610		R/M BLDG & GROUNDS					
	78,000.00	78,000.00	113.50	113.50	218,881.17	-140,994.67	280.8%
420 54620		R/M EQUIPMENT					
	1,500.00	1,500.00	600.00	600.00	0.00	900.00	40.0%
420 54630		R/M VEHICLES-LABOR					
	3,500.00	3,500.00	0.00	0.00	0.00	3,500.00	.0%
420 54640		R/M VEHICLES-PARTS					
	3,500.00	3,500.00	0.00	0.00	0.00	3,500.00	.0%
420 54700		PRINTING					
	2,500.00	2,500.00	0.00	0.00	0.00	2,500.00	.0%
420 54800		PROMOTIONAL					
	1,500.00	1,500.00	0.00	0.00	0.00	1,500.00	.0%
420 54910		BILLING COSTS					
	7,000.00	7,000.00	583.34	583.34	0.00	6,416.66	8.3%
420 55100		OFFICE SUPPLIES					
	300.00	300.00	0.00	0.00	0.00	300.00	.0%
420 55200		OPERATING SUPPLIES					
	4,810.00	4,810.00	0.00	0.00	0.00	4,810.00	.0%
420 55210		UNIFORMS					
	300.00	300.00	0.00	0.00	0.00	300.00	.0%
420 55230		GAS/OIL					
	8,500.00	8,500.00	0.00	0.00	0.00	8,500.00	.0%

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City of Fernandina Beach
YEAR-TO-DATE BUDGET REPORT

AIRPORT

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FOR 2018 01

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	% USED
420 55400		BOOKS/SUBS/DUES					
	725.00	725.00	0.00	0.00	0.00	725.00	.0%
420 56200		BUILDING					
	3,845,000.00	3,845,000.00	35,633.75	35,633.75	3,800,187.70	9,178.55	99.8%
420 56300		IMPROVEMENTS					
	225,000.00	225,000.00	0.00	0.00	0.00	225,000.00	.0%
420 56401		EQUIP-NON CAPITAL					
	5,500.00	5,500.00	0.00	0.00	0.00	5,500.00	.0%
420 57100		PRINCIPAL					
	198,000.00	198,000.00	0.00	0.00	0.00	198,000.00	.0%
420 57200		INTEREST					
	52,266.00	52,266.00	0.00	0.00	0.00	52,266.00	.0%
420 57300		FINANCING COSTS					
	36,000.00	36,000.00	0.00	0.00	0.00	36,000.00	.0%
420 59900		CONTINGENCY					
	308,194.00	0.00	0.00	0.00	0.00	0.00	.0%
420 59990		RESERVE					
	0.00	308,194.00	0.00	0.00	0.00	308,194.00	.0%
TOTAL AIRPORT	0.00	0.00	11,696.90	11,696.90	4,019,068.87	-4,030,765.77	100.0%
		TOTAL REVENUES					
	-5,167,238.00	-5,167,238.00	-47,185.04	-47,185.04	0.00	-5,120,052.96	
		TOTAL EXPENSES					
	5,167,238.00	5,167,238.00	58,881.94	58,881.94	4,019,068.87	1,089,287.19	
		GRAND TOTAL					
	0.00	0.00	11,696.90	11,696.90	4,019,068.87	-4,030,765.77	100.0%

** END OF REPORT - Generated by Christina Poston **

Coyote Mitigation Discussion



COVERT

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Coyote Mitigation Discussion



Coyote Mitigation Discussion



COVERT

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10.25.2017 20:17:07 006 010°C 050°E 4mm9

2018 March Events Update

- SVRA Gran Prix Event – Cancelled
- Russo and Steele Event – Pushed back to commence in 2019
- Bonhams and Concours events – Still occurring as planned

Russo and Steele Event Update

- Russo and Steele has pushed back its event start date to March of 2019
- Russo and Steele has requested a 10 year agreement for holding its event at the airport
 - Airport staff will begin developing a draft agreement

Russo and Steele Event Update

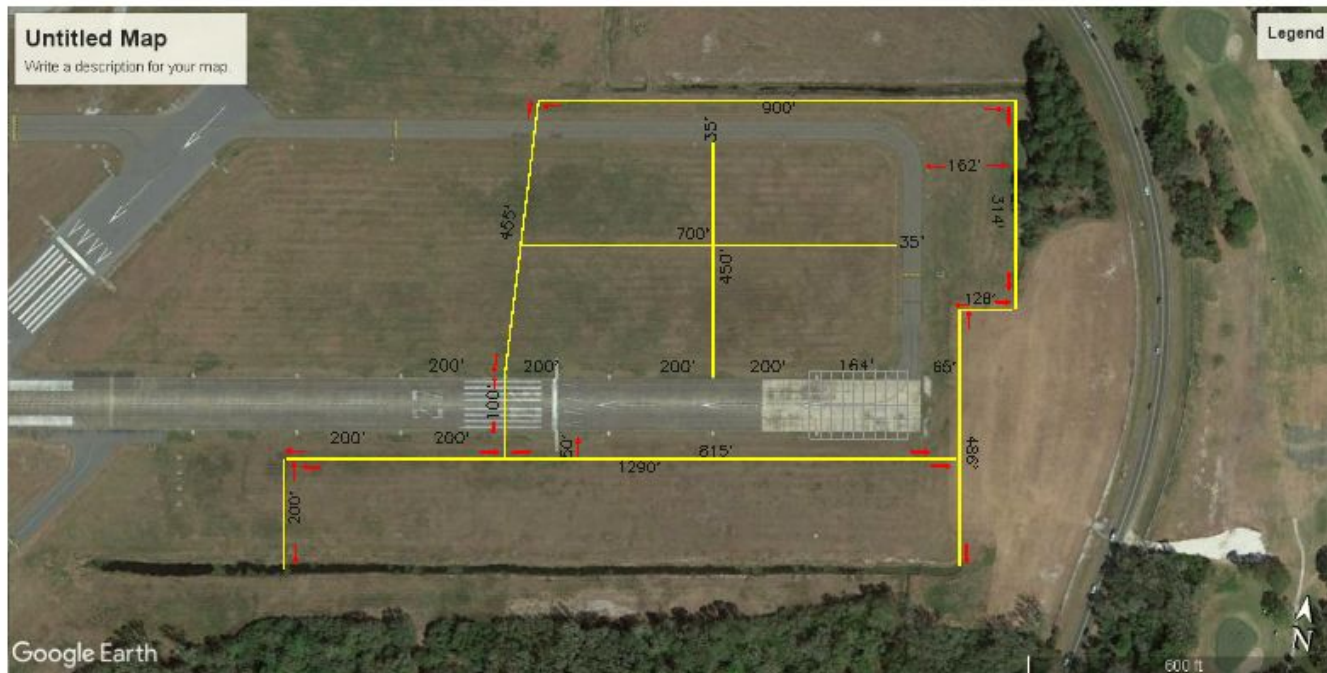
- General Draft Agreement Provisions
 - Russo and Steele will be provided the area shown within the attached image for use to conduct its events in conjunction with Bonhams/Concours each year.
 - Agreement term will be 10 years; agreement will be contingent upon continued approval of FAA each year.
 - Russo and Steele has agreed to increase its annual payment from \$40,000 to \$55,000 for the airport, with an annual escalation of payment in the agreement.

Russo and Steele Event Update

- General Draft Agreement Provisions
 - The auction tent would be placed on the approach end of Runway 27. Barricades will be placed to secure the auction tent, and there will be no drilling/impact to airport pavements.
 - Russo and Steele will remove or protect airport lighting, and will be responsible to repair (or fund repairs) any damage incurred to the airport.
 - Russo and Steele is interested in having a discussion with our local parking team to see if there is an option which might benefit both parties.

