

JUD NEUFELD
CHAIR

JOHN P. BROWNING, JR.
BOARD MEMBER

WAYNE McCLAIN
BOARD MEMBER

MELISSA C. MILLER
BOARD MEMBER

KEN M. JOHNSON
BOARD MEMBER

ARTHUR BILLINGSLEY
BOARD MEMBER

MARK LITTEN
BOARD MEMBER

MARCIA G. CARTY, CPA, CGFO
INTERIM CITY MANAGER
FINANCE DIRECTOR

JANE WEST, ESQ.
CITY ATTORNEY

YUL McNAIR
AIRPORT MANAGER



MINUTES
CITY OF PALATKA
December 4, 2024

1. CALL TO ORDER

a. Special Called Meeting Notice

b. Recognition - Dana Jones - 14 years of service - Airport Advisory Board

Mr. Neufeld recognized Ms. Dana Jones for her 14 years of service on the Airport Advisory Board and presented her a plaque of appreciation.

c. Roll Call

Present: Airport Advisory Board Member Jud Neufeld Absent:

Airport Advisory Board Member John Browning, Jr.

Airport Advisory Board Member Wayne McClain

Airport Advisory Board Member Arthur Billingsley

Airport Advisory Board Member Melissa Miller

Airport Advisory Board Member Ken Johnson

Mayor Roberta Correa

Airport Advisory Board Member Mark Litten

Also Present: Marcia Carty, Interim City Manager/Finance Director; Commissioner Will "Slurb" Jones; Yul McNair, Airport Manager; Sophia Smith, Airport Administrative Assistant; Jane West, City Attorney; Sunni Krantz, City Clerk; Andrew Holesko and Matt Singletary (remote), Passero & Associates; Chris Groh, Kutchens & Groh; Jeremy Alexander, Charlie Douglas Law Firm; Cymone Mirabel, Airport Administrative Assistant; Amanda Hayes, Assistant City Clerk

d. Oath of Office - Mark Litten

City Clerk administered the Oath of Office to Mr. Mark Litten, our new Board member, replacing Ms. Jones, Chamber of Commerce.

e. Approval of the Minutes of September 25, 2024

Johnson approved
McClain second
All approved

2. CHAIRMAN'S COMMENTS Mr. Neufeld acknowledged and thanked the AAB for their service to the Airport and this community. He submitted that volunteering is the ultimate exercise in democracy. Volunteers don't necessarily have the time, but they have the heart.

Specific thanks to Mr. McClain.

3. PUBLIC COMMENTS Jeremy Alexander, 134 Timber Lane, Palatka, FL 32177 - disclosed that he works with Douglas Law Firm. One of their clients is Jeffrey Nations, a hangar tenant at 28J who used the airport's services frequently. He thanked us for letting him come and recapped the 5/22 AAB meeting. He read quotes of comments made regarding Mr. Nation's good tenancy. He then shared an eviction notice their client, Mr. Nations, had received. He advised their client had not heard anything since the May meeting. The property in question is the old terminal. He distributed copies of the eviction notice Mr. Nations received on 12/3/24.

4. REGULAR BUSINESS

a. Discussion/Recommendation: Land Swap Project

Mr. Holesko advised the Airport previously had 4 runways . The City approached the Airport and the FAA about releasing property to build a PW facility. The City purchased that property from the airport. This transaction is complete (with the exception of some accounting on the City's side).

Then, discussions commenced with Mr. Nations about acquiring his already built facility.

Everything has been done through fair market appraisals.

In 2023 the FAA approved the land release on the first parcel.

Between January and today, we are looking at the land swap components.

Mr. Holesko showed Request #1 – which the City purchased to put a PW facility on.

He then showed a slide regarding the land swap. The City will renovate a building that the City has acquired from Mr. Nations.

The area in blue is the area the PW facility will be on.

The airport is giving up property that cannot be used for aeronautical use and is getting the area in light blue that can be used for aeronautical use.

The floor was opened for board discussion.

Mr. Holesko clarified that funds received from sales of Airport property must stay with the Airport. Ms. Carty advised the City owes the airport \$169,000. The Airport can then use those funds for what it desires. Mr. McClain and Mr. Browning supported using the funds to update hangars.

