

# AIRPORT COMMISSION MINUTES

January 8, 2019

4:00 P.M.

Eastern Conference Room

The following were present at the Danville Regional Airport Commission Meeting on Tuesday, January 8, 2019.

## Attendees:

Marc Adelman, Director	Ken Carlson	Libby Rembold, General Aviation Inc.
Jessie Barksdale, Chairman	Michael Duncan	Alan Spencer, Asst. City Atty.
Joe Miller, Vice-Chairman	Philip Hall	Lisa Bivens, Administrative Assistant
William "Sid" Allgood	Earl Reynolds, Deputy City Mgr.	

## Approval of Agenda

Phil Hall made a motion to amend the agenda to include a public comment period at the beginning of the meeting and approve the amended agenda for the January 8, 2019 meeting. Sid Allgood seconded the motion, all members present were in favor and the motion passed.

## Approval of Minutes

Joe Miller moved that the minutes of the December 11, 2018 meeting be accepted as presented and Sid Allgood seconded the motion. All members in attendance were in favor and the motion passed.

## Public Comment Period

Libby Rembold asked for clarification for moving the public comment period. It was clarified that the proposed public comment period would precede New Business and would allow the public to comment on items that are not included on the agenda if they wished to do so.

**Topic:** Review of Draft Fixed Based Operator (FBO) Request for Proposals (RFP) – Ron Price, QED, Inc.

**Action:** Ron Price was present for the meeting and reviewed the draft RFP with the Commission.

**Disposition:** Ron Price will make edits as recommended by the Commission to the document and send the final draft to Marc Adelman to distribute for review.

Marc Adelman introduced Ron Price of QED Inc. to the Commission members. Mr. Price attended the meeting to review the draft Request for Proposals for FBO services with the Airport Commission. He commented that he started in the aviation consulting business in 1972 and his aviation experience includes involvement with various general aviation airports and large air carrier airports dealing mostly with strategic planning. He added that he started his consulting firm in 1994.

**Topic: Review of Draft Fixed Based Operator (FBO) Request for Proposals (RFP) – Ron Price, QED, Inc. (continued)**

Draft copies of the RFP were distributed for review with Commission members. Mr. Price said that the first part of the document was developed with the help of Gary Via from the City's purchasing office regarding boilerplate and legal information with one exception, to request all questions regarding the RFP document to come directly to Ron Price.

It was identified that Section 2.0 of the document provides prospective businesses with background information concerning Danville's location, demographic information, airport facilities, aircraft data and fuel delivery information from 2012 to 2018. In addition, this section of the RFP acknowledged planned airport capital improvement projects for the period FY2019 through FY2024.

Mr. Price reviewed other sections of the RFP document with Commission members including a summary of business aviation activities, minimum services, proposal requirements and the proposed schedule to release and receive proposals from interested parties. Section 8.0 indicates the following proposed schedule:

RFP released and advertised	January 21, 2019
Airport site visit	February 04, 2019
Last day for questions by respondents	February 15, 2019
Proposals due	March 1, 2019
Selection or optional shortlist	March 12, 2019
Interviews (if desired or selection)	April 9, 2019
Target date for City Council Approval	May 21, 2019

Phil Hall asked about Ron Price's involvement with the evaluation process moving forward. Mr. Price suggested that Commission members would evaluate the proposals independently using the evaluation criteria and weighted matrix and then the Commission would come together to discuss the proposals further. He said he would be involved with interviews, site visits and attend meetings with City Council to address any questions. Mr. Price indicated he would not be involved with contract negotiations.

Sid Allgood asked whether any minimal amounts were identified for proposed compensation to the city. Ron Price said no amounts were set. Sid Allgood asked Marc Adelman the same question. Marc Adelman said it has not been discussed what the minimum would be regarding the minimum level for fee compensation. Mr. Price suggested establishing a minimum amount based on what the airport currently receives for different fees. Discussion continued. In response to a question concerning the possibility of receiving a proposal from a non-profit and generating comparable fee revenue, Ron Price said you could go back to them and inform them they are competing against for-profit corporations and ask them what are you going to do about that and let them respond.

**Topic: Review of Draft Fixed Based Operator (FBO) Request for Proposals (RFP) – Ron Price, QED, Inc. (continued)**

Sid Allgood pointed out that on page 27 for sections 6.2 and 6.3 “his services” should be changed to “its services”. He added that on page 7 the Berry Hill Industrial park is identified as being west of Danville, not east. In addition, he stated on page 11 item, 2.0.4 there are 41-based aircraft instead of 43 and on page 11 the itinerant aircraft should be 10,355 instead of 10,335. Mr. Allgood also suggested to add on page 19 that the raceway attracts users and visitors from across the country and overseas.