Russo and Steele Event Update

- Event Property Usage





ANDREW H. MAGENHEIMER, MAI
CERT. GEN. RZ1073

THEODORE W. SLACK, MAI
(1902-1992)

THEODORE C. SLACK, MAI
(1931-2015)

SUE BARRETT SLACK, MAI
(RETIRED)

November 1, 2017

Mr. Nathan Coyle
Fernandina Beach Municipal Airport
700 Airport Road
Fernandina Beach, Florida 32034

RE: Appraisal Service Request - Various Properties at the Fernandina Beach Municipal Airport (KFHB),
Nassau County, Florida

Dear Mr. Coyle:

We are in receipt of your request for an appraisal of the annual fair market rent for various properties at the airport. Slack, Johnston & Magenheimer, Inc. has been involved in real estate appraising and consulting for over 50 years in Florida. Our firm provides a wide range of valuation services concerning all forms of commercial, industrial and residential real estate, as well as aviation and related uses.

We have an on-going consulting contract with the Miami-Dade County Aviation Department related to estimating fair annual rental rates at their three general aviation airports. In addition, we have recently completed a fair market annual rental analysis for properties at the Miami International, Fort Lauderdale-Hollywood International, Orlando International, Tampa International, Sarasota-Bradenton International, Palm Beach International, Jacksonville International, Pensacola International, Tallahassee Regional, Sebring Regional, Herlong, Jacksonville Executive at Craig Field, Fort Lauderdale Executive, Boca Raton, Punta Gorda (f/k/a Charlotte County), St. Augustine-St. Johns County, Hernando County, Naples Municipal, Gainesville Regional, Orlando Executive, Arthur Dunn, Merritt Island, Space Coast Regional, Palm Beach North County, North Perry, Pahokee, Lantana, Peter O. Knight, Tampa Executive, Witham Field, Dade-Collier Training and Transition, Venice, Ormond Beach, Crystal River, Inverness, Lake City and Zephyrhills Municipal Airports, as well as the Miami Executive, Homestead General Aviation and Miami-Opa Locka Executive Airports in Miami-Dade County.

Based on our experience, we feel qualified to assist the City of Fernandina Beach (Fernandina Beach) with their appraisal and consulting needs. It is our understanding the scope of the appraisal would include estimating fair market rent for 1) aeronautical land (annual/SF), 2) three storage hangars (A-Northwest Quad, B-FBO and C-Southeast Quad; annual/SF) and 3) 54 T-hangar units within 9 existing buildings (monthly/unit, including various ancillary storage units). It is our understanding that the intended use of the analysis is to assist Fernandina Beach in negotiating the future rental of the facilities and the intended user is Fernandina Beach.

The appraisal will estimate the fair market rental for the properties based on a comparison with other similar aeronautical properties within the competitive market area (general aviation airports in Florida). The approach is consistent with the definition of "market rent" as the rent paid and asked for similar properties as of the date of valuation.

SLACK, JOHNSTON & MAGENHEIMER, INC.
7245 SW 87 AVENUE, SUITE 300, MIAMI, FLORIDA 33173
TELEPHONE (305) 670-2111 • EMAIL: SJMIAMI@AOL.COM

Mr. Nathan Coyle
November 1, 2017
Page Two

Our analysis will be prepared in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP). The analysis will be completed subject to the attached standard assumptions and limiting conditions. If, in the process of preparation of the analysis, additional assumptions and limiting conditions are required, we will notify you accordingly.

We are available to prepare an appraisal report, based on the scope as described above for a fee of \$9,250. The above fee estimate includes time for meetings during the preparation of the assignment, two original copies and one .pdf copy of the report. The report can be furnished within 45 days of issuance of the notice to proceed and receipt of the required property information referenced on the list attached hereto. In order to start the process, we require a notice to proceed and the required property information. Delays in receipt of the required property information will delay completion of the report. The fee will be due upon completion and delivery of the report.

In addition to the fee, if attendance at county or aviation department meetings is required after completion of the report, we would reserve the right to invoice for meeting and travel time at an hourly rate of \$200. In addition, if the county or aviation department should become involved in litigation in which this appraisal is in issue, and we are required to spend time in hearings, depositions, trial, traveling, etc., the county or aviation department shall be responsible for our time involved in those proceedings based on an hourly rate of \$200 per hour. This contingency rarely occurs, and we trust that it will not with reference to this assignment. It is agreed that Fernandina Beach will comply with the Florida Prompt Payment Act, section 218.70 - Florida Statutes et.seq.

If the above stated terms are acceptable, please issue a work order. Thank you for considering Slack, Johnston & Magenheimer for your appraisal and consulting needs in Florida. We appreciate the opportunity to be of service and look forward to working with you.

Sincerely,

SLACK, JOHNSTON & MAGENHEIMER, INC.



Andrew H. Magenheimer, MAI
CERT. GEN. RZ1073

The terms and conditions of the above proposal are agreeable to the undersigned.

City of Fernandina Beach

By: _____
Date: _____
Its: _____

**SLACK
JOHNSTON
MAGENHEIMER**

Required Property Information, if available

1. Copy of rent roll for the facilities
2. Copy of all leases
3. Surveys of the parcels
4. Floor plans of the terminal, hangars and office space
5. Building plans for all buildings
6. Copy of the airport master plan
7. Copy of airport layout plan
8. Last five year fuel flowage for each airport
9. Copy of the airport minimum standards
10. Property map identifying building numbers, number of units (if applicable), square footage for each building, square footage of each unit (if applicable), building age and comment referring to any recent renovations for each building
11. Identification of the Nassau County Property Appraiser's parcel number(s) for all facilities

Appraisal Scope Assumptions

- 1) Aeronautical Land - \$/SF/YR
- 2) 9 T-hangar Building - \$/SF/Month
- 3) FBO Hangar - \$/SF/Year
- 4) NW Quad Hangar - \$/SF/Year
- 5) SE Quad Hangar - \$/SF/Year
- 6) No other properties unless identified
- 7) No Fuel Farms

ASSUMPTIONS AND LIMITING CONDITIONS

The assignment is subject to the following assumptions and limiting conditions:

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. No legal opinion related to a title search was provided and all existing liens and encumbrances, including deed restrictions and developers agreements, have not been investigated unless otherwise stated. The property is appraised as though free and clear.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others has been gathered from sources deemed to be reliable, however, no warranty is given for its accuracy.
5. All engineering and surveying is assumed to be correct. Any sketches, plats, or drawings included in this report are included to assist the reader in visualizing the property. We have made no survey of the property, and assume no responsibility in connection with such matters.
6. It is assumed that there are no hidden or inapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for unusual soil conditions and no opinion as to these matters is to be inferred or construed from the attached report other than those specifically stated in the report. Unless stated otherwise, the soil conditions of the subject property are assumed to be adequate to support development utilizing conventional construction techniques. We recommend the client obtain an opinion from a competent engineering firm.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
11. Any proposed or partially completed improvements included in this report are assumed to be completed in accordance with approved plans and specifications and in a workmanlike manner.
12. Our estimates of future values were formulated based upon market conditions as of the date of appraisal, considerate of future projections concerning supply and demand. The appraiser has no responsibility for significant events that alter market conditions subsequent to the effective date or dates of appraisal.
13. This study is to be used in whole and not in part. No part of it shall be used in conjunction with any other appraisal. Publication of this report or any portion thereof without the written consent of the appraiser is not permitted.
14. The appraiser, by reason of this report, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
15. Neither all, nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the appraiser. The use of this report in any public offering or syndication document is specifically prohibited.
16. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of, nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them. It is recommended that the client retain an expert in this field, if needed.
17. Disclosure of the contents of this report by the appraiser is controlled by the Appraisal Institute of which one or more signatures of this report is an MAI member and by the Florida Department of Professional Regulation, Division of Appraisal State Certification. The analysis and value conclusions, as well as non-public information about the subject property, are confidential matters and cannot be divulged to any persons other than the party for whom the report is prepared. Exceptions to this confidentiality provision are requests by committees of the Appraisal Institute or the Florida Department of Professional Regulations for peer review, and subpoenas by any court having jurisdiction to request production of the report.
18. Acceptance or use of this report constitutes acceptance of the preceding conditions.



