

Regular Meeting of the Airport Committee
Held in the Conference Room at City Hall
January 20, 2015 at 8:00 a.m.

Notice of this meeting was given to the public in compliance with Sections 10-15-1 through 10-15-4 NMSA 1978 and Resolution 14-36.

Roll Call

The meeting convened at 8:01 a.m. with Chairman Henderson presiding, Councilors Perry and Sanchez present.

Staff and Guests present: Steve Polasek, Jennifer Brady, Scott Stark, Walt Ramirez, Jim Phillips, James Salas, Dale Mullinax, Randal Seyler, Larry Connelly, and Jim Barker.

Elected Official present: Caleb Grant

Agenda

Councilor Sanchez moved to approve the agenda for January 20, 2015 regular Airport Meeting Agenda and had item number one, Fuego Wireless, LLC, removed off the agenda. Councilor Perry seconded the motion. Councilor Perry moved to approve the regular meeting minutes of December 16, 2014, as written. Councilor Sanchez seconded the motion. A voice vote on each motion was unanimous and the motions carried.

Regular Items

AerSale, Inc., Building No. 60 – Mr. Stark advised Building No. 60 was the building Feed Sources, LLC, was leasing up until last month. He said AerSale, Inc., approached staff to lease the building for storage. Mr. Stark stated rent is \$1,100.00 a month, \$13,200.00 per year, and the lease is for five years beginning March 1st. The Chair and Councilor Perry indicated they both received an email from Mr. John Mulcahy regarding Building No. 60. The Chair said Mr. Mulcahy was trying to give the City some other options on how the building may be used. The Chair stated he would like to defer their decision until the Committee hears from Mr. Mulcahy and asked Mr. Phillips if he would like to make any comments. Mr. Phillips said he does not think the Committee should defer this at the moment. Mr. Phillips stated right now AerSale, Inc., has an additional seven new aircraft being disassembled here. He said they are scheduled to have sixteen more aircraft disassembled here this year and he needs space to put the parts in. He said currently there are five people having their back ground checked and he's looking for five more, a total of ten jobs to bring to Roswell. He said this could also expand beyond that. Mr. Barker asked if this is the Committee's position going forward if every time someone wants to rent a building it is going to be deferred to see if there is another use or purpose for the building. Mr. Barker said he does not understand other than the building being rented and paid for and people being given jobs what other purpose is there. The Chair said he apologies for the confusion and said he thought it was worth the Committee listening to what Mr. Mulcahy

had to say. After more discussion, the Chair decided to give Mr. Mulcahy a chance to get to the meeting and would defer this item until the end of today's meeting.

Mr. Stark advised of the following three lease renewals and stated staff recommended approval. Councilor Sanchez moved individually that the Airport Committee recommend to the full council on the February 12, 2015 City Council consent agenda approval of the following three lease renewals subject to terms and conditions of the lease. Councilor Perry seconded each motion:

Kerry Hunter, Building No. 117

Don and Angel Mayes, "T" Hangar Building No. 120, Space 2

Brandon Arnold, "T" Hangar Building No. 120, Space 3

A voice vote indicated the motion carried.

Aircraft Technical Support Roswell, Inc., Addendum to Lease – Mr. Stark advised several months ago the Committee extended Aircraft Technical Support Roswell, Inc., time frame to December 31, 2014 on their option to obtain an area of land to build a teardown pad. Mr. Stark said they executed this option and this is the purpose of the Third Addendum to Lease Agreement. He said their rent will begin March 1st. Councilor Perry moved that the Airport Committee recommend to the full council on the February 12, 2015 City Council consent agenda approval of the Third Addendum to Lease Agreement between the City of Roswell and Aircraft Technical Support Roswell, Inc., to exercise the option to lease an additional eight acres of land, more or less at the RIAC. Councilor Sanchez seconded the motion. A voice vote indicated the motion carried.

