

CITY OF CHICO
SPECIAL AIRPORT COMMISSION MEETING – JANUARY 11, 2008
Minutes

Commissioners Present: Mike Moran
Allen Sherwood
Bob Koch
Floyd Sanderson
Gayle Womack

City Staff Present: Interim City Manager David Burkland
Accountant Jarrod Orr
Facilities Manager Kim Parks
Senior Planner Zachary Thomas
Administrative Analyst Karen Main

1. **ROLL CALL** - Chair Moran called the meeting to order at 4:00 p.m. Commission members and staff were present as noted above.

2. **HEARING ON USE PERMIT (MOONEY FARMS), 1220 FORTRESS STREET**
The Airport Commission was provided with a Planning staff report from Senior Planner Zachary Thomas dated January 8, 2008. Senior Planner Thomas reported that the applicant, Mooney Farms, requested a use permit to allow construction of a 35,845 square foot addition to an existing 21,020 square foot structure. The addition is comprised of two areas: 6,918 square foot for office space and 28,927 square foot for production. The project site is designated Manufacturing and Warehousing on the City of Chico General Plan land use diagram and is located in the AM Airport Manufacturing zoning district. The project has been determined to be consistent with the Chico Municipal Airport Master Plan EIR and is exempt from further environmental review under the California Environmental Quality Act (CEQA). Planning Services staff recommended that the Airport Commission find that the project is exempt from environmental review and approve Use Permit No. 07-36 (Mooney Farms), subject to the findings and recommended conditions of approval.

David Lupton of Slater & Sons was present and addressed the Commission regarding an issue concerning the City's setback requirements which will not allow steps in the public right of way. Senior Planner Thomas noted that this issue has been forwarded to Capital Project Services Director Varga and there is a possibility of resolving the matter through a Grant of License process.

A motion was made by Commissioner Koch and seconded by Vice Chair Sherwood to approve the following required findings for approval of a use permit:

- A. The proposed use is allowed within the subject zoning district and complies with all of the applicable provisions of Chapter 19.24 (Use Permits).

- B. The proposed use would not be detrimental to the health, safety, and general welfare of persons residing or working in the neighborhood of the proposed use.
- C. The proposed use would not be detrimental and/or injurious to property and improvements in the neighborhood of the proposed use, as well as the general welfare of the City.
- D. The proposed use is consistent with the designation of Airport Manufacturing on the General Plan Diagram.
- E. The design, location, size, and operating characteristics of the proposed use are compatible with the existing and future land uses in the vicinity.

The motion carried by the following vote:

AYES: Koch, Sanderson, Sherwood, Womack, Moran
NOES: None

A motion was made by Vice Chair Sherwood and seconded by Commissioner Sanderson to approve the following required findings for approval of a use permit in Airport Zones:

- A. That the proposed use would not be incompatible with other existing or allowable uses in the district.
- B. That the proposed use would enhance the economic vitality of the airport area and further its continuing development.
- C. That the proposed use would not create any adverse parking problems adjacent to the site of the proposed use.
- D. That the proposed use, if located in the A Aviation District, is aviation-related.
- E. That the proposed use, if located in the AC Airport Commercial District, is related to airport activities or will serve employees working in one or more of the Airport zoning districts. In issuing a use permit, the Airport Commission may include conditions that it deems necessary for the purpose of Chapter 19.48.

The motion carried by the following vote:

AYES: Koch, Sanderson, Sherwood, Womack, Moran
NOES: None

A motion was made by Commissioner Sanderson and seconded by Commissioner Womack finding that the project is exempt from environmental review and approving Use Permit 07-36 (Mooney Farms), based on the findings and subject to the recommended conditions of approval contained in the agenda report.

The motion carried by the following vote:

AYES: Koch, Sanderson, Sherwood, Womack, Moran
NOES: None

3. **CONSIDERATION OF REPORT FROM AD HOC COMMITTEE REGARDING DRAFT ADMINISTRATIVE POLICY AND PROCEDURE FOR THE HANDLING OF LEASES**

At its meeting of October 30, 2007, the Airport Commission unanimously approved the formation of an ad hoc committee. The ad hoc committee was directed to draft an Administrative Policy and Procedure that sets forth how leases and contracts are to be handled, and was also directed to seek direction from the Interim City Manager on developing draft policy regarding lease approvals. The ad hoc committee presented its report and discussed the draft Administrative Procedure and Policy.

A copy of the draft Administrative Policy and Procedure was provided to the Commission. The following changes to the Administrative Procedure and Policy were suggested by Chair Moran, and each change was discussed and voted on separately:

Section II.b. - change the third sentence to read "... certain leases by delegating certain authority to approve..." Failed (1 in favor, 4 opposed).

Section III. - switch paragraphs a. and b. so that paragraph a. comes after paragraph b. Passed (5 in favor, 0 opposed).

Section III.a. - strike the word "Airport Manager" and replace with the word "Lessor." Failed (1 in favor, 4 opposed).

Section III.b. - change sentence to read "All leases having a term of more than 15 years shall be considered, approved, and a recommendation made by the Commission prior to being forwarded to the City Council for consideration and action." Passed (5 in favor, 0 opposed).

Section III.c. - add the words "or tenancies" following the word "Leases" at the beginning of the sentence. Failed (2 in favor, 3 opposed).

Section III.c. - add the word "which contains" following the word "and" in the first sentence. Passed (5 in favor, 0 opposed).

Section III.c. - strike the word "with" in the second line following the words "...master lease, and replace with the word "and." Passed (5 in favor, 0 opposed).

Section III.c. - add the word "consistent" following the words "...applicable, and " on the fourth line. Passed (5 in favor, 0 opposed).

Section III.d. - add the word "prior" following the words "...Airport Manager without" on the second line. Passed (5 in favor, 0 opposed).