MEMORANDUM

TO: AIRPORT ADVISORY COMMISSION

FROM: AIRPORT MANAGER

DATE: November 9, 2017

RE: MONTHLY REPORT

- Airport terminal construction continued through the month of October. The concrete slab for the facility was successfully poured on Wednesday/1 November. Airport staff, the City Manager and City Attorney are still finalizing a construction and financing agreement with Eight Flags Aviation in hopes of having this agreement on the November 8th City Commission agenda. As mentioned at the last meeting, approval of the agreement in a timely fashion will be critical to the timeline for construction of the terminal building. I will therefore ensure AAC members have access to the final version of the agreement once it is released prior to the November 8th Commission meeting date. If approved, a change order will be issued for the acquisition and installation of a nose and tail for the terminal building. The cost for acquisition and installation of the nose and tail is \$286,500. The original contract award amount for the building was \$4.395M. Following contract award, engineers were able to value engineer the facility down to a cost of \$4.107M. With addition of a nose and tail, the cost of the facility would be \$4.394M, pending any future change orders to the project.
- Purchase orders have been issued to provide for a permanent repair of the AWOS wind sensor (which is currently functional with a temporary repair) and for acquisition of a radio data connection component to repair the damaged AWOS data connection. The wind sensor components should be received and installed relatively soon, however there is a lead time to coordinate with the FCC for use of a frequency to enable the new mobile data connection component for the AWOS. I am awaiting a timeline from our AWOS maintenance technicians for repair of the data connection component, and will provide an update when available.
- Contractors have completed general roof repairs and two separate applications of a poly-glass sealant on T-Hangars 1 – 30. Work is still being conducted on Hangar A and is

expected to be complete by November 10th. Once completed, I plan to send a final email to thank everybody for their flexibility in this project, inform tenants that the work has been completed, and to also ask tenants of these T-Hangars and Hangar A to inform airport staff if they see any leaks within their hangars over the course of the next few weeks. If leaks are brought to our attention, we will request that the contractors come back and address any potential identified issues.

- Airport staff continues to work closely with McGill Aviation to seek a way forward with regard to the damaged McGill Aviation FBO Facility. At this time, partial information has been received from the insurance adjusters and we are awaiting the final report and final offer of funding from the insurance agency before determining the best way forward in a partnered decision with the leadership of McGill Aviation.
- RDM International has completed all testing and received all information needed to complete its PCN analysis of runways at FHB. When the analysis is complete, and PCNs have been provided, I will provide an update to the group.
- As mentioned at the last meeting, the SVRA Gran Prix event, originally planned to occur in March of 2018, has been cancelled. As also mentioned during that meeting, Russo and Steele has requested to transition its event from the Northeast corner of the airport to the approach end of Runway 27 and on Taxiway A. I have worked closely with Russo and Steele to provide what I believe could be an acceptable plan for use of this airport property in support of its auction event. Due to the setback in a location change and limited time for marketing, Russo and Steele have decided to push its first event at the airport back until March of 2019. I believe this pushback will also provide airport staff additional time to work with interested parties on the event layout and logistics related to the new location. Russo and Steele is interested in a long term agreement for use of the airport to host this event, and I plan to discuss the components of this request with the AAC at our upcoming meeting.
- As mentioned to the group during our last meeting, I have re-initiated our request for consideration to develop a GPS procedure to Runway 4. The first step in this process is the completion of a feasibility analysis for this procedure, and this process is essentially complete. Two issues came back within the analysis which includes a penetration to the Glideslope Qualification Surface (GQS) and an earlier denial from Air Traffic Control to development of this procedure when it was originally requested by the airport in 2009. I have included a snapshot which shows the GQS with two tree penetrations. I don't yet have the lat/long for these penetrations however an initial review seems to indicate that these penetrations may have been removed previously. I will need to review this again once I obtain the lat/long information from Flight Procedures. I have also reached out to our ATC Support Specialist in Jacksonville to discuss this procedure and hopefully find a way in which we could move forward with development. I will discuss these items in greater length during our agenda item related to this topic. Additionally, following our last meeting I was unable to locate any additional action taken by the City to rescind its letter from 2011 which halted development of procedures at the airport. I am working to develop a simple presentation where we could ask the City Commission to rescind its

earlier position, and will plan to provide it to the AAC for review prior to presentation to the Commission. I believe it would be beneficial if an AAC member or AAC members helped in this presentation, if there happen to be any volunteers.

- The airport has engaged professional, licensed and permitted, assistance in an attempt to mitigate the hazard to aircraft operations from coyotes on the airfield. The contracted agency has, first, assisted with identifying the population and location of coyotes on the airport. The photo attached to this meeting packet shows six coyotes adjacent to west-side of closed Runway 18/36, which we estimate at this time to be the number of resident coyotes based on surveillance. The agency will next attempt to trap and relocate coyotes from the airport to another location. I plan to discuss this with the AAC further during our meeting.
- I met with representatives from FPU on October 10th to discuss a potential proposal for placement of solar panels on airport property. FPU is interested in the infield location just east of the closed Runway 18/36. I am reviewing options for this request and will report back to the AAC for a discussion in the future.
- A question was asked at our last meeting regarding the potential vacancy on the AAC following the recent resignation of Coleen Baker. I was unable to answer the question at the last meeting, but have confirmed that the AAC *may* include one non-voting member appointed by the City Commission. The roles and responsibilities do also state that all members of the committee must reside within City limits. This vacancy has been listed on the City's website, should any AAC members happen to know of somebody who might be interested on the airport.
- The City is in the testing phase with a live camera, which has been placed in the Airport Manager's office. This camera provides a shot of the North parking apron and windsock. I plan to publish the link on the airport's website in the near future once the "bugs" have been worked out.
- I have attached to this report a recent summary completed by Slack, Johnston, and Magenheimer Inc. providing survey results of specific fees and rates at general aviation reports across Florida. This same agency is working with me to provide a closer review of commercial and non-commercial rental rates at FHB. I intend to schedule an agenda item for discussion of the airport's rates once I am able to receive the results of the second/pending survey, which I hope to have completed within the next two/three months.

General Aviation Airport Summary - Florida 2016-17

Prepared By: Slack, Johnston & Magenheimer, Inc.
7245 SW 87 Avenue, Suite 300
Miami, Florida 33173
305-670-2111
E-mail: SJMiami@aol.com

Slack, Johnston & Magenheimer's 2016-17 general aviation airport survey included 58 airports within Florida. The 2016-17 survey was our 22nd state-wide survey and included a variety of general aviation, non-hub commercial and small hub commercial airports with greater than +/-25,000 annual operations. Large and medium hub commercial airports were excluded from the survey. The primary focus of our survey was rental rates and charges for airport properties, including both aviation and non-aviation uses. The airports have been classified based on location, physical size, annual operations, based aircraft and fuel flowage. The data collected includes statistical information, as well as rates and charges information, for various types of airport properties.

The rates and charges information included fuel flowage fees, ground, pavement and building rental rates, as well as a variety of aircraft storage rates including tie downs, T, shade, corporate and community hangars. The survey results have been summarized into selected categories and represent only a portion of the information gathered. Due to the limitations in the information described in this summary, care should be exercised in relying solely upon this summary for comparative purposes and is explicitly not intended to establish rates at any airport.

Slack, Johnston & Magenheimer's 2016-17 survey continues to indicate that, although there is a wide variation in geographic locations and non-aviation property values throughout the state, there is less of a variation in rental rates and charges for various components at general aviation airports. In our summary, the state was divided into four geographic regions. A list of the airports surveyed, as well as a state map delineating the geographic divisions is attached.

The scope of our survey included email questionnaires and personal telephone interviews with airport managers and fixed base operators (FBOs) conducted during mid-2017. In addition, our analysis included a review of several secondary general aviation data sources. These included the Florida Department of Transportation Florida Aviation System Plan and Federal Aviation Administration reports, as well as various third party data sources.

The latest airport activity information indicates general aviation activity in Florida continues to experience stability over the past 5 years. Statewide, over the past 5 years average based aircraft levels have increased about 5%, while there has been slight decrease in average operations of about 2% and increases in average fuel flowage of about 16%. Overall airport activity levels around the state vary by region, although positive trends continue in fuel flowage in most regions. Over the past year, general aviation activity at the airports surveyed continues to indicate overall stability, with some modest growth in fuel flowage of about 4% and based aircraft 2%, while operations have declined about 1% for 2016 as compared to 2015.

