

Town of Nantucket
NANTUCKET MEMORIAL AIRPORT
14 Airport Road
Nantucket Island, Massachusetts 02554

Thomas M. Rafter, A.A.E., Airport Manager
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Commissioners
Daniel W. Drake, Chairman
Arthur D. Gasbarro, Vice Chair
David C. Gray, Sr.
Andrea N. Planzer
Jeannette D. Topham

AIRPORT COMMISSION MEETING

November 26, 2013

The meeting was called to order 5:04 PM by Chairman Daniel W. Drake with the following Commissioners present, Vice Chair Arthur D. Gasbarro and Andrea N. Planzer.

Commissioner David C. Gray, Sr. and Jeanette D. Topham were absent.

The meeting took place in the 1st Floor meeting room at the Public Safety Facility, 4 Fairgrounds Rd.

Airport employees present were Ashley Christ, Business Manager and Janine Torres, Office Manager.

Thomas M. Rafter, Airport Manager was connected to the meeting by telephone.

Mr. Drake asked for comments on the Agenda. Hearing none, the Agenda was approved.

Ms. Planzer made a **Motion** to approve the 10/30/13 Minutes. **Second** by Mr. Gasbarro and **Passed** Unanimously.

The 11/12/13 minutes were tabled having just received them.

Mr. Gasbarro made a **Motion** to ratify the 11/20/13 Warrant. **Second** by Ms. Planzer and **Passed** Unanimously.

Public Comment

None.

Pending Leases & Contracts

Mr. Drake requested discussing the **GJ Smith, Inc.** Lease first with no objection. A draft Lease was presented with several changes requested by the prospected tenant. Mr. Drake asked Mr. Smith to review his requested changes. Mr. Smith introduced Rod Allred who introduced himself as Mr. Smith's business partner. Mr. Smith and Mr. Allred reviewed the proposed major changes to the standard Airport Lease as well as present several questions:

- Replace the annual CPI-W adjustment with an annual 3% increase for the first five year term with a fair market rental value appraisal to determine the base rent on every five year anniversary.
- Would the effective date of the Lease constitute when lease payments begin? Mr. Drake thought it would unless otherwise agreed upon and specified in the Lease. Mr. Allred explained the time to obtain the design and necessary permit to bring utilities to the lot is the main reason he is asking.
- Would the Commission consider some type of reimbursement agreement for the cost of bringing the utilities either as others may wish to connect or at the termination of the Lease?
- Clarification of the last paragraph of Section 7.1 regarding structural improvements to which Mr. Drake noted the lawyers can discussed as this is not related to any Commission Policy.
- Section 10.3 indicates the tenant is responsible for an environmental site assessment at the beginning and end of the Lease. Would the Commission consider covering the expense of the initial assessment? Ms. Torres remarked the Airport had assessments done on all the parcels that were included in the RFP process.

Mr. Drake asked Mr. Smith to talk about the planned use of the lot due to the significant change in the proposed use. Mr. Allred agreed there have been some changes since the Lease was first drafted and noted the currently proposed use would be strictly a self-storage facility.

Conceptual sketches were reviewed. Mr. Allred pointed out the height proposed is approximately 28.6 feet with approximately 314 units.

Mr. Drake noted the initial term was also asked to be modified from 5 years with up to five 5-year extensions to a 15 year term with one 15-year renewal term. Mr. Allred concurred it would be better for investment purposes but was not a crucial element.

Mr. Rafter remarked his concern over changing the CPI adjustment would hinder the attempt towards consistency. He added the need to confer with Town Counsel as to whether they could as to maintain “Fair & Equitable” terms among all tenants.

Mr. Rafter suggests seeing the proposed layout for the utilities are before commenting on any provisions for reimbursement.

Mr. Allred asked if the Airport would remove the piles of dirt on the lot as to it may have some value. Mr. Rafter pointed out it would be considered but the lot was advertised on an “as is” basis.

Mr. Gasbarro asked about the permitting process remarking this use may require its own Major Commercial Development (MCD) Permit, not a modification to the existing Airport MDC. This permitting process will require engineered drawings which will assist in answering other questions. Mr. Allred reported meeting with Ms. Woodson and the Planning Department and have reviewed all these concerns.

Mr. Gasbarro also commented on whether this use is something the Commission wants noting the increased traffic, the buildings themselves and added liability.