Section III.d. - add the phrase "Provided, however, that any such lease approved by the Airport Manager shall be reported to the Commission at its next regular meeting." Passed (5 in favor, 0 opposed).

Section III.e. - strike the words "would normally be approved" and replace with the

words "are subject to approval" and strike the word "also" which follows the word "shall" on line 2. Passed (5 in favor, 0 opposed).

Section III.f. - strike the words "a Fixed Base Operator" and replace with the words "aeronautical operators." Passed (5 in favor, 0 opposed).

Section III.g. - strike the word "lease" on line two and replace with the word "agreement." Passed (5 in favor, 0 opposed).

Sections III.c. and III.g. - It was the consensus of the Commission that Interim City Manager Burkland would discuss with the City Attorney's office the use of the words "and/or tenancy" and whether or not it would be appropriate to use these words in section III.c. and III.g. following the word "lease."

The ad hoc committee is recommending that the Lease Review Committee be dissolved with the approval and implementation of the Administrative Procedure and Policy regarding development and approval of leases at the Chico Municipal Airport.

Henry Roberson was present and asked for clarification on the issue of lease approvals and for information on changing the terms of an Operating Agreement.

A motion was made by Commissioner Sanderson and seconded by Commissioner Koch to approve the draft Administrative Procedure and Policy document, as amended, and request that the Airport Manager prepare a staff report and resolution for the City Council requesting that CMC Section 11R.08.164 be repealed and that the staff report and resolution be brought back to the Airport Commission at its next meeting for Commission review and recommendation to the City Council.

3. **BUSINESS FROM THE FLOOR**

Dan Jay addressed the Commission regarding issues concerning his building located at 109 Convair Avenue at the airport, and problems that he is experiencing with Northgate Aviation and the City. Mr. Jay distributed a copy of the plat and a page from the lease that he currently has with the City.

Maria Rock briefly addressed the Commission regarding concerns that she has with Mr. Jay.

John Patrick addressed the Commission regarding issues concerning the Fixed Base Operator.

It was the consensus of the Commission to agendaize an item to discuss these issues for the January 29, 2008, regular meeting of the airport commission.

4. **ADJOURNMENT**

The meeting adjourned at 5:40 p.m. to its regular meeting on Tuesday, January 29, 2008, at 6:00 pm in the Council Chambers.

Aviation does not move back into the building or agree to provide dedicated ramp space with no restrictions.

Maria Rock was present and discussed the changes that Northgate Aviation has made to its operation, the services it provides, and future plans to expand.

John Patrick discussed his negative experiences with the fixed base operator.

Steve Larson, Director of Maintenance for Northgate Aviation, spoke to the Commission about the improvements that have been made, and that the FBO is providing the necessary facilities.

Commissioner Womack moved to have the City work with the parties to restore the value to the Jay's building. Vice Chair Sanderson seconded the motion for discussion. After a brief discussion, it was the consensus of the Commission to continue this item to a special meeting for further discussion. The Commission asked that certain information be provided at the special meeting. Commissioner Womack withdrew her earlier motion.

THE AIRPORT COMMISSION RECESSED AT 7:35 P.M. FOR A TEN MINUTE BREAK.

4.3. **FINAL REVIEW OF ADMINISTRATIVE PROCEDURE AND POLICY FOR APPROVAL OF LEASES AT THE CHICO MUNICIPAL AIRPORT**

Commissioner Koch moved approval of Administrative Procedure and Policy 90-16 with the word "approval" stricken from section III.a. and the word "master" removed from Sections III.c. and III. d. The motion was seconded by Commissioner Sanderson. Commissioner Moran's friendly amendment to the motion to delete the words "of the type or with a term that are subject to approval by the Airport Commission" in Section III.e. and replace with the words "except for leases described in Section c. and d. above" was accepted by Commissioner Koch. The motion passed (4 in favor, 0 opposed, 1 absent).

Interim City Manager Burkland reported that staff is recommending that the Commission approve a resolution amending, rather than rescinding, CMC Section 11R.08.164 which will provide the Airport Manager with the signature authority recently approved by the Commission. Commissioner Moran moved that the Airport Commission recommend approval to the City Council of the resolution as drafted. The motion was seconded by Commissioner Womack and passed (4 in favor, 0 opposed, 1 absent).

4.4. **DISCUSSION OF DEVELOPMENT OF A MASTER LEASE FOR PROPERTY LOCATED AT CHICO MUNICIPAL AIRPORT**

Vice Chair Sanderson noted that there is a need to develop hangar leases that are similar in content. Commissioner Moran recommended that the City Attorney's office use the Northgate Aviation lease as a model to develop the leases. Commissioner Moran stated for the record that the City's minimum insurance requirements should be included, assignments should contain the information set forth in items A-E of the lease developed by Commissioner Moran, and the standard reversion clause should be removed and replaced with language that allows Lessee to renegotiate the terms of the lease, remove the hangar, or allow the City to purchase the hangar from Lessee. He stated that it is the Commission's prerogative to determine what terms go into the leases.

Dan Jay addressed the Commission. He stated that he started negotiation on his leases in

2005-06 and was assured that reversion at the end of the term was not the desire of the Commission.

It was the consensus of the Commission to continue this item to a special meeting for further discussion, and that each Commissioner should submit questions and comments to the City Manager who will forward them to the City Attorney's office for consideration.