The 2016-17 survey includes charts of regional airport activity including operations, based aircraft and fuel flowage. The southeast region showed a slight decrease in operations and increases in based aircraft and fuel flowage for 2016 as compared to 2015. The southwest region showed stability in based aircraft and operations and increased fuel flowage over the past year. The northeast region showed decreases in operations and based aircraft and increases in fuel flowage for 2016 as compared to 2015. The northwest region showed stable operations, fuel flowage and based aircraft over the past year.

In our continued effort to monitor the condition of the general aviation industry in Florida, we have reviewed the general aviation activity levels over the past several years, including the historic activity levels of annual airport operations and civilian airmen population. In addition, we continue to monitor the commercial aviation industry in Florida, including enplaned passengers and cargo activity.

Our analysis of the annual operations at all Florida airports with FAA control towers built prior to 2002 indicates in 2016, total operations and general aviation operations were stable compared to 2015. Last year, the level of operations at general aviation and smaller commercial airports showed stable total operations and general aviation operations compared to the prior year. In 2016, general aviation itinerant and local operations over the past year showed itinerant operations decreased about 3%, while local operations increased over 1%.

Our analysis of the national population of civilian airmen showed increases in total, student and private pilots over the past year. In Florida, the population of total, student and private pilots increased consistent with national trends for 2016 as compared to 2015. Further analysis of the pilot population shows the average age of all pilots is 44.9 years, with the average age of private pilots 48.4 years. These average ages have been increased only slightly over the past 20 years, although about 30% of private pilots are 60 years and older. In 1996, the average of all pilots was 43.2 years and the average age of private pilots was 45.1 years. It is interesting to note the population of private pilots has decreased about 27.6% since 2006 and decreased about 34.5% since 1996.

A review of the commercial aviation activity of enplaned passengers and enplaned cargo tonnage indicates that activity continues to be primarily centered at Florida's large and medium hub airports. The number of enplaned passengers increased about 3%, while cargo increased about 1% in 2016 as compared to 2015.

As always, many factors impact the industry including the fuel prices, aircraft fleet and aging pilot population. A review of the FFA's Aerospace Forecast shows the general aviation and air taxi fleet of about 210,000 aircraft, with piston aircraft representing about 68% of the fleet. It was noted the overall fleet has decreased about 5% over the past five years and is expected to remain stable for the next 5 years. A breakdown of the fleet shows over the past 5 years the piston aircraft fleet has declined about 8% and is expected to decline about 4% over the next five years. This decline contrasts with the turbine fleet which has increase about 10% over the past five years and is expected to increase about 6% over the next five years. Contrasting the fleet with fuel consumption provides an interesting perspective. Total general aviation fuel consumptions over the past five years have been stable, while fuel consumption is projected to increase about 15% over the next five years. AvGas represents about 12% of total fuel consumption and has declined about 4% over the past five years and is projected to decline about 6% over the next five years. Based on the aforementioned indicators, it is evident jet traffic will be general aviations future growth.

As always, aviation professionals around Florida remain optimistic. Despite the election results, hurricanes, wild fires and other countries meddling in our elections, aviation in Florida remains strong, with many challenges and opportunities. Overall, the trends of less operations and more fuel flowage continues to indicate most growth, and revenue, potential remains in personal and corporate jet traffic. As always, we encourage airports to take a balanced approach to revenue forecasting to the same degree as aeronautical uses.

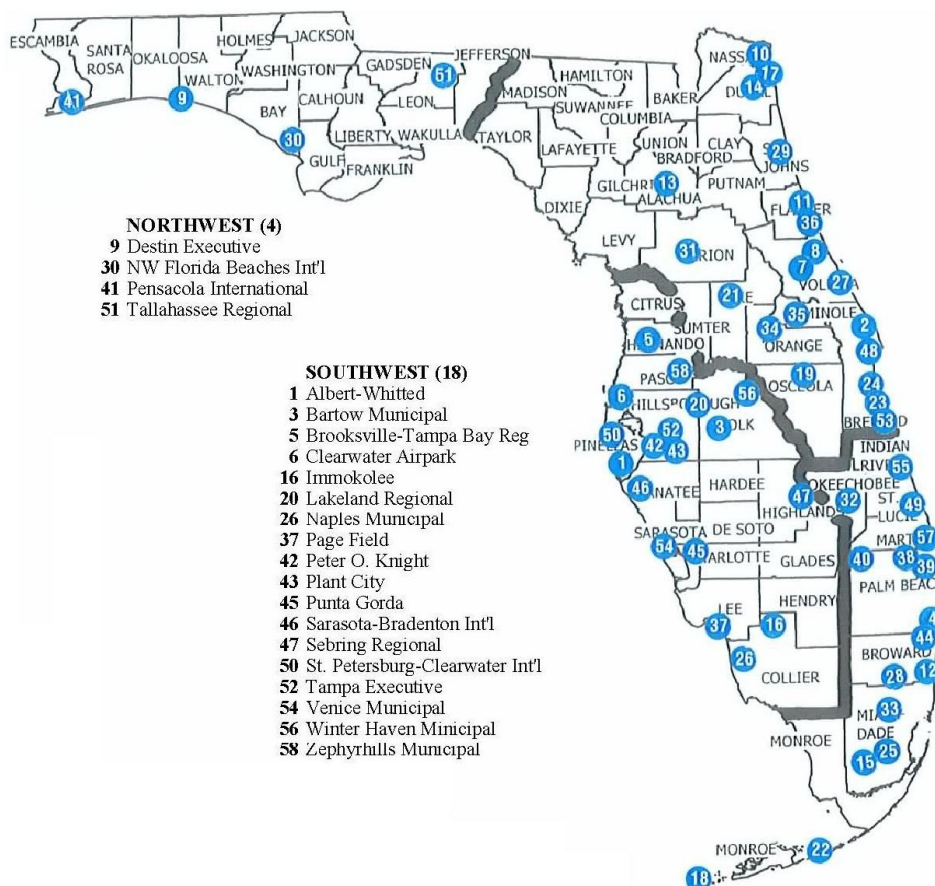
The following information summarizes our survey. We look forward to continuing to serve the rates and charges and general real estate appraisal consulting needs of the Florida aviation community. Let us know if we can further assist you.

General Aviation Airport Survey - Florida 2016-17

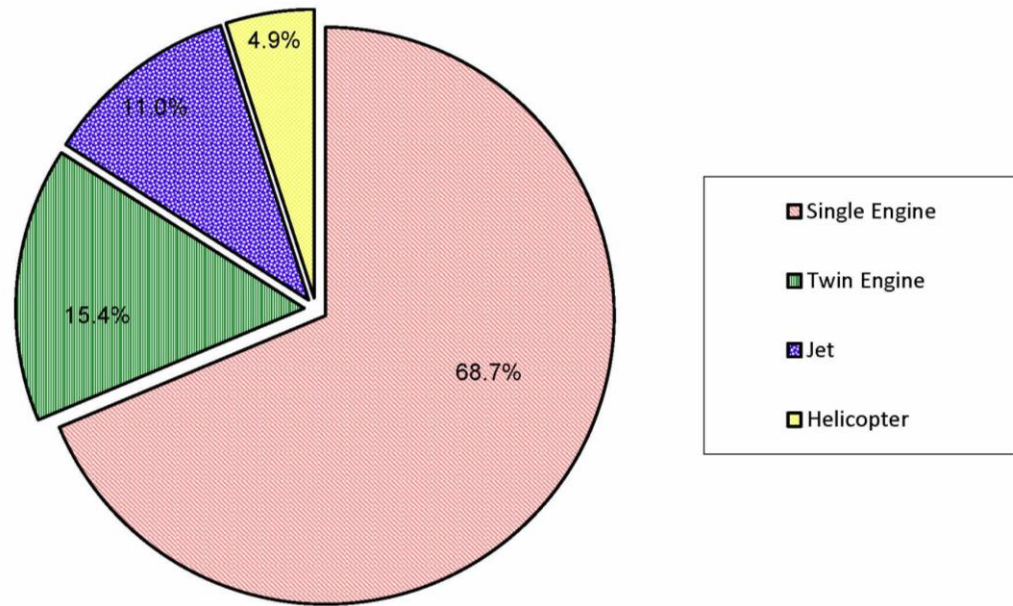
Prepared by: Slack, Johnston & Magenheimer, Inc.
7245 SW 87 Avenue, Suite 300, Miami, Florida
Phone: 305-670-2111 Email: SJMiami@aol.com

