

The North Little Rock Airport Commission meeting was held on February 17, 2011 at 12:00pm, in the City Services Conference Room A. Chairman Mark Halter called the meeting to order.

The roll being called, all Board members were present.

MINUTES

Matt Chandler motioned to accept the previous commission meeting minutes. Rick Ashley seconded the motion. The motion passed unanimously.

Skipper Polk informed the Commission that the North Little Rock City Council adopted the lease provided by Central Arkansas Water.

FINANCIAL REPORT

The report included the airport's 2011 budget. Mr. Polk stated that the rental income presented within the report was incorrect; the actual figure should be lower. He reported that approximately \$160,000 of income was produced from hangers acquired with adjustments.

Mr. Polk indicated that he would like to continue receiving the City's annual contribution of \$56,000 even supposing the airport becomes self-sufficient. Matching funds will discontinue. In the future, resources will be dispersed on a case-by-case basis.

Mr. Ashley motioned to accept the financial report. Toby Burkett seconded his motion. The motion was unanimously accepted.

Mr. Polk stated that the airport's new fueling policy (with changes) became effective on this day. The floor was opened to public comments regarding the new policy. No comments were made.

JERRY HOMESLEY'S LEASE

Mr. Homsley appeared before the Commission to reiterate his lengthy as well as, good tenancy at the airport. He informed the Commissioners that he has paid all his taxes, brought the EAA to the airport and helps coordinate air shows. Mr. Homsley affirmed his passion for the airport.

Mr. Homsley asserted his need for a longer term lease. He proposed a 25 year lease with new construction. He would add an office space.

The Commission and Mr. Homsley discussed the 4 leases currently available to tenants for renewing and new construction.

Mr. Chandler voiced apprehensions concerning setting a precedent. He commented on the issue of quantifying and explaining improvements to hangers.

Mr. Ashley concurred with Mr. Chandler. He explained how he felt uncomfortable altering leases. He stated his preference to apply one of the leases prepared by the Commission.

Mr. Halter was concerned with giving contingency on funds previously spent.

Mr. Homsley replied that his hanger improvements were made without knowledge of the current lease situations. He defended his lease proposal and stated his dissatisfaction with the airport's proposed leases.

Mr. Ashley suggested Mr. Homsley accept the airport's 15 year lease. Mr. Homsley stated his disinterest in that lease.

Mr. Chandler remarked that he was not opposed to a 25 year lease. He is however, concerned with what is considered improvements.

The Commission and Mr. Homsley discussed his lease situation.

Mr. Polk questioned if the City would approve Mr. Homsley's expansion.

Jim Julian articulated sympathy towards Mr. Homsley's situation. Nevertheless, he was concerned that considerations will provide the opportunity for multiple and/or inconsistent leases. Mr. Julian would like to compromise with Mr. Homsley.

Mr. Homsley invited the Commissioners to provide a proposal.

Mr. Ashley suggested Mr. Homsley accept the 15 year lease with a new construction ground lease on the new construction.

A recommendation was made that the city inspector evaluates the property. Afterward, a formed committee would review the scenario.

Don Blakey informed the commission that today, he would not vote for a lease asking for special considerations. Mr. Ashley concurred.

Mr. Homsley remarked that is economically feasible to tear down and rebuild a hanger at .40 for 40 years with escalation.

The Commissioners discussed the possibility of creating a new category and tenants with special circumstances.

Mr. Polk stated that all tenants must be treated the same.

Mr. Halter observed that it is not illogical for Mr. Homsley to build a new hanger. The new hanger lease would include the reversion clause and the removal of the old hanger would allow for potential rental space.

Mr. Homsley informed the Commission of other airports that are considerably cheaper than North Little Rock and does not include a reversion clause.

The Commission assessed the conditions and Mr. Homsley's position. To conclude this issue, Mr. Ashley moved to reject Mr. Homsley's 25 year lease proposal. Mr. Blakey seconded the motion. The motion passed.

DC3

Mr. Polk restated the arrangement that the owners of the DC3 were to provide an action plan/schedule and proof of insurance in December, 2010. To date, Mr. Polk has received none of the information requested. Furthermore, the tenant has done nothing to the plane.

He suggested sending a demand letter for the tenant's proof of insurance.

The Commissioners discussed structures requiring insurance and the control time an airplane can be stored.

Mr. Chandler was interested in knowing the legal rights to move an airplane and carrying insurance.

Mr. Polk suggested adding to the Minimum Standard Rules and Regulations information regarding tiedowns and long term storage.

OSBORNE'S FUEL TANK

Mr. Polk informed the Commissioners that an uninsured jet fuel tank is located behind Mr. Osborne's hanger. The question has arose as to who is responsible for this tank. Arkansas Department of Environmental Quality requires insurance for above ground fuel tanks. Mr. Polk was directed to send the owner/operator a letter.

JIM EAST

Mr. East is interested in establishing a 40 year lease to build a hanger for his jet. Also, he would like to place a 10,000lb tank. Mr. Polk wanted to know what the Commissioners would like to charge for a fuel farm. Mr. Polk stated that self-fueling must be allowed at the airport.

The Commission discussed controlling this development by establishing and the tenant meeting obligations.

Mr. Polk proposed the language that a tank larger than 500 gallons must have a fuel truck.

HARRY BARRETT'S HANGER

A bid was let with CWR Construction having the lowest bid. Mr. Polk proposed applying for a grant to completely revamp Barrett's hanger. Mr. Julian motioned to apply for a grant. Mr. Blakey seconded the motion. Motion carried.

Mr. Blakey motioned to adjourn the commission meeting. Mr. Chandler seconded the motion. Motion approved, meeting adjourned.