4.5. **AIRPORT INFORMATION AND UPDATES**

Interim City Manager Burkland provided the following updates:

- There is a signed lease for Dan Jay for Phase II of the hangar construction project, which will need to be amended following resolution of the lease issues.
- There has been no response regarding the vacancy on the Airport Land Use Commission. Contact information can be provided to interested Commissioners.
- The wrecked Cessna 210 stored in the south hangar area has been removed.
- The sign placed on the airport security fence will be removed.
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- There have been two business operations on the field that have been contacted regarding non-compliance with minimum operating standards.
- The Commission was updated on the Air Service Development Program.
- The estimated cost to extend the runway is \$8.6 million. The FAA has advised that they would not fund unless there were a significant change.
- The Commission was provided with a list of its accomplishments for 2007.

5. **REPORTS AND COMMUNICATIONS** - The following reports and communication items were provided for the Commission's information.

5.1. **MID YEAR FINANCIAL REPORT**

Vice Chair Sanderson requested a mid-year financial report on revenues and expenditures at the airport. A report dated January 14, 2008, from the Interim City Manager and Accountant Jarrod Orr was provided to the Commission. The report included a summary of the revenues and expenses and fuel flowage fees collected. This item was continued for consideration at the Commission's next regular meeting scheduled for April 29, 2008.

5.2. **LEASES APPROVED IN 2007**

Vice Chair Sanderson requested a list of the leases that have been approved by the Interim City Manager in 2007. A list of the leases approved by the Interim City Manager, the leases approved by the Airport Commission, and a list of the pending leases was provided to the Commission. This item was continued for consideration at the Commission's next regular meeting scheduled for April 29, 2008.

5.3. **AIRPORT COMMISSION AGENDAS**

Vice Chair Sanderson requested information regarding the process for placing items on the agenda. A copy of the page from the *City of Chico Guide for Advisory Bodies* which explains the procedure for preparing board or commission agendas, and a copy of AP&P 10-10 was provided to the Commission. This item was continued for consideration at the Commission's next regular meeting scheduled for April 29, 2008.

5.4. **AIRPORT FEE SCHEDULE**

Vice Chair Sanderson requested information on the Airport Fee Schedule. A copy of the Fee Schedule which was last updated by the Commission in August 2006 was provided to the Commission. This item was continued for consideration to the Commission's special meeting to be scheduled for the end of February.

6. **ITEMS ADDED AFTER POSTING OF THE AGENDA** - None.

7. **BUSINESS FROM THE FLOOR** - None

8. **ADJOURNMENT** There being no further business the meeting was adjourned at 9:00 p.m. to a special meeting at a time and place to be scheduled.

CITY OF CHICO
SPECIAL AIRPORT COMMISSION MEETING – FEBRUARY 26, 2008
Minutes

Commissioners Present: Bob Koch Allen Sherwood
 Mike Moran Gayle Womack
 Floyd Sanderson

City Staff Present: City Manager David Burkland
 Assistant City Attorney Roger Wilson
 Accountant Jarrod Orr
 Facilities Manager Kim Parks
 Administrative Analyst Karen Main

1. **ROLL CALL** - Chair Sherwood called the meeting to order at 4:20 p.m. He advised the Commission that he has resigned as Chair because he has served as chair twice in the past, and this will be his final year on the Commission after serving for 11 years. Floyd Sanderson has also resigned as Vice Chair. Commission members and staff were present as noted above.
2. **ELECTION OF CHAIR AND VICE CHAIR** - Commissioner Womack nominated Commissioner Sanderson and Commissioner Koch nominated Commissioner Womack to serve as Chair. There being no further nominations, the Commission voted 3-2 to designate Commissioner Sanderson as Chair for the 2008 term.

Commissioner Sanderson nominated Commissioner Womack and Commissioner Sherwood nominated Commissioner Moran to serve as Vice Chair. There being no further nominations, the Commission voted 3-2 to designate Commissioner Womack as Vice Chair for the 2008 term.

3. **CONSIDERATION OF REQUEST BY AIR CARRIAGE, LLC, TO AMEND OPERATING AGREEMENT** - At the request of Chair Sanderson, this item was moved to follow number 2 on the agenda.

The Commission received copies of the Air Carriage, LLC, Operating Agreement and a copy of Mr. Roberson's request to add flight training and aircraft rentals. Henry Roberson was present and stated that he plans to move his flight operations to rented space at 109 Convair Avenue.

Commissioner Moran moved to approve Mr. Roberson's request to add aircraft rental and flight training provided that Air Carriage, LLC, operates in a location at the airport that meets the Minimum Standards. Vice Chair Womack seconded the motion and it passed 5 in favor, 0 opposed.

4. **CONSIDERATION OF LEASE ISSUES AND CONCERNS REGARDING THE LEASE FOR NORTHGATE AVIATION AT 109 CONVAIR AVENUE AND THE LEASE FOR DANFORD A. AND SANDRA R. JAY AT 109 CONVAIR AVENUE**

The Commission received the following items for review prior to the meeting: a) a plat delineating property leased on the apron from Convair Avenue to Fire Station 3; b) copies of Airport Commission Minute Order No. 02-05 which summarizes the terms of the lease for Danford A. and Sandra R. Jay, and Airport Commission Minute Order No. 02-07 which summarizes the terms of the lease for Northgate Aviation; c) summary of Fixed Base Operators at Chico Municipal Airport (1985 to present); d) information provided by Maria Rock, President of Northgate Aviation, which includes a letter from Mr. Jay to City staff, letters in support of Northgate Aviation, and comments from AirNav users.

Accountant Orr reported that Northgate Aviation is current on rent and fuel flowage fees. A motion

by Commissioner Moran to have someone with authority review the Northgate Aviation lease for compliance with all terms and for lack of a second. Chair Sanderson requested that staff review all of the terms of the Northgate Aviation lease and the airport's minimum standards to ensure compliance, and provide a report at the next meeting.

Dan Jay presented his proposal for the Chico Jet Center. Copies of the proposal were provided to the Commission and staff.

Maria Rock expressed concern over the economic feasibility of two FBOs operating at the airport at the same time.