Phil Hall commented that the major employer data on page 7 needs to be updated. It was reported that Gary Via, the city’s Purchasing Director has requested the city’s Economic Development office to update this information and to provide it to Mr. Price.

Ken Carlson questioned the number of employed persons identified on page 6 of the document. Phil Hall suggested adding regional data for Pittsylvania, Halifax and Caswell counties. It was also suggested to contact the Danville Regional Foundation for information. Ron Price indicated that he would work on updating this information.

Mr. Hall asked what is the difference if the city were to establish an airport authority. Marc Adelman said there are many differences between an airport overseen by an advisory body and an authority. An airport authority will typically sell fuel and could provide other services such as aircraft maintenance, however the revenue proceeds are generated for the authority not an independent company or FBO. He also mentioned that the General Assembly must approve the creation of an authority and added that authorities are often created to minimize the liability of a locality associated with selling aircraft fuel. Mr. Hall asked whether now would be a good time to revisit the idea of an airport authority. Earl Reynolds commented that during the same meeting City Council directed the Airport Commission to complete the current FBO RFP review process that City Council as a whole expressed no desire to go down the road to investigate an airport authority.

Ron Price said he plans to go back and make the necessary edits to the RFP document and then send the edited document back to Marc Adelman for review by the Commission.

**Topic: Update on Aviation Grant Requests**

**Action:** Applications to Rehabilitate the T-hangar Taxilane and Widen Taxiway H to establish an aircraft parking area and develop corporate hangar space were submitted to the State. An Aviation Promotion Grant to support an the Airport Open House and Young Eagles Day was also submitted to the State.

**Disposition:** Grant recommendations should be provided next month by the state

Marc Adelman informed the Commission that January 4, 2019 was the deadline for submitting capital grant requests to the Virginia Department of Aviation for the February Aviation Board meeting. Two projects were submitted for funding consideration including rehabilitating the T-hangar Taxilane and for engineering services to widen Taxiway H and establish an aircraft parking area. In addition, an Aviation Promotion grant application was also submitted to the State to support the Airport Open House and Young Eagles Day event to be held in June.

**Topic: Update on Aviation Grant Requests (Continued)**

Once the State approves the Promotion Grant, City Council will consider appropriating the local matching funds. The Apex, North Carolina EAA Chapter has requested to move the event to June 22<sup>nd</sup> with a rain date of June 29<sup>th</sup>.

At this time, Sid Allgood asked for the floor in reference to the status of the FBO RFP. He said with the announcements made over the last week and the unanimous vote by City Council for state lawmakers to address the casino issue and today's announcement for the possible sale of the White Mill, the Commission really needs to look at this because if an RFP is issued at this time we may be shooting ourselves in the foot, having a massive expansion and growth and getting no return on it.

*Mr. Allgood motioned to submit to City Council that we as the Airport Commission suggest that the RFP for the Fixed Based Operator be tabled at this time and could be raised at a later date if needed. The motion was seconded by Jessie Barksdale to have discussion.* Ken Carlson disagreed with the proposed motion and said the Commission needs to get this done and get this settled. Mr. Carlson added the idea that this is unresolved and hanging out there is bad for the city and for economic development. Philip Hall said he is trying to figure out what the rush is and why not pause and be sure that it is the right thing. Ken Carlson said we have put this plan together and at some point need to execute the plan. If the city doesn't like any of the proposals, they can put it out there again. We need to put it out there and see what comes back.

*Philip Hall made an amendment to Sid Allgood's motion that as a Commission we should share with City Council our concerns of something being done that can't be undone on a long term basis by going forward with the RFP at this time. In addition he recommended to gain a vote of confidence from City Council to see if this is what they would like the Commission to pursue.* Philip Hall said he has had conversations with Council members that have some ideas about an airport authority in their mind. He added that it needs to be talked about and there needs to be a conversation so everyone feels confident about moving in this direction instead of being wrongly opinionated. Ken Carlson said the Commission needs to focus on what we were tasked to do and continue with that process and provide City Council with the options for their consideration.