Mr. Smith read the ruling from the Planning Board. “The property is within the commercial industrial district and the use requested above is now allowed by right and is appropriate for the area.” Mr. Rafter asked if the Planning Board was presented the same information as the Commission. Mr. Smith answered no. The original proposal presented to the Planning Board was

a 30 foot building, 120' x 70' hoop structure building with separate metal storage structures added as cash flow allowed. Mr. Drake and Mr. Rafter both noted the proposal submitted in response to the RFP was for landscaping business operations and a side business of storage. Mr. Smith indicated the building on the property was never intended to be used for landscaping.

Mr. Drake added his personal reactions to the questions brought forward:

- CPI - If the Commission decides to alter from the annual CPI adjustments, the rate should be higher than the average
- Reimbursement for utilities – while agreeing of adding long term value, the 30 year maximum lease term utilizes the useful life of those utilities and therefore would say no.
- Acknowledged he's not familiar with how leases work when there is a development in process, but is concerned that six months have passed since the proposal was submitted and there is still no lease.
- While the use is different than what was originally proposed, if a storage facility fits within the realm of the Planning Department and zoning, is okay with having on Airport property.
- Would suggest a higher amount for the restoration bond.

Mr. Drake suggests the next step is to talk with Counsel about the proposed changes as well as obtain some real estate expertise on what is customary under development.

Mr. Gasbarro added with so many potential users, we need to have strong conditions on how the property is managed and be clear on responsibilities.

Other pending Contracts were reviewed:

- A no-cost amendment to the **Robert H. Lord Inc.** contract to purchase furniture for the GA/Admin building to extend the expiration date from August 31, 2013 to December 31, 2013 to allow for the delayed delivery. **Motion** to approve by Mr. Gasbarro. **Second** by Ms. Planzer and **Passed** unanimously.
- **Burke & Lamb, PC** - \$15,000 contract for general accounting consulting, expiring 6/30/14. **Motion** to approve as presented by Ms. Planzer, **Second** by Mr. Gasbarro and **Passed** unanimously.
- **Team Eagle** – a \$5,300 contract to supply and deliver sweeper broom and fire truck turret parts, expiring 6/30/14. **Motion** to approve as presented by Mr. Gasbarro. **Second** by Ms. Planzer and **Passed** unanimously.

Pending Matters

120412-3 Existing Bunker Lease Review – Mr. Rafter reported the tenant, Atlantic Aeolus has acknowledged receipt of the Amendment and a meeting is being scheduled to meet with the tenant.

021213-2 Air Traffic Control Tower (ATCT) – Mr. Rafter reported a meeting was held at which the FAA verified \$4.1 million in funds is available. Further verification is needed to find out if the Airport will be required to front the money. The Airport is waiting for Town Counsel's opinion on whether we must put out an RFP for design and construction services. Mr. Drake added the FAA indicated their preference for using Jacobs who provided the original scope of work analysis. Mr. Drake noted the estimated cost indicated in the scope appears to be \$1.4 million but consensus indicates that may not be the entire project. Mr. Rafter time is of the essence should we have to go out to bid due to the expiration of the funds.

062513-3 Noise Abatement – Mr. Rafter indicated nothing to report.

070913-1 TON Memorandum of Understanding (MOU) – Mr. Rafter indicated nothing to report.

112613-1 Windmill Car Rental Parking Permit Status – Mr. Drake explained a Public Hearing took place at the Board of Selectman (BOS) meeting last week regarding the application for a Public Parking License by Windmill Car Rental. Mr. Gasbarro represented the Airport at the Hearing and expressed his displeasure at Town Counsel who was in attendance, but refused to represent the Airport, instead drafted a letter which Mr. Gasbarro signed. Mr. Gasbarro presented the Airport's case of opposing the license due to direct competition with the Airport. Mr. Gasbarro reported the BOS deferred the decision after a motion to approve was made but did not gather a second. The BOS did vote to close the Public Hearing portion eliminating the chance to comment further at the next meeting.

Discussion moved to the possible need of separate Counsel having this being the second instance of a conflict of interest between Town Departments for Kopelman & Paige. Mr. Drake feels strongly we should have other Counsel on standby. In response to Ms. Planzer's question, Mr. Drake explained the first instance occurred when to MOU between the BOS and Commission was signed over the procurement issues. When separate Counsel was suggested then, the Commission was told that would require the approval of the BOS. Mr. Drake suggested that the Grant Assurances might overrule that opinion.