General Aviation, Non-Hub Commercial and Small-Hub Commercial Airports with > +/-25,000 Annual Op

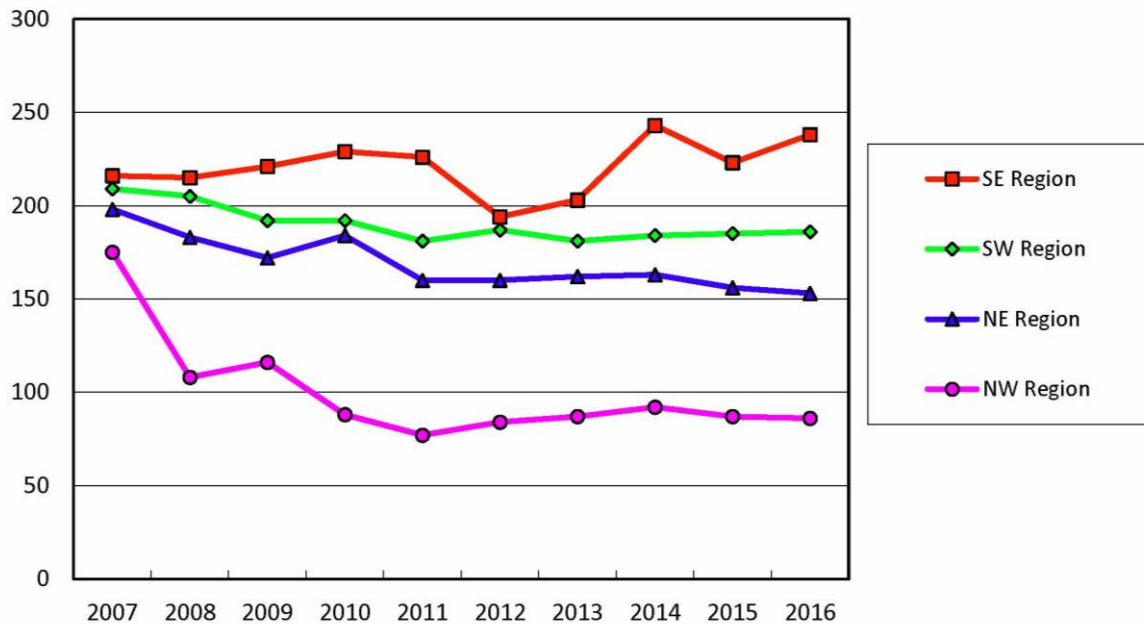
	Airports Surveyed	Airport Size (Acres)	Based Aircraft	Annual GA Operations	Annual GA Fuel Flowage	Fuel Flowage Fee (\$/gal.)	Annual Ground Rent (\$/Sq. Ft.)	Aircraft Storage			
								Tie-Down S.E. (\$/mo.)	T-Hangars S.E. (\$/mo.)	T-Hangars T.E. (\$/mo.)	Shade S.E. (\$/mo.)
Total	58										
High-		4,000	999	276,400	13,125,000	\$0.200	\$1.42	\$150.00	\$770	\$1,150	\$400
Low-		47	11	28,600	23,000	\$0.030	\$0.04	\$25.00	\$190	\$281	\$95
Mean-		1,152	182	88,600	1,447,300	\$0.071	\$0.25	\$82.60	\$379	\$542	\$198
Southeast	16										
High-		3,700	999	276,400	13,125,000	\$0.150	\$1.42	\$150.00	\$770	\$1,150	\$400
Low-		197	11	32,200	23,000	\$0.030	\$0.07	\$60.00	\$260	\$458	\$150
Mean-		1,045	238	113,900	2,571,400	\$0.075	\$0.29	\$113.90	\$528	\$787	\$239
Southwest	18										
High-		2,400	409	111,700	6,714,000	\$0.100	\$0.53	\$125.00	\$513	\$784	\$300
Low-		47	40	30,000	69,000	\$0.040	\$0.04	\$25.00	\$249	\$289	\$95
Mean-		989	186	65,400	991,400	\$0.063	\$0.23	\$70.10	\$347	\$484	\$184
Northeast	20										
High-		2,800	350	197,500	2,689,000	\$0.200	\$0.33	\$150.00	\$450	\$850	\$310
Low-		138	47	40,000	40,000	\$0.040	\$0.12	\$32.00	\$217	\$308	\$115
Mean-		1,210	153	97,600	958,900	\$0.074	\$0.22	\$70.10	\$323	\$460	\$189
Northwest	4										
High-		4,000	110	63,000	1,502,000	\$0.090	\$0.33	\$100.00	\$453	\$606	n/a
Low-		395	21	28,600	1,205,000	\$0.040	\$0.08	\$60.00	\$190	\$281	n/a
Mean-		2,024	86	46,800	1,322,000	\$0.065	\$0.25	\$76.80	\$291	\$409	n/a



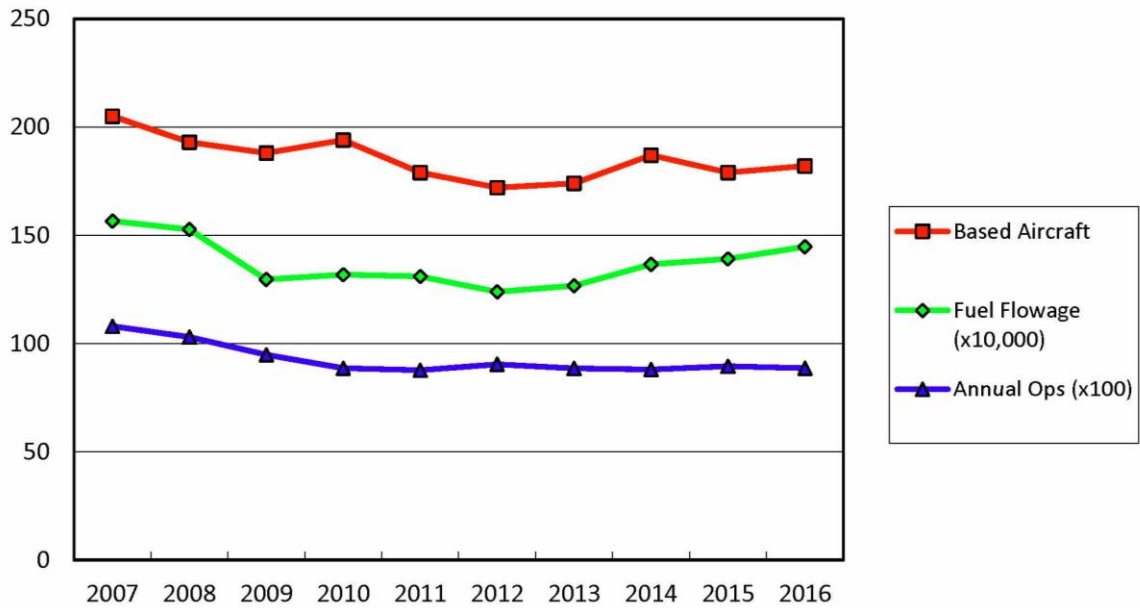
GA Airports Average Based Aircraft Distribution - 2016-17