*Sid Allgood seconded the amendment to the motion made by Philp Hall. Two members were in favor and three opposed. The amended motion did not pass. Per the original motion made by Sid Allgood and seconded by Jessie Barksdale, one member was in favor and four members opposed. The motion did not pass.*

*Sid Allgood made a motion that the Airport Commission should follow up with a report in the minutes of the November 14, 2017 meeting, under item for FBO Lease Update, to take actions to evaluate and develop a plan to establish a regional airport authority and transfer all functions of the airport to the authority. Phil Hall seconded the motion, two members were in favor of the motion and three opposed. The motion did not pass.* Phil Hall commented that he sees this as an opportunity. This is a result of a two-year ongoing pursuit of awarding an FBO that's been troubled at times and has had periods of time with no activity. The new board members are trying to do a lot of catching up of what has been transpiring and what will be transpiring going forward and at the same time there is an awful lot of good positive conversation about the county and city and we are all trying to take this community forward.

Phil Hall added, I see no reason not to go back to City Council, as noted in the minutes of November 2017, and as most recently with conversations I have had with council members, that we don't give them an opportunity being the higher authority to be sure that this is the route that we want to pursue at this time. He added that I don't think it will interfere with Mr. Price's efforts, they have regular council meetings and workshops and this can be elevated to an urgent status to get a response back to the Commission so that there is no real delay in pursuing this approach. This would put us in a much better position as a body because this has created some divisiveness as I sense it around this table and that's not a good thing. *Jessie Barksdale asked all in favor of the motion to raise their hand, two members were in favor of the motion and three members opposed. The motion did not pass.*

*Sid Allgood made a motion that the Airport Commission suggest to City Council to have the City Attorney contract with General Aviation, Inc. to extend their contract for FBO services for a period up to three years or until a regional airport authority or other operational system is established and put in service. This contract should also provide General Aviation Inc. with a reduction of rents and fees of thirty percent for the same period due to the variable length of the contract. No second to the motion was received.*

Mr. Miller commented that it appears we are trying to delay the inevitable, which may be for good reasons but he fails to grasp that concept. He added, I do not want to foster something that is going to have an adverse effect on what this Commission is supposed to do. There seems to be those that believe the Commission will not act in the best interest of the city and that the RFP process will have an adverse effect on economic development potential.

Sid Allgood asked if things have not been firmed up and a contract awarded by June 30<sup>th</sup>, what happens? Does the airport go without fuel sales and maintenance? Marc Adelman responded that the lease with General Aviation Inc. would be month to month at that point. Philip Hall commented there should be a contingency if that should happen. Adelman responded that if there is a transition period the city could be responsible for selling fuel.

#### **Public Comment on the Agenda Items**

Tony Guill commented he has issues with the aircraft personal property tax. There needs to be conversation and what the commission does the same thing needs to be accomplished downtown.

Libby Rembold commented that a lot of activities are planned for the month of June during the transition period if there is one. She also asked Ron Price if he had ever ran an FBO. She stated that she and her husband have run General Aviation Inc. since 1988 and they do not want to leave. She added that we have yet to figure out why so many people want us to leave and why are you issuing this RFP when we are more than willing to renew our lease so we can continue to do what we are doing. The customers that come in here are comfortable with us they can call us and tell us what they need and we can provide that for them. A new FBO may not be willing to do that. Fuel sales from VIR are not as high as they could be because of the runway. We don't want to leave but if you are determined for us to leave at least give us a reason why you want us to go. Some of the people involved with coming up with this RFP have a conflict of interest and should not have anything to do with creating the RFP or selecting who is awarded the FBO lease.

### Communications

Sid Allgood said he feels the Commission has reviewed the RFP and made it a working document. The aviation community needs to be working together and not pulling apart for the future of this airport not just today.

Philip Hall said he is trying to understand the many dynamics that are involved with the Commission and with the community. He mentioned that this is the reason I have asked for some caution to try to slow the process up a little bit to be sure this is the right thing for the community. My only agenda is the city of Danville and the amount of respect I have for being ask to serve on this Commission. I do think we are making a mistake by not slowing down a bit with all the dynamics happening in this community.

Michael Duncan said the issues this Commission has to deal with are significant and we do need to be careful but we also have to deal with reality. He stated this airport has so much potential and does not seem to have any legs to it. I am not trying to push anyone out but I am also not interested in staying put, I want us to grow. If we do not grow this airport and the community, we are not setting the stage for the next generation. I do not believe we need to slow down.

Jessie Barksdale thanked Ron Price and also Earl Reynolds, Deputy City Manager for being in attendance for the meeting.

### Adjournment

The Commission meeting adjourned at 5:49 pm.

The next meeting is scheduled for **Tuesday, February 12, 2019 at 4:00 p.m. in the Danville Regional Airport's Eastern Conference Room.**