

**MONROE COUNTY BOARD OF
AVIATION COMMISSIONERS
REGULAR SESSION**

DATE: June 26, 2018
TIME: 0800 hours
PLACE: Airport Terminal Building

MEMBERS:

Dr. William Pugh, President
Mr. Ken Ritchie, Vice President
Mr. Patrick Murphy, Treasurer

OTHERS PRESENT:

Mr. Josh Lankford, Manager Air Traffic Control Tower
Mr. Bobbie Burke Sr., President BMG Aviation
Mr. Bobbie Burke Jr., BMG Aviation
Mr. Rex Hinkle, President Cook Aviation
Mr. Jerry Harkin, EAA Chapter 650
Mr. Scott Saunders, Air Traffic Control Tower
Mr. Bruce Payton, Airport Director
Mrs. Amy Gharst, Administrative Assistant

Dr. Pugh called the meeting to order at 0815 hours and requested review and approval of the May 2018 meeting minutes. He asked if there are any corrections or additions. Hearing none, Mr. Ritchie moved to approve the minutes as presented, Mr. Murphy seconded the motion and it passed unanimously.

HANGAR USE:

Mr. Payton began the discussion by presenting the members and interested participants a copy of the Department of Transportation, Federal Aviation Administration 14CFR Policy on Aeronautical Use of Airport Hangars. He received this document from the FAA and upon review of July 2017 revisions of 14CFR Chapter 1, he forwarded the document to the BOAC members and Monroe County Attorney Jeff Cockerill for their careful review.

The document makes clear the FAA's policy on aeronautical use of hangars owned by the Sponsor as well as hangars owned by private or corporate entities and requires the sponsor to assure the facilities are used for aeronautical purposes. Provisions in the document will allow for non-aeronautical use of a hangar on an interim basis but only when it is disclosed to, and approved by, the Sponsor. The Sponsor must then seek approval for such use by the Federal Aviation Administration. In addition to FAA approval, the Sponsor must demonstrate to the FAA they are collecting Fair Market Rate for the hangar or land rent that is commensurate to the hangar's requested use. In essence, the price for aeronautical use of a hangar is usually negotiated differently than general storage, recreational vehicle, or warehouse space in an area.

Mr. Payton stated he has sought an average price of storage units on the west side of Bloomington and that could be used as market rate for airport owned t-hangars should the Board request interim use pricing. He did however reach out to land appraisers in Bloomington and Indianapolis and they commented this would be difficult at best to determine FMV for land rent for something other than aeronautical use on an airport.

President Pugh stated this is critical, the airport can lose grant money and can't afford to be on the bad side of the FAA or we could have to repay funds if they don't like how we handle hangars. The Board and attorney will meet before there is a tenant meeting so we can discuss how this works for everyone. He indicated the Board's intent is to not excoriate tenants but find a way to be fair and maintain compliance with the regulations.

Mr. Murphy asked the dollar amount, in rough numbers, the airport has received in Federal AIP grants as compared to budget and revenues; Mr. Payton responded that it's roughly over \$40 million, currently averaging over \$1million annually. Murphy noted the memo received from Mr. Payton referencing an Air B&B. Mr. Payton explained to the room a request by a potential buyer of an existing aircraft hangar prompted him to write the FAA for their determination on an idea for space inside that hangar. After review, the FAA stated they would want additional information after the Board of Aviation Commissioners "Sponsor" reviews 14CFR Chapter 1 regarding hangar use and the Grant Assurances they sign for accepting Federal Airport Improvement Grants. Mr. Murphy asked how other communities are handling this. Mr. Payton noted he knows of no others in Indiana but will ask the FAA for assistance if there are other models we can follow.

Mr. Ritchie added this is a complicated situation and we need to come up with a percentage for square footage that could be applied to non-aeronautical use should someone request that. The airport also needs a time limit of removing non-aeronautical items out of the hangar. We, as an airport, have made an effort to keep our hangars current and haven't had complaints from the FAA, which makes it easier when we request for grants. Mr. Richie also asked how many people are currently on the t-hangar waiting list. Mr. Payton confirmed 4 paid requests currently.

Mr. Payton reported he has met with Jeff Cockerill and they edited a previous letter by Vice President Ritchie regarding hangar use at Monroe County Airport. He stated he believes this process can be made easier if tenants are informed of the changes by the letter and read CFR14 which should be included in the letter. Additionally, the Board should conduct a meeting with airport hangar owners and tenants to ask their thoughts on how we can establish something fair to everyone and meet FAA requirements. Mr. Payton stated he would start dialog with tenants and offered to meet with EAA should any of their members have questions. Lastly, he would post this on flymonroecounty.com blog spot.

President Pugh asked if there were any questions from the room. Upon hearing none, Mr. Payton asked the Board if he should proceed as discussed. The Board agreed.

NEW BUSINESS/OLD BUSINESS

Mr. Payton reported no new business but talked about the recent airport visit by U.S. Congressman Trey Hollingsworth.

Airport management has been working with the Senators and Representatives regarding the impact of privatization of air traffic control in the US, but more particularly, the local airport impact of the Federal Contract Control Tower Cost Share Program and the Airport Improvement Program. Congressman Hollingsworth and Senator Donnelly have both worked on behalf of our airport to continue these programs. Congressman Hollingsworth visited and toured the airport with President Pugh, Mr. Payton, and the Air Traffic Controllers for nearly two hours on June 1, 2018. A great deal of conversation ensued regarding the airport's future plans and the importance of air traffic control in our community. Mr. Payton noted the Congressman was very well informed and his active participation in the conversation was encouraging.

Lastly, Mr. Payton briefed the Board on his attendance to the Contract Tower Workshop in Washington D.C. last week. He noted the House has passed approval of the FY19 budget that contains full funding of the Contract Tower Program and the AIP. The Senate has yet to pass such legislation but is expected to do so. Mr. Payton reported he stopped by Indiana's legislator's offices to say thank you for their cooperation.

PUBLIC COMMENT:

President Pugh asked for any public comment; hearing none, and no further business, the Board adjourned at 0915.

Bruce Payton, Airport Director