Terry Unsworth acknowledged that he has approved the temporary use of tie down space on his leasehold at 110 Convair Avenue.

The consensus of the Commission was for the City Manager to meet with Chris and Maria Rock, and Dan Jay and attempt to resolve the issue of ramp space.

A motion by Commissioner Moran to direct staff to prepare an analysis of the Chico Jet Center proposal and to bring the item back to the next meeting for action or a status report was seconded by Chair Sanderson and passed 5 in favor, 0 opposed. Chair Sanderson asked that staff also review the FAA's Advisory Circulars 150-5190-6 and 150-5190-7.

THE AIRPORT COMMISSION RECESSED AT 5:50 P.M. FOR A TEN MINUTE BREAK.

5. CONSIDERATION OF DEVELOPMENT OF A MASTER LEASE FOR PROPERTY LOCATED AT CHICO MUNICIPAL AIRPORT

The Commission received copies of a memorandum dated 02/19/08, and draft copies of leases prepared by Assistant City Attorney Wilson.

The Commission formed an ad hoc committee consisting of Chair Sanderson and Commissioner Moran to meet with Assistant City Attorney Wilson to review the proposed leases to attempt to reach an agreement on the issues which are preventing finalization of the leases. This item will be brought back to the Commission at its next regular meeting.

6. CONSIDERATION OF REVISIONS TO AIRPORT FEE SCHEDULE

The Commission received copies of Fee Schedule 90.010. The Commission asked staff to review the fee schedule and provide recommendations on increases, if any, at the next regular meeting.

7. DISCUSSION OF COMMITTEES AND SELECTION OF AIRPORT COMMISSIONERS TO SERVE ON COMMITTEES FOR 2008

At the request of Chair Sanderson, this item was moved to number 7 on the agenda.

Vice Chair Womack moved to eliminate all of the subcommittees except for the Architectural Review Committee which is required by the Chico Municipal Code, and for the Commission to form ad hoc committees as necessary. Commissioner Koch seconded the motion and it passed 5 in favor, 0 opposed. The Architectural Review Committee will consist of Commissioners Sherwood and Womack.

8. STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

The Commission was provided with a copy of a Statement of Revenues, Expenditures and Changes in Fund Balance for the month ending 12/31/07. Chair Sanderson requested that this become a standing agenda item, and that a similar report be provided to the Commission at each regular meeting.

9. BUSINESS FROM THE FLOOR

It was the consensus of the Commission to agendaize the costs involved in providing utility services such as water, sewer, and electricity to the south end hangars.

Chair Sanderson asked that a standing item be added to the agenda asking for comments from the commission.

Maria Rock shared photographs of changes made by Northgate Aviation to the FBO facility.

Dan Jay inquired about available City owned property at the airport for an airport manufacturing business.

10. ADJOURNMENT - The Commission adjourned at 7:00 p.m. to its next regular meeting on April 29, 2008, at 6:00 p.m., in the Council Chambers of the Chico Municipal Center building located at 421 Main Street, Chico, California.

CITY OF CHICO
AIRPORT COMMISSION MEETING – APRIL 29, 2008
Minutes

Commissioners Present: Floyd Sanderson Absent: Bob Koch
 Gayle Womack
 Mike Moran

City Staff Present: Airport Manager David Burkland
 Assistant City Attorney Roger Wilson
 Accountant Jarrod Orr
 Administrative Analyst Karen Main

1. **CALL TO ORDER** - Chair Sanderson called the meeting to order at 6:05 p.m.
- 1.1 **ROLL CALL** - Commission members and staff were present as noted above.
2. **CONSENT AGENDA**
- 2.1. **APPROVAL OF MINUTES** - A motion to approve the minutes of the Airport Commission meetings held on January 11, 2008, January 29, 2008, and February 26, 2008, was made by Commissioner Moran and seconded by Vice Chair Womack. The motion passed (3 in favor, 0 opposed, 1 absent).

Chair Sanderson asked that a rough estimate of the cost to provide electricity to the hangars be provided at the next regular meeting.

It was noted that Commissioner Sherwood has resigned from the Commission due to moving out of the city limits of the City of Chico. At the next meeting a resolution will be presented to Commissioner Sherwood to thank him for his service on the Commission.

3. **HEARINGS** - None.
4. **REGULAR AGENDA**
- 4.1. **ITEMS REMOVED FROM THE CONSENT AGENDA** - None.
- 4.2. **REVIEW OF COUNCIL POLICY REGARDING THE METHOD FOR PLACEMENT OF ITEMS ON BOARD AND COMMISSION AGENDAS**
The Commission was provided with a copy of AP&P 10-10 (City Council Rules of Procedures) and AP&P 10-1 (Board, Commission, Advisory Committees and Task Force Rules of Procedure). Airport Manager Burkland stated that it is City Council policy that board and commission agendas are to be prepared by staff in accordance with the format approved by the City Council. This item was presented for information only and no action was required by the Commission.

4.3. **CONSIDERATION OF PROPOSAL FROM DANFORD A. JAY TO ALLOW THE OPERATION OF A SECOND GENERAL AERONAUTICAL OPERATOR AT CHICO MUNICIPAL AIRPORT**

Pursuant to a motion approved by the Commission at its meeting of February 26, 2008, staff prepared an analysis of the Chico Jet Center proposal. A detailed report and the analysis were provided to the Commission. The Commission received a copy of fuel sales from 1991-2007 submitted by Northgate Aviation as additional information.

Dan Jay was present and urged the Commission to approve his request.

Maria Rock was present and discussed the economic difficulties that would result from approval of the request.

It was the consensus of the Commission for the Airport Manager to meet with both parties and attempt to resolve the issues. If not resolved, then a meeting will be held on June 4, 2008, at 4:30 p.m.