Finance

111213-2 Kopelman & Paige Fuel Revolver Opinion – Mr. Drake referencing the email string messages contained in the meeting packet, reported a meeting is being scheduled for December 3rd with the Town Manager, the Finance Dept., Town Counsel and the Airport to discuss the open issue of the handling of surplus funds pertaining the Fuel Revolver (FR) and prepare for what is needed for Annual Town Meeting including seed money for beginning of the fiscal year.

100813-1 FY2015 Budget Update – Mr. Drake announced the deadline for the budget has been extended to December 11th. And will hopefully have the answer to the FR excess funds in time to vote on the budget at the next Commission meeting. Mr. Drake added the budget in this packet does not have any changes from the previous meeting.

Vote to Repay Reserve Fund for FY13 Transfer of \$90K for TW Connector Project – Mr. Drake reminded the Commission the \$90K was borrowed from the Reserve Fund to cover the design contract on TW Juliet project. The FAA Reimbursement for that project has been received and therefore can be repaid. Mr. Gasbarro made a **Motion** to reimburse the Town Reserve Fund \$90K from the Airport Capital Account, 55485-94103, for the TW Connector Project. **Second** by Ms. Planzer and **Passed** unanimously.

022613-2 Master Plan & Sustainability Program Update – Mr. Rafter reported work is continuing of the financial component as well as the inventory and the document on forecasts is being reviewed. Ms. Torres was asked to forward the comments from the first Advisory Group meeting. Mr. Gasbarro remarked he hoped information on completed tasks would be received in a timely manner.

GA/Administration Building

Mr. Drake announced the Certificate of Occupancy (CO) was received yesterday signifying, in essence, substantial completion. Mr. Drake added both Mr. Rafter and Mr. McGuire are out of Town and will then respond to Fasanno, Acchione's inquiry on occupancy next week.

Manager's Report

Project Updates

Mr. Rafter reported:

- The Runway 6 PAPI installation is scheduled for the week of December 2nd.
- Still waiting to hear when Runway 33 REIL and PAPI work will begin.
- Held a conference call with the PFC Consultant to finalize the presentation to the User's meeting scheduled for December 3rd. This will open up the 30 day comment period from the users.

RFP/Bid Status

- We received some questions pertaining to the Fuel RFP and will be answering those via addendum this week.
- The Engineering RFQ has been submitted to the Procurement Office for review.
- We will be advertising an RFP for the ATM spaces next. The first step is to obtain an appraisal.

Operations

- Still waiting to for paperwork required to move forward with the Assignment of the Taylor Hangar.

Staff Update

- John Grangrade has accepted the Maintenance Superintendent position.

Mr. Drake reported the Statistics for October were included in the packets. Operations for the month of October are up 6% over last year with the most increase being the air taxis. Enplanements are also up slightly over last year.

Discussion moved to upcoming stroll weekend as well as the recent C17 fuel purchase which led Mr. Drake to ask for Fuel Sales to be included in the statistics report going forward.

Sub-Committee Reports

None.

Commissioner's Comments

Mr. Drake, on behalf of the entire Commission, extends deepest sympathy to Mrs. Topham and wish Mr. Gray a speedy recovery.

Public Comment

None.

Mr. Drake announced there is no need for an Executive Session.

Mr. Gasbarro made a **Motion** to adjourn. **Second** by Ms. Planzer and **Passed** unanimously.

Meeting adjourned at 6:04 p.m.

Respectfully submitted,

Janine M. Torres, Recorder

Master List of Documents
11/26/13 Agenda including Exhibit 1
10/30/13 Draft Minutes
11/12/13 Draft Minutes
Draft G.J. Smith Inc. Lease with Redline Markups
G.J. Smith Inc. Lease Requested Changes and Comments dated 11/20/13
HDC Notice of HDC Application for 64 Bunker Road (Smith)
Conceptual Sketches of Storage Facility (Smith)
Robert H. Lord Contract Amendment #1
Burke & Lamb PC Contract
Team Eagle Contract
11/20/13 Letter to BOS from A. Gasbarro re: Windmill Parking License (includes 1994 Special Permit, 2005 Restriction, 6/13/13 Zoning Board of Appeals Minutes)
10/22/13, 11/4/13, 11/5/13& 11/19/13 email string between J. Giorgio and D. Drake re Fuel Revolver
FY2015 Draft Budget
3/5/13 Request for Transfer from Reserve Fund to Airport Operating Budget for \$90K
Jacobs Master Plan Progress Report 9/28/13 – 10/25/13
October Statistics