Sprint Spectrum Realty Company, L.P., Addendum to land lease – Mr. Stark advised Sprint called staff to ask that their five year lease have four (4) five year options to renew added. Mr. Stark said they lease one leg and part of the rail. Councilor Sanchez moved that the Airport Committee recommend to the full council on the February 12, 2015 City Council consent agenda approval of the First Addendum to Lease Agreement between the City of Roswell and Sprint Spectrum Realty Company, L.P., lease is amended to add four (4) five year options to renew. Councilor Perry seconded the motion. A voice vote indicated the motion carried.

AerSale, Inc., Building No. 58, Request for Rent Abatement on Big Fan – Mr. Stark advised AerSale, Inc., would like to add one Big Fan in Building No. 58 like the ones they have in Building No. 66. Mr. Phillips said AerSale, Inc., installed three Big Fans in Building No. 66 and have gone through a couple winters and summers. He said the amount of heat generated by running the heaters and putting these fans in has brought up the temperature in the building up by at least twenty-five degrees and during the summer the fan is reversed to get the hot air out. It cools the building down really nice. Mr. Phillips said their electrical cost have gone down by forty percent. Councilor Perry moved that the Airport Committee recommend to the full council on the February 12, 2015 City Council consent agenda approval of rent abatement request for AerSale, Inc., for air circulation improvement in

Building No. 58, not to exceed \$10,810.00. Councilor Sanchez seconded the motion. A voice vote indicated the motion carried.

The Chair asked the Committee to move back to item number two and asked for a motion. Councilor Perry moved that the Airport Committee recommend to the full council on the February 12, 2015 City Council consent agenda approval of new lease agreement between the City of Roswell and AerSale, Inc., on Building No. 60 for the purpose of providing commercial aircraft parts to secondary market, subject to all terms and conditions of the lease. Councilor Sanchez seconded the motion. A voice vote indicated the motion carried.

Other Business or Non-Action Items

Manager's Report – Ms. Brady reported construction is coming along. She said the project is about three weeks behind due to weather. Ms. Brady said mid-April is when construction should be completed. Ms. Brady also reported the Navy is flying. She said Monday was a down day for them due to weather. She said they are trying to make up days and are flying six days a week. Ms. Brady also reported Gulfstream should be in this morning. They will be doing takeoffs and landings on the portion of the main runway that is open. Ms. Brady said staff has been contacted by Embraer who is planning to come here to do some work. Ms. Brady said Discovery Air Defense is another company wanting to come here. Ms. Brady said the Airport is continuing with the terminal improvements. Ms. Brady also said the Airport is planning a barbecue January 30th for the Navy group that is here before they switch out.

Property Manager's Report – Mr. Stark reported the fire suppression system at Dean Baldwin Painting is very close to being completed. Mr. Stark reported accounts receivable most accounts are current. He said the accounts that are not current are no more than thirty days late. Mr. Stark said Stewart Industries parking is as it's been. The number is still pretty large.

AvFlight Roswell Corporation – Mr. Salas reported they are starting to get pretty busy. He said things were pretty slow towards the end of the year, but business has picked up quite a bit. He said he has seen a lot of military traffic the last two weeks coming in and an increase in transient traffic. Mr. Salas said on the lighting project they have two buildings completed. He said Building No. 1532 the lighting project was completed in November. He also said yesterday J&G Electric came out and started with the base hangar at the FBO and completed the lights yesterday evening and starting on Building No. 1535 this morning. He said hopefully the rest of the buildings will be completed by end of February.

Stewart Industries – Mr. Mullinax said things are going extremely well at Stewart Industries. He said he met with Airport staff yesterday looking for space to park about seventy-five more airplanes. He said American Airlines is still pushing on getting rid of their outdated airplanes. He said he has twenty-two MD80's going to the sale block. They are starting to move the first one today. Mr. Mullinax said Stewart Industries has hired eight recently and looking for another ten. He said Stewart Industries has a tremendous amount of work coming in on the American side and with other customers as well.

Larry Connelly – Mr. Connelly asked about the status of the Phoenix flight. The Chair said last he has heard the City is waiting to hear back from American.

Adjourn

There being no further business to come before the Committee, the meeting adjourned at 8:43 a.m.

Respectfully submitted by: Walt Ramirez
January 22, 2015

To be approved: February 17, 2015