4.4. **CONSIDERATION OF REVISIONS TO FEE SCHEDULE**

The Commission was provided with a report from Accountant Orr and a copy of the proposed revised fee schedule, along with a copy of Chair Sanderson's questions and the responses provided by Accountant Orr. After reviewing the fee schedule, the Commission proposed changes to Section II.B. to strike the word *individuals* and leave the word *commercial*; in Section II.C. to add *non-scheduled contract air carriers or business executive aircraft*; and in Section II.D.8.a. to calculate the rates for the hangars in rows A, B, and C by calculating the square footage multiplier by using \$644 as a base rate for the small hangars. The revised fee schedule will be brought back for final approval.

4.5. **REPORT FROM LEASE REVIEW AD HOC COMMITTEE REGARDING STATUS OF STANDARD FORM LEASE AGREEMENTS**

The ad hoc committee provided a verbal report on the status of meetings with the City Attorney's office to develop standard form lease agreements. The committee met once with each other and once with Assistant City Attorney Wilson. When a recommendation is available the committee will bring it back to the Commission for review.

4.6. **CONSIDERATION OF CHAIR SANDERSON'S REQUEST TO DISCUSS RAMP SIDE PROPERTY LEASE LINES**

Chair Sanderson requested that the Airport Commission consider examining the ramp side property lease lines between Convair Avenue and Boeing Avenue. A copy of a report prepared by Chair Sanderson was provided to the Commission. The Airport Manager recommended that this item be placed on a future agenda to allow staff time to investigate and provide a report.

The Commission voted (3 in favor, 0 opposed, 1 absent) to consider this item at tonight's meeting. The consensus of the Commission was that this matter can best be handled informally through the Airport Manager reminding tenants to stay within the boundary lines of leases.

4.7. **CONSIDERATION OF CHAIR SANDERSON'S REQUEST TO DISCUSS**

AMENDING AP&P 90-6 - STANDARDS FOR CONDUCTING AERONAUTICAL ACTIVITIES AT CHICO MUNICIPAL AIRPORT

Chair Sanderson requested that this item be placed on the agenda for discussion of amending AP&P 90-6 to eliminate language requiring hearings and analyses by the Commission to determine whether or not a Specialty Operator can become a General Fixed Base Operator. A copy of a report prepared by Chair Sanderson was provided to the Commission. The Airport Manager recommended that this item be placed on a future agenda in order to allow staff time to investigate the request and provide a report. The Commission voted (3 in favor, 0 opposed, 1 absent) to consider this item at tonight's meeting.

Commissioner Moran moved to approve changing the language in Section I.V.J. as recommended in Chair Sanderson's report, but changing the word *shall* to *may* in the first sentence and deleting the second sentence in its entirety. Vice Chair Womack seconded the motion and it passed (3 in favor, 0 opposed, 1 absent).

4.8. CONSIDERATION OF CHAIR SANDERSON'S REQUEST TO AMEND SECTION 11R.08 OF THE CHICO MUNICIPAL CODE

Chair Sanderson requested that this item be placed on the agenda to consider amending Section 11R.08 of the Chico Municipal Code to further define the scope of commercial activities permitted on the airport. A copy of a report prepared by Chair Sanderson was provided to the Commission for consideration. The Airport Manager recommended that this item be placed on a future agenda in order to allow staff time to investigate the request and provide a report. The Commission voted (3 in favor, 0 opposed, 1 absent) to consider this item at tonight's meeting.

It was the consensus of the Commission to continue this item to allow the City Attorney's office time to review Chair Sanderson's report and provide a recommendation at the next meeting as to whether or not adopting a new rule under Chico Municipal Code Section 11.R. is the appropriate method to address the issues raised in Chair Sanderson's report.

4.9. CONSIDERATION OF REQUEST FORWARDED FROM CHAIR SANDERSON TO CONSIDER DAN JAY'S REQUEST TO 1) APPROVE AN AMENDMENT TO HIS LEASE TO ALLOW THE USE OF TWO HANGARS IN "D" ROW TO BE USED BY OM AIR AVIONICS TO PERFORM AIRCRAFT REPAIR AND INSTALL NEW AVIONICS, 2) TO ALLOW BUTTE FLYING CLUB TO OPERATE AT THE CHICO MUNICIPAL AIRPORT, AND 3) CONSIDERATION OF CHICO JET CENTER PROPOSAL

An email from Dan Jay Aircraft Sales, Inc., dated 04/15/08 and forwarded to City staff by Chair Sanderson requested that the Airport Commission approve amending his lease to allow OmAir Avionics to lease up to two hangars in "D" row to perform aircraft maintenance and repair and to install new avionics. The same email requested that the Airport Commission consider a change of City Code to allow the Butte Flying Club to continue to operate from its present location. A third request, to consider the Chico Jet Center Proposal, was already scheduled to be heard at tonight's meeting pursuant to the motion made by the Airport Commission at its meeting of 02/26/08. A copy of the email from Dan Jay Aircraft Sales, Inc. was provided to the Commission. The Airport Manager

recommended that this item be placed on a future agenda in order to allow staff time to investigate the request and provide a report. The Commission voted (3 in favor, 0 opposed, 1 absent) to consider this item at tonight's meeting.

The Commission was advised that if the request by OmAir is approved it could set a precedent which would allow commercial operations in the hangars which are intended for storage of aircraft. If a business requests use of the hangar and the circumstances are similar to the OmAir request, the Commission very likely would have to approve the request. This can erode the ability of the general and specialty operators to operate.

Vice Chair Womack's motion to approve the request to use two hangars in delta row to house OmAir Avionics was seconded by Commissioner Moran. Maria Rock indicated that there is space in the hangar at Northgate Aviation, Inc. for OmAir's operation, and she is willing to work with OmAir to reach an agreement on terms.

