



FINANCE SUBCOMMITTEE MEETING MINUTES
Tuesday, December 6, 2022
8:30 a.m.
Via Zoom Virtual Meeting

Call Meeting to Order:

8:32 a.m.

Commissioner's Present: (Roll Call)

Norman E. Weill, Commissioner

Bradley J. Bailey, Commissioner

John G. Flores, Commissioner

Airport Staff:

Katie R. Servis, Airport Manager

Christopher Bostwick, Senior Project Manager

Suzanne Kennedy, Administrative Assistant to the Airport Manager

Airport Staff Absent:

Matthew T. Elia, Assistant Airport Manager

Public Members:

John T. Griffin, Cape Cod Gateway Airport

Minutes of the April 19, 2022 and May 3, 2022 Finance Subcommittee meeting were approved and will be signed at a later date.

Commissioner Weill took a moment to recognize tragedy at the Falmouth Air Park and stated it is a great loss to the aviation community.

OLD BUSINESS

NONE

NEW BUSINESS

OLD BUSINESS

F1122-3 Review and Approve the Lease Agreement by and between Cape Cod Gateway Airport and Eric Drugge for hangar development on the east ramp.

- Manager Servis stated the draft lease was crafted with the airport's attorneys and is under review by the potential Lessee
- Most of the terms were previously discussed with the Lessee.
- The lessee intends to use the property as a Specialized Aviation Service Operator (SASO) - Aircraft Rental or Flight Training Operator and shall comply with the Airport's published Airport General Aviation Minimum Standards
- The use of property not only meets the Airport's Business Plans goals but further provides a source for much needed flight training at the airport for those wishing to learn to fly and achieve their pilots license
- Term is 20-years but the Lessee has requested a clause in the lease allowing for term extension in excess of 20-years with Barnstable Town Council approval pursuant to M.G.L. c. 90, §51 as the Airport Commission can only approve a lease term of 20 years



- Square footage of leased land is = 22,500 square feet. Similar to other leases with property development and to entice hangar development on vacant land, the Airport is allowing for lease terms that are conducive to construction and provide a financial break for the developer

- CONSTRUCTION PHASE (24 MONTHS TOTAL)
 - @ \$0.25/square foot (50% discount)

Land at 210 Mary Dunn Way	Area (square feet) = 22,500
Construction Phase Rent /Square Foot	\$0.25
Annual Rate	\$5,625
Monthly Rate	\$469

- FULL OPERATION PHASE I (LEASE YEARS 3 THROUGH 7)
 - @ \$0.40/square foot (20% discount)

Land at 210 Mary Dunn Way	Area (square feet) = 22,500
Full Operation Phase I Rent /Square Foot	\$0.40
Annual Rate	\$9,000
Monthly Rate	\$750

- FULL OPERATION PHASE II/BASE RENT (LEASE YEARS 8 THROUGH 20)
 - @ \$0.60/square foot (0% discount) and based on assumed FMV

Land at 210 Mary Dunn Way	Area (square feet) = 22,500
Full Operation Phase II/Base Rent /Square Foot	\$0.60
Annual Rate	\$13,500
Monthly Rate	\$1,125

- Base Rent during the Lease Term shall be increased annually on anniversary of the Commencement Date by 3% or