

BFAC/Airport Finance Group

Minutes of Meeting – August 22, 2014 at Town Hall

Arthur Malman, Chairman of Town of East Hampton's Budget and Financial Advisory Committee (BFAC), called the meeting to order at 9:30.

The following members of the BFAC/Airport Finance Group were present: Pat Trunzo, III, David Gruber, Munir Saltoun, Frank Dalene, Peter Wadsworth, Bonnie Krupinski, Toni Somerstein, Mike Diesenhaus and Arthur Malman; Gene Oshrin and Tom Twomey could not attend.

Attending the meeting by invitation was Kathee Burke-Gonzalez, Councilwoman and Board liaison for the BFAC and for the airport and Jim Brundige, Airport manager and Jemille Charlton, airport attendant [who it was subsequently reported had accepted the position of Airport Supervisor effective on Jim Brundige's retirement in the fall]. Also attending by invitation was Eric Schantz of the Planning Department. Supervisor Larry Cantwell joined for a portion of the meeting.

Minutes of the last meeting had been previously distributed and were approved as revised. The attached agenda had been previously distributed.

Arthur Malman updated meeting on the two bids received for an additional airport engineering firm. Both bidders had appeared to the bid review committee members to be experienced with matters for which it was anticipated that they would be called upon. However one bidder had submitted the resume only of its principal so that the experience of the other bidder's permanent staff appeared more likely to be able to handle a wide variety of matters and more easily cross pollinate. While the larger bidder's hourly rates were higher it would not charge for attending board and committee meetings.

Eric Schantz then explained to the members the various restrictions applicable to the areas of the airport property that were being considered for lease. In general because of the airport being in a water recharge area the restrictions were that no more than 50% of a parcel could be cleared, no more than 40% could be paved and no more than 30% could be built upon. The type of businesses allowed and disallowed were also discussed and Eric would send to the committee a list of permitted uses.

There was discussion of the number and sizes of the present lot layout along Industrial Road but Pat Trunzo III pointed out that they could be relatively easily be reconfigured if necessary by lot line adjustments to fit the needs of particular users. As a result the focus for brokers should be on 35 ½ acres of commercial/industrial property for lease rather than a focus on the particular lot sizes presently configured.

Jim Brundige pointed out that the FAA approval would need to be requested for non-aeronautical uses, but assuming the leases were at fair market rents this should not be a major problem.

Larry Cantwell and Pat Trunzo III noted that the industrial road properties had been intended to spur job growth and a possibility for StartupNY or other special state industrial zone status was suggested. A discussion ensued on the town trying to figure out the probable uses and it was pointed out that this would really be driven by market demand that we would know as we receive inquiries from interested parties.

A proposal was made to just send the information on the availability of the property out to local brokers. Bonnie Krupinski and Arthur Malman advised against this approach and recommended engaging an experienced commercial broker on an exclusive basis. Bonnie noted that a significant marketing program would be needed and without an exclusive arrangement brokers were unlikely to spend the time and money needed for it. An initial exclusive brokerage term of a year with possible renewals at the town's option seemed to be appropriate

In particular long term parking away from the terminal was discussed in the context of an eventual possibility for a transportation hub in a new hamlet to be considered for the adjoining Tintle sand pit. The sense of the meeting was that the Town should try to maintain the vacant parcels immediately adjoining the sand pit area as the last offered for lease to retain flexibility for interconnections between such potential development and the airport property.

Discussion also ensued about the use of the new 5 ½ acre parcel as a complex for aircraft and airframe certifications and repairs as Tom Twomey had suggested; it being noted that since the work on each aircraft would take about a week or so the increase in air traffic from this use would be minimal and there was a possibility to create highly skilled jobs. Frank Dalene noted that the energy companies were also interested in this parcel near the power lines for a possible back up power facility

With respect to our upcoming progress report, Peter Wadsworth suggested that it include suggestions for enterprise accounting and changes in state law to allow Towns with airports such as ours with less than 1000 acres to issue bonds for more than 10 years if the life of the improvements were longer (eg 20 years for new runways). He also suggested that the report note prior recommendations. Arthur Malman indicated that he and Peter would work on a redraft to circulate to subcommittee with a target date of early September for final approval by the members.

The meeting then turned to paid parking. David Gruber recommended that we spend as little as possible at first to get a better handle on demand and pricing. The sense of the meeting was that an initial step as soon as possible this fall should be to restripe the paved area, put up signage that all parking would be paid at a single Luke II multispace meter, add no parking signs along the road for at least a mile on both sides of the terminal and start experimenting with rates.

Frank Dalene noted substantially higher rates than our projected \$5-15 per day at other airports and the members felt we should probably start at \$10-15 per day during our winter experimental period, with the idea of raising it by the late spring. We should expect that as soon as the airport started charging for parking people would initially find alternatives but as they proved a nuisance the number of paid parking users should slowly increase.

One focus was to move rental cars out of the main lot to make room for other users who would pay a daily rate to park. Jemille Charlton reported that the car rental companies often used as many as 50 spots in the lot for drop offs. It was noted that the Town was not obligated to make free parking available to them. The subcommittee asked Jemille Charlton to talk to the two rental companies to get an idea of the number of spots that they would like to reserve and pay for. In response to the suggestion that these spots be located on the existing unpaved supplemental parking area, Bonnie Krupinski noted that they would probably prefer that the area should be paved---and if they signed long term leases for spaces in this area their rent should easily support the cost of paving and signage and still result in an additional revenue stream for the airport.

A discussion ensued on cheaper parking for airport employees and employees of airport tenants but restricted to back areas of the lot. Handicapped spaces would continue to be at the front.

Enforcement was discussed and it was thought that once a day at around 6 AM would be a good start during the winter experimental period. The focus should be on enforcement of non payment and discouraging parking in no parking areas to encourage paid usage and not as a revenue generator.

A question was raised about the usage and other data available from the Luke II and Peter was asked to inquire about special data collection modules.

The meeting adjourned at noon after having the next meeting set for 2 PM on Friday, September 19th, at Town Hall.

Respectively submitted, Arthur Malman

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