Commissioner Moran suggested an amendment to the motion to include a time limit of one year after which the Commission will review the issue. Vice Chair Womack accepted the amendment and the motion passed (2 in favor, 1 opposed, 1 absent).

It was reported that the Butte Flying Club lease issue will be brought back at another meeting if necessary.

5. **REPORTS AND COMMUNICATION** The following reports and communication items were provided for the Commission's information. No action was taken on any of the items unless otherwise noted.
 - 5.1. **AIRPORT MANAGER UPDATES** - The Airport Manager provided the following information:
 - Advised the Commission that the City Clerk's office will make a recommendation to the City Council on whether or not to fill Allen Sherwood's vacancy before the expiration of the current term.
 - Provided an update on the status of discussions with Northgate Aviation and Dan Jay regarding ramp space.
 - Reviewed Northgate Aviation's compliance with the minimum standards.
 - Provided a copy of the Commission's Work Plan for information purposes only.
 - 5.2. **QUARTERLY REPORTS**
A Statement of Revenues, Expenditures and Changes in Fund Balance was provided to the Commission for its information.
 - 5.3. **COMMISSIONER COMMENTS**
Commissioner Moran asked that the Airport Manager provide any economic reports or information available on the economic benefit of the airport to the community at a future meeting.

Chair Sanderson asked that an item be added to the next agenda to discuss hangarkeepers; specifically to define what the term means and to identify who would be considered a hangarkeeper at Chico Municipal Airport. The discussion should include form of agreement and fees, if any. He also asked for an update on the Federal Express

lease, and a plat showing the VOR height restrictions for buildings.

- 5.4. A copy of CMC 11R.08.164 adopted by the City Council at its meeting of April 1, 2008, was provided to the Commission for its information.
6. **ITEMS ADDED AFTER POSTING OF THE AGENDA** - None.
7. **BUSINESS FROM THE FLOOR** - None
8. **ADJOURNMENT** There being no further business the meeting was adjourned at 8:50 p.m. to June 4, 2008, at 4:30 p.m, if necessary. The next regularly scheduled meeting is July 29, 2008, at 6:00 p.m.

CITY OF CHICO
AIRPORT COMMISSION MEETING – JULY 29, 2008
Minutes

Commissioners Present: Floyd Sanderson
 Gayle Womack
 Bob Koch
 Mike Moran

City Staff Present: City/Airport Manager David Burkland
 Assistant City Attorney Roger Wilson
 Facilities Manager Kim Parks

1. **CALL TO ORDER** - Chair Sanderson called the meeting to order at 6:00 p.m.
- 1.1 **ROLL CALL** - Commission members and staff were present as noted above.
- 1.2 **PRESENTATION** - On behalf of the Commission, Chair Sanderson extended appreciation to Allen Sherwood for his years of service as an Airport Commissioner.

2. **CONSENT AGENDA**

- 2.1. **APPROVAL OF MINUTES** - A motion to approve the minutes of the Airport Commission meeting held on April 29, 2008, was made by Commissioner Koch and seconded by Vice Chair Womack. The motion carried, 4-0.

3. **HEARINGS** - None.

4. **REGULAR AGENDA**

4.1. **ITEMS REMOVED FROM THE CONSENT AGENDA** - None.

4.2. **SELECTION OF COMMISSIONER TO SERVE ON THE AIRPORT ARCHITECTURAL COMMITTEE**

Due to the resignation of Allen Sherwood, the Commission selected an additional member to serve on the Airport Architectural Committee pursuant to Chico Municipal Code Section 19.48.070. The Airport Architectural Committee meets with the City's Architectural Review Board as needed to consider projects submitted for review within the airport zoning district. A copy of Chico Municipal Code Section 19.48.070 was provided to the Commission with the agenda.

Commissioner Koch volunteered to serve and was selected without objection.

4.3. **CONSIDERATION OF PROPOSAL FROM DANFORD A. JAY TO ALLOW THE OPERATION OF A SECOND GENERAL AERONAUTICAL OPERATOR AT CHICO MUNICIPAL AIRPORT (CMA)**

This item was continued from the Commission's meeting of April 29, 2008. The Commission was provided with a copy of the detailed report and analysis which was also provided to the Commission at its meeting on April 29, 2008.

Dan Jay and Maria Rock addressed the Commission; Mr. Jay in support of his proposal and Mrs. Rock in opposition.

Commissioner Moran moved to approve Mr. Jay's application and Commissioner Womack seconded the motion. The motion carried, 3-1, Commissioner Koch opposed.

Chair Sanderson stated that if a lease agreement or operating agreement is approved by the City Council there will still be a number of requirements. City Manager (CM) Burkland said those would include an Environmental Review, operating agreements, lease agreements, and a financial analysis, among others.

The Airport Commission recessed for 5 minutes.

4.4. **CONSIDERATION OF REVISIONS TO AIRPORT FEE SCHEDULE - 90.010**

At its meeting of 4/29/08, the Commission reviewed the proposed changes to the airport fee schedule and made additional recommendations for changes and fee increases. At that meeting, the Commission directed staff to provide further information regarding increases in hangar leases.

CM Burkland reported that if the proposed Lease rates for rows A, B and C as adjusted in this update to the Fee Schedule is adopted by the City Council, the new rates will be effective for new or renewed leases only.

Commissioner Moran moved to recommend City Council approval of the adoption of the proposed fee schedule. Commissioner Koch seconded the motion, which carried, 4-0.

The Airport Commission recommended (4-0) City Council approval of a resolution adopting the proposed revisions to the Airport Fee Schedule - 90.010.