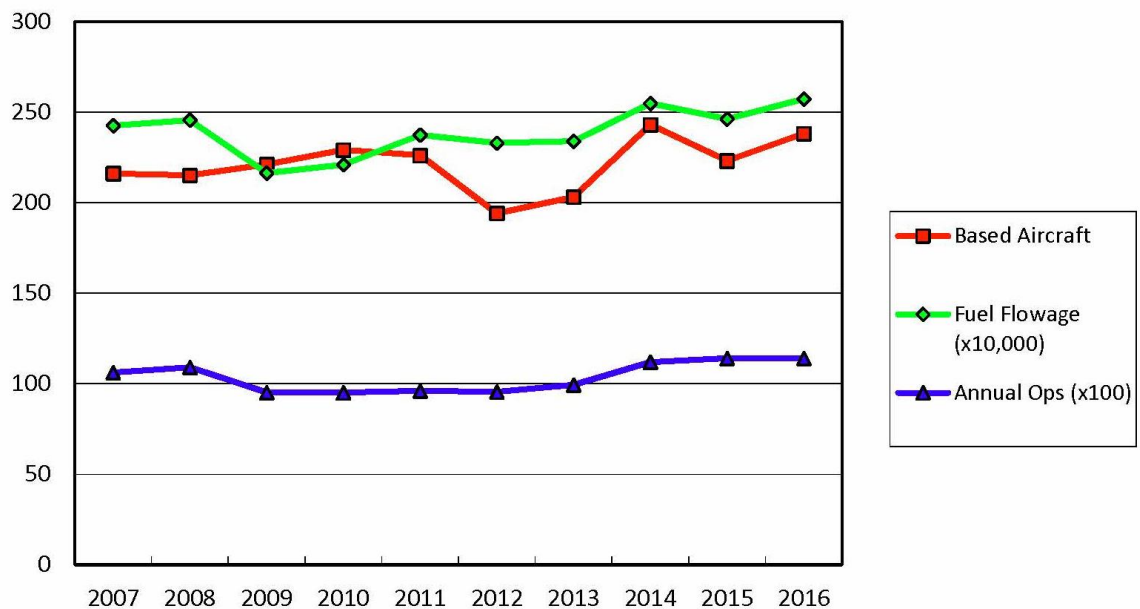
GA Airport Average Based Aircraft-By Region