Mr. Holesko advised if the swap with Mr. Nations occurs, there will be \$81,000 to the Airport. Ms. Carty advised this has not happened yet.

Ms. Carty advised a \$75,000 transaction for a pipeline (that has nothing to do with the landswap) has also occurred. This was the purchase of an easement by a utility supplier. This happened in October of this year.

Board discussion continued.

Motion by Mr. Browning to table a recommendation on this item until we complete the discussion on item B. Second, by Mr. Billingsley. Motion passed unanimously.

Following the discussion of 4 B,

Motion to accept the land swap as presented by Mr. Billingsley. Second by Mr. Litten. Motion passed unanimously.

b. Discussion/Overview: Lease Assessment/Compliance Report Overview

Mr. McNair advised there was desire to look at all of our leases and how we ensure we are getting the best revenue and outcome from our leases. A lease assessment has been conducted.

Chris Groh with Kutchins and Groh provided a presentation of their findings from the lease assessment study conducted. There are 89 active leases, almost all of these are month-to-month. A suggestion is to make these longer term leases and put some contracts in place. There are land agreements with the City that the Airport may not be getting compensated for. The Airport has some conveyances associated with FAA grant assurances. The FAA now, does not love nominal leases. One example, would be the nominal lease with the Skeet Club. The FAA wants everything to be used for the highest and best use, so that the Airport is making all the revenue it can. Another suggestion, is to have a rate increase escalation built into the lease agreement, to assist with maintenance costs.

Board discussion commenced.

Mr. McNair advised he has evaluated what has been happening at the Airport. He spoke regarding the minimum office space his office staff occupies. He advised his predecessor gave Mr. Nations a letter of agreement. A decision was made by the Interim City Manager and the City Attorney was directed to write a determination letter.

Mr. Browning advised the space was vacant for years, and the Airport found a gentleman that set up a business in good faith. They have an aeronautical use and they have bought up land around the City. Mr. Browning advised the City should have brought the information to the Airport Advisory Board for the opportunity to look at the situation a second time. He asked that at a future meeting the Airport Advisory Board look at the situation and weigh the pros and cons. Mr. McClain also advised the Airport Advisory Board should have been consulted.

Mr. McNair advised this is a matter of trying to clean up the setup at the Airport.

Mr. Jeremy Alexander advised Mr. Nations has not received any communication from the City regarding the desire for his operation to leave. Mr. Nations has in the past offered to build a hangar.

Ms. Carty said the eviction may have been premature if there was no communication with Mr. Nations.

Mr. McNair advised he has multiple conversations with Mr. Nations regarding a hangar rental.

Mr. Alexander advised without a lease, Mr. Nations cannot obtain a Business Tax Receipt from the City.

Discussion commenced regarding the potential of bringing in portable buildings as additional office space. Mr. McClain offered to reach out to the School District to see if they could temporarily share a portable building.

Discussion continued regarding the eviction of Mr. Nations. Mr. McNair advised Mr. Nations has occupied the space since August 2020. Mr. Browning advocated to be fair to Mr. Nations as it would jeopardize the bigger picture.

Mr. Groh advised the old terminal building was being used as a non-aeronautical facility. The FAA would need to look to see if they have received a request from the Airport to designate it as non-aeronautical. Then, they will want to see if there is a lease. Third, they will want to look at the rules and regulations of the Airport.

Mr. Alexander advised the facility is being used for aeronautical use.

Motion by Mr. Browning to recommend to the City to try to negotiate a lease with Mr. Nations first, before anything else occurs or a legal mess entanglement occurs, to negotiate with him in good faith.

Mr. Billingsley asked to get a lease with the current tenant that includes the intended use (aeronautical) and that there are expanding operations with the City and an expansion plan.

Amendment friendly.

Second by Mr. Johnson. The motion passed unanimously.

Mr. McClain and Mr. Billingsley thanked Mr. McNair for staying current with the FAA and providing documentation. Mr. Browning expressed the Board needs to be more proactive. Ms. Miller spoke regarding the importance of documentation and insurance indemnification regarding all properties.

5. AIRPORT UPDATE

- a. Business Report
- b. Operations Report
- c. Monthly Financial Report

6. CLOSING COMMENTS

7. ADJOURN at 1:18p.