4.5. **CONSIDERATION OF REQUEST TO RECOMMEND TO CITY COUNCIL AMENDING CHAPTER 11R OF THE CHICO MUNICIPAL CODE**

At its meeting of 04/29/08, the Airport Commission discussed Chair Sanderson's report and recommendation to add a new section to Chapter 11R regarding commercial activities. The Commission asked that the City Attorney's office provide a recommendation on whether or not this is the appropriate method to address the issues raised in Chair Sanderson's report. The Commission was provided with a copy of Chair Sanderson's report which was previously provided to the Commission at its 04/29/08 meeting.

Assistant City Attorney (ACA) Wilson said that the requirements regarding commercial activities are already contained in the code and sufficiently covered between the code,

minimum standards and the agreements.

Chair Sanderson said that based on the legal opinion from ACA Wilson confirming that sufficient language and sanctions exist, he would withdraw his recommendation to add a new section to Chapter 11R regarding commercial activities.

Commissioner Moran called for a question. *The item died due to lack of a motion.*

5. **REPORTS AND COMMUNICATION** - The following reports and communication items were provided for the Commission's information. No action was taken on any of the items unless otherwise noted.
 - 5.1. **AIRPORT MANAGER UPDATES** - Updates were provided as follow:
 - a. The Commission requested information regarding the economic benefit of the Chico Municipal Airport to the community. A copy of the executive summary to Aviation in California: Benefits to our Economy and Way of Life was provided to the Commission. CM Burkland commented that although nothing specific or current on CMA is in the summary, it provides useful information on the benefits of aviation to California.
 - b. A copy of the work plan adopted by the Commission was provided. Commissioner Womack requested the formation of an ad hoc committee to review the work plan and prepare a report to the Commission in an effort to move forward. Commissioner Womack (Chair) and Koch agreed to serve on the Committee.
 - c. Facilities Manager Parks reported that his research indicates the cost to provide utilities to south end hangars would be approximately \$261,000.
 - d. CM Burkland reported that Federal Express has decided to locate in the old Improvement Direct building, but will lease city space for its aircraft, most likely in the Lockheed gate area, and will also use City ramp space.
 - e. CM Burkland reported CMA has received \$2.3 million toward AIP No. 3-06-0041-28. The AIP includes reconstruction of the apron, crack sealing, re-striping, and the installation of an AWOS III. Staff has met with Skywest representatives regarding the impact of the terminal work over at least 2 months. Aircraft will come in near the Lockheed gate and temporary walkways and security gates are included in the contract.
 - f. CM Burkland reported that Chico AirFest 2008 is scheduled for September 26 and 27. Staff worked with the coordinators on obtaining waivers, approval of a safety plan, and coordination with the ongoing construction project.
 - g. Battalion Chief Marlene Heisey provided a update on the use of the airport for fire suppression purposes.
 - h. Facilities Manager Kim Parks provided an update on VOR height restrictions.
 - i. CM Burkland reported that the discussion regarding hangar-keepers requested by Chair Sanderson at the meeting of 04/29/08 was placed on the future items section of the airport commission pending list.

5.2. **COMMITTEE REPORTS**

The Lease Review ad hoc committee provided a verbal report on the status of meetings with the City Attorney's office to develop standard form lease agreements.

Chair Sanderson reported that the Lease Review Committee (Sanderson & Moran) had not met, but that he had met with ACA Wilson. The Committee intends to meet and provide a report at the October 28, 2008 meeting.

5.3. **STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

As requested by the Commission, a copy of the most recent quarterly Statement of Revenues, Expenditures and Changes in Fund Balance for the airport was provided for the Commission's information.

There was no discussion on this item. Chair Sanderson asked how the airport stands in terms of current budget reductions. CM Burkland said that the airport has been upside down for many years with the balance of funds being covered by the General Fund. He will provide a summary for the October 28, 2008 meeting.

5.4. **COMMISSIONER COMMENTS**

Chair Sanderson requested the following for the October 28, 2008 meeting:

1. A report outlining the progress being made in gaining compliance from airport tenants to stay within their leased boundaries, and what enforcement measures have been taken.
2. A report on the cost of painting the front of the Northgate hangar per the lease agreement, and the status of the payment.
3. An updated list of pending Airport Commission agenda items.

6. **ITEMS ADDED AFTER POSTING OF THE AGENDA** - None.

7. **BUSINESS FROM THE FLOOR** - None

8. **ADJOURNMENT** The meeting was adjourned at 7:59 p.m. The next regular meeting is scheduled for October 28, 2008, at 6:00 p.m. in the Council Chambers of the Chico Municipal Center, 421 Main Street, Chico.

CITY OF CHICO
AIRPORT COMMISSION MEETING – OCTOBER 28, 2008
Minutes

Commissioners Present: Floyd Sanderson
 Gayle Womack
 Bob Koch
 Mike Moran

City Staff Present: Airport Manager David Burkland
 Assistant City Attorney Roger Wilson
 Facilities Manager Kim Parks
 Management Analyst Debbie Collins

1. **CALL TO ORDER** - Chair Sanderson called the meeting to order at 6:00 p.m.

Airport Manager Burkland introduced Management Analyst Debbie Collins to the Commission and advised that she will now be handling the day to day administration of the Airport as well as other duties as assigned.

- 1.1 **ROLL CALL** - Commission members and staff were present as noted above.

2. **CONSENT AGENDA**

- 2.1. **APPROVAL OF MINUTES** - Commissioner Moran requested modifications to minute items 4.3 and 4.5 of the Airport Commission meeting held on July 29, 2008. A motion to approve the minutes with the stated corrections was made by Commissioner Moran and seconded by Commissioner Koch. A friendly amendment was made by Chair Sanderson for an additional correction to item 4.3. The motion carried (4-0).

3. **HEARINGS** - None.