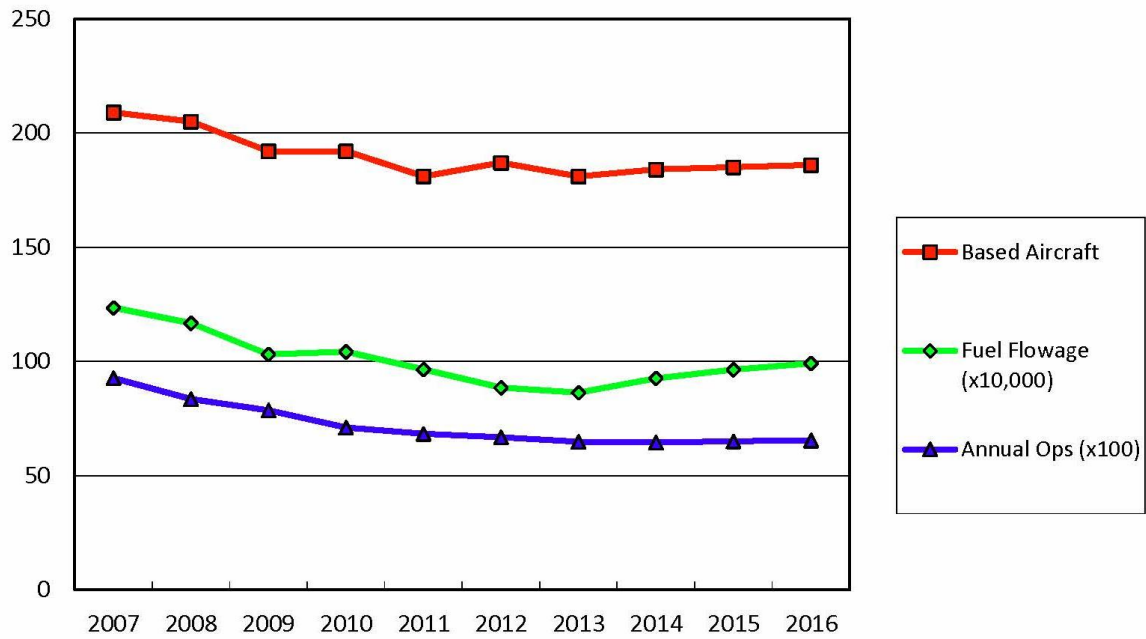
GA Airport Average Activity - Florida



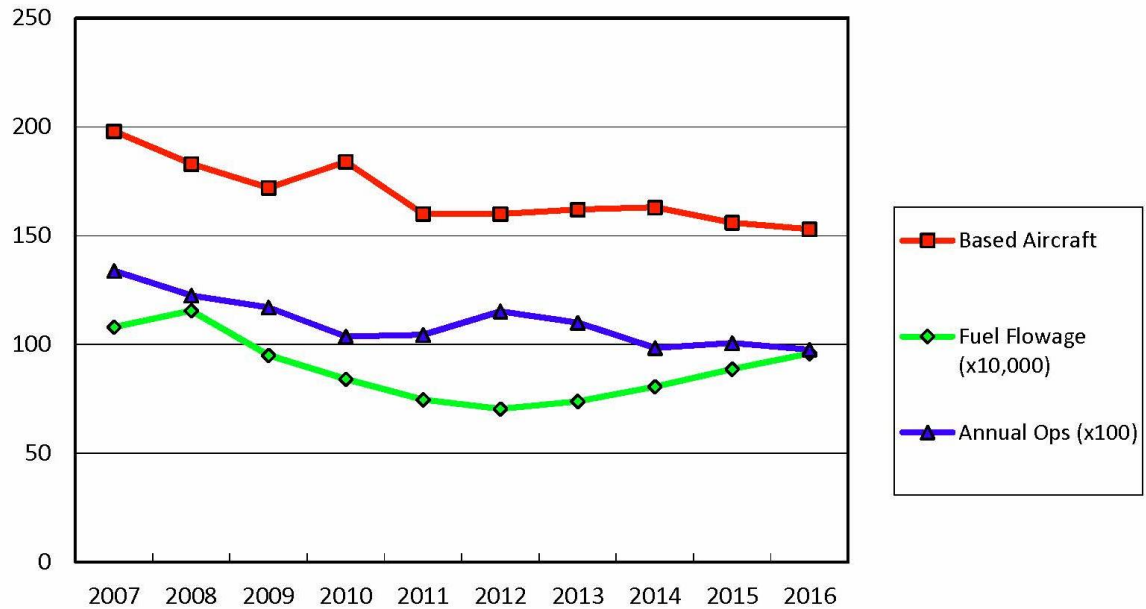
GA Airport Average Activity - SE Region



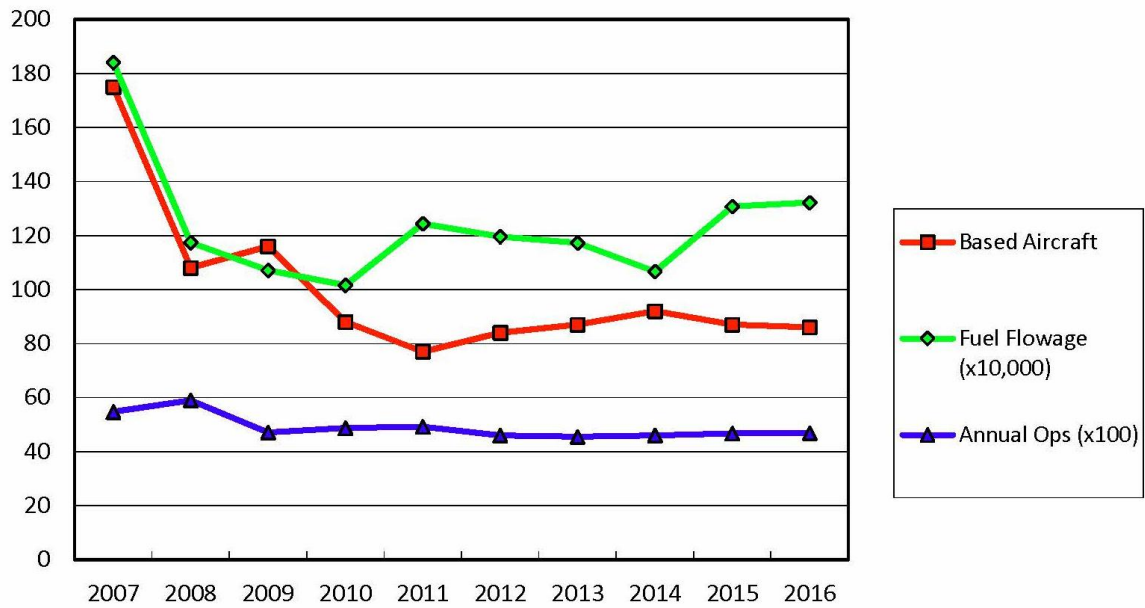
GA Airport Average Activity - SW Region



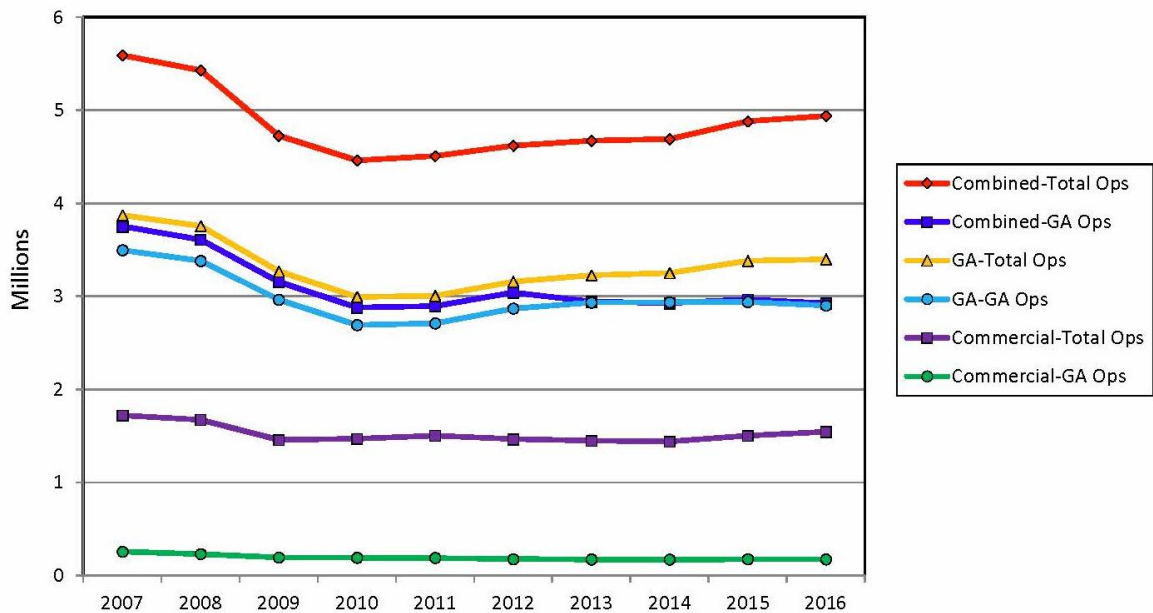
GA Airport Average Activity - NE Region



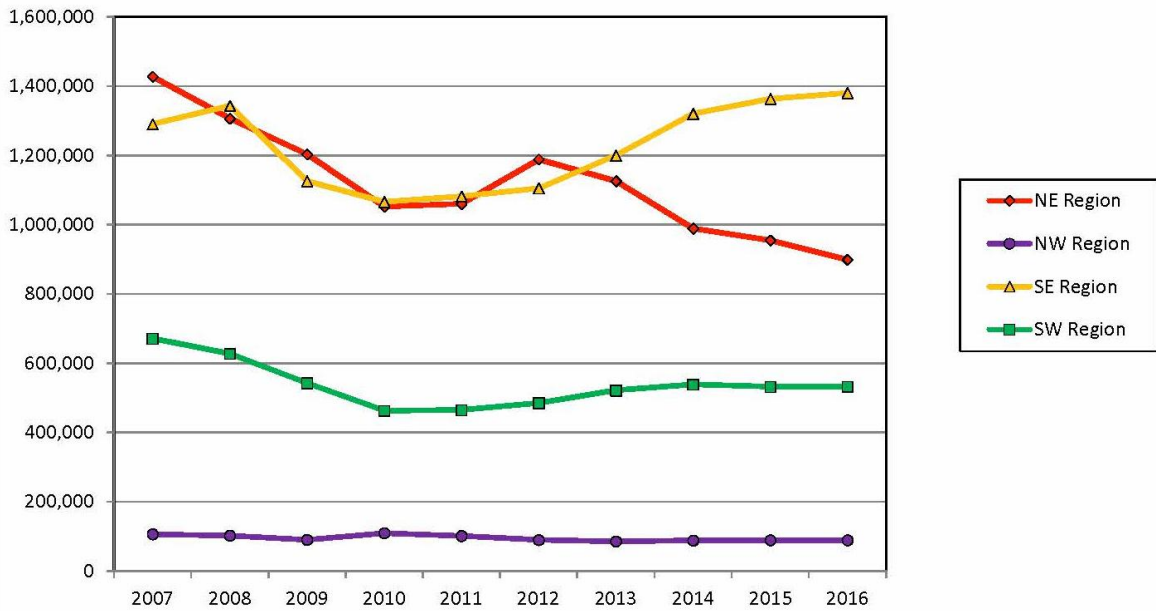
GA Airport Average Activity - NW Region



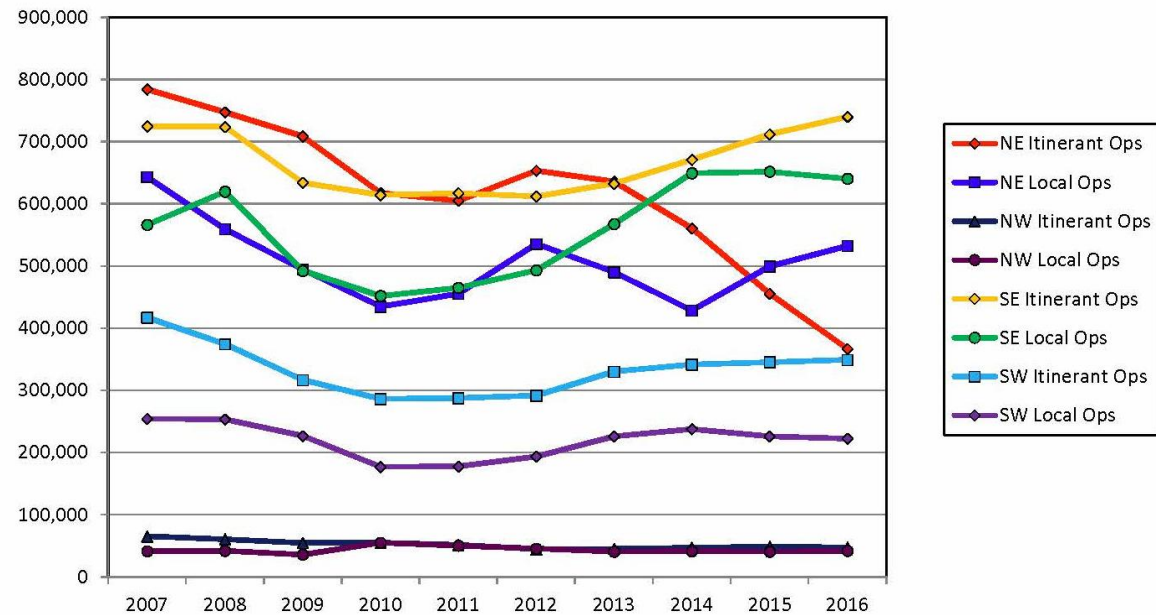
Annual Operations at Florida Airports

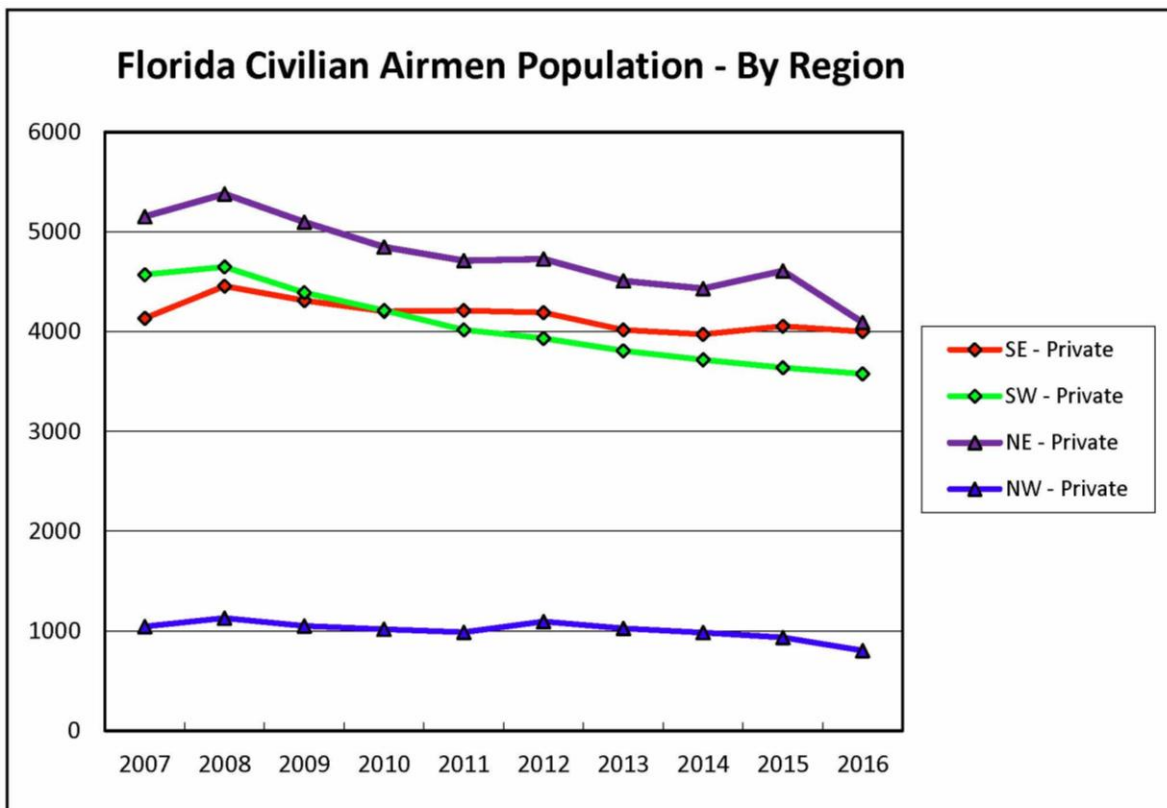
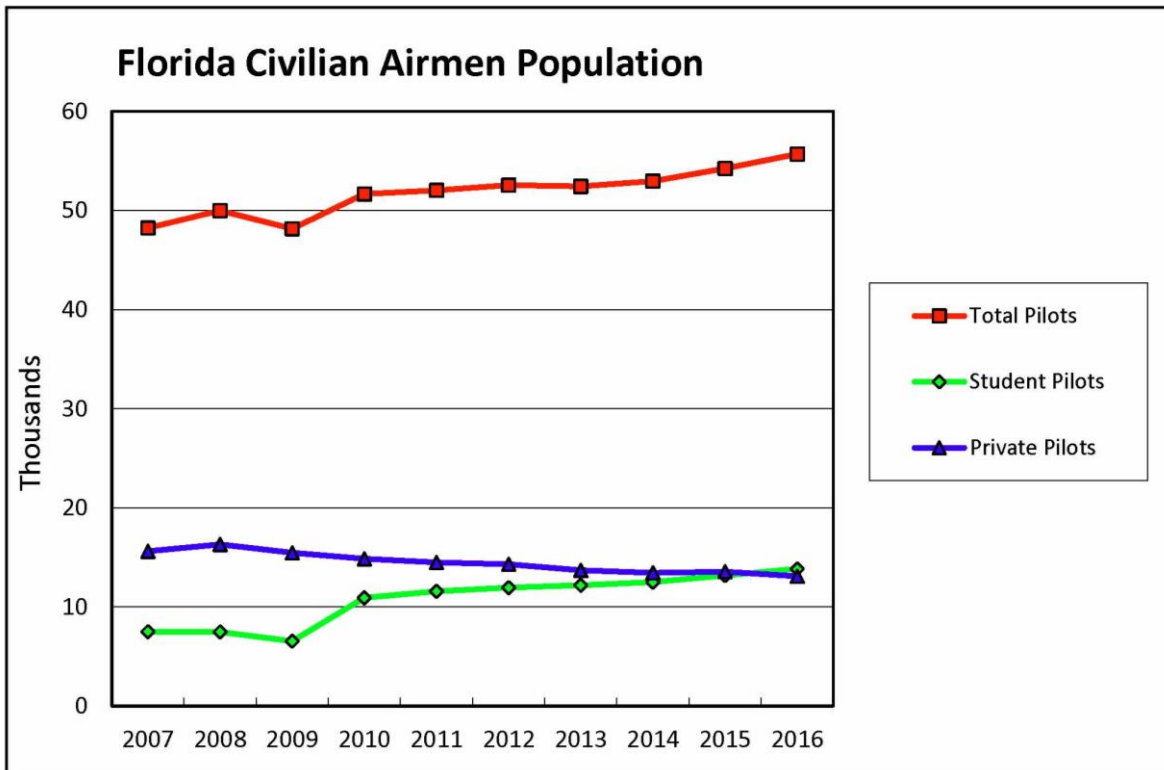


Annual Operations at GA Airports - By Region

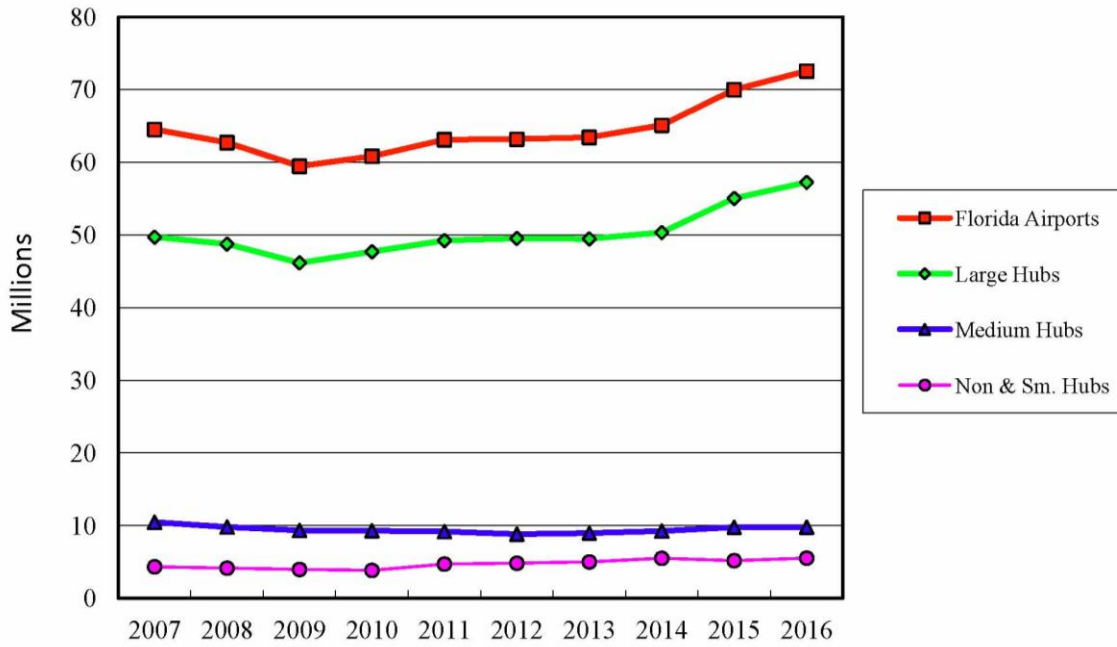


GA Itinerant & Local Operations - By Region





Annual Enplaned Passengers



Annual Enplaned Cargo Tonnage