4. **REGULAR AGENDA**

- 4.1. **ITEMS REMOVED FROM THE CONSENT AGENDA** - None.

- 4.2. **CONSIDERATION OF APPROVAL OF AMENDMENT TO LEASE AGREEMENT - CITY OF CHICO/GENERAL SERVICES ADMINISTRATION**
The Airport Manager reported that the term of the original lease between the City and the General Services Administration (GSA) for the space at the airport occupied by the Transportation Security Administration (TSA) ended in April 2008. Under Airport Manager authority the lease was amended for one additional year with the same terms and a 3% per year rate increase. The Airport Manager requested that the Commission approve an amendment that would extend the lease two additional years, through March 2011, as requested by the GSA.

Commissioner Moran made a motion to approve amending the lease. Vice Chair

Womack seconded the motion. The motion carried (4-0).

4.3. **REPORT FROM LEASE REVIEW AD HOC COMMITTEE REGARDING STATUS OF STANDARD FORM LEASE AGREEMENTS**

Chair Sanderson reported that he had an ex parte communication with Dan Jay. He advised that copies of the draft lease agreements were provided to Mr. Jay so that the drafts could be provided to hangar owners prior to this meeting. Chair Sanderson went on to explain why there are two draft lease agreements and addressed some of the terms and conditions found in each draft lease. Chair Sanderson said ideally he would like the Commission to be able to adopt the drafts at this meeting.

Commissioner Moran provided background on why the standard leases are being drafted and addressed some of the items that are incorporated into the leases. Regarding the ex parte communication disclosed by Chair Sanderson, Commissioner Moran stated that he had suggested, and Chair Sanderson had agreed, to ensure that copies of the draft leases be given to three groups, Mr. Jay, Mr. Stan Gungl and the North Valley Pilots Association.

The Assistant City Attorney reminded the Commission that they could only discuss the draft leases at this meeting and could not adopt or approve them.

Chair Sanderson opened the item for discussion. Those who addressed the Commission included Dan Jay, Stan Gungl, Bud Keeney and Tom Aylward.

The Assistant City Attorney will review the language and bring the revised drafts back to the Commission at the January 27, 2009 meeting. Chair Sanderson asked that the revised drafts be made available to all hangar owners prior to the January meeting and stated that if the hangar owners have any issues or concerns they should discuss them with a Commissioner or bring them to the January meeting. It was also suggested that the drafts be emailed to the hangar owners and posted on the City's website. Vice Chair Womack asked that the standard leases be put on the January agenda for motion.

5. **REPORTS AND COMMUNICATION** - None.

5.1. **AIRPORT MANAGER UPDATES** - Updates were provided as follow:

- a. Lease boundaries and enforcement measures. The Airport Manager advised that this is something that staff will be working on as time allows. Chair Sanderson requested that questions regarding the process and who in the City will be responsible for ensuring lease compliance at the airport are answered at the next meeting.
- b. Cost and status of payment for exterior painting of the Northgate hangar. The Airport Manager advised that an invoice has not yet been received by the City from Northgate Aviation.

- c. Quarterly budget report. The report was provided to the Commission. Chair Sanderson questioned what looked like a Fuel Flowage Reimbursement of \$6,500. The Airport Manager explained that no reimbursements have been made to date and that the amount in the budget report represents what the City, at the time the budget was developed, anticipated the fuel flowage reimbursements may be.
- d. Minimum Operating Standards (AP&P 90-6). A copy of the current Minimum Operating Standards was provided for Commission information only.
- e. FedEx and Northgate lease agreement. The Airport Manager stated that Northgate did advise the City that they are subleasing to Fed-Ex. Chair Sanderson asked that the City verify that the lease rate that is being charged by Northgate is in compliance with the maximum allowed per the fee schedule. The Airport Manager will confirm that they are in compliance.
- f. Information regarding the inoperable WWII era airplane parked at CMA. The Airport Manager reported that the airplane has been moved and is now located inside the fence line of the Chico Air Museum.
- g. FAA pamphlets entitled *Operational Safety on Airfields During Construction and Airport Compliance and Safety* were provided to the Commission. The pamphlets are related to the construction taking place at the airport. The Airport Facilities Manager provided a brief report on the status of the AIP project.
- h. Airport Commission Pending List:
 - (1) Discussion regarding hangar-keepers requested by Chair Sanderson at the 4/29/08 meeting.

5.2. **COMMITTEE REPORTS**

Vice Chair Womack gave a report on the progress of the Commission's Work Plan Ad Hoc Committee progress. She gave a brief overview of where they are with each of the eight tasks. Regarding the Specific Plan for aviation development on the eastside the Airport Manager advised that FAA grant funding had been applied for to assist with the development of the plan however funded was not awarded. Vice Chair Womack requested that the setting of a date for a Work Plan meeting with the new Commissioners be put on the January meeting agenda.

5.3. **COMMISSIONER COMMENTS**

Vice Chair Womack gave a brief verbal report on the success of the AirFest. She advised that participants and sponsors were pleased. Attendance was calculated at 9,000 adults and 6,000 children. All the bills have not yet been paid but the AirFest did make a profit which will be put towards next years show. She will provide a more detailed report at the January meeting. The tentative dates for AirFest 2009 are September 25, 26 and 27, 2009.

Chair Sanderson asked when the City Council would be requesting applications for Boards and Commissions. The Airport Manager estimated recruitment would begin in November and the new Council would make the appointments.

6. **ITEMS ADDED AFTER POSTING OF THE AGENDA** - None.
7. **BUSINESS FROM THE FLOOR** - None.
8. **ADJOURNMENT** The meeting was adjourned at 8:19 p.m. The next regular meeting is scheduled for January 27, 2009, at 6:00 p.m. in the Council Chambers of the Chico Municipal Center, 421 Main Street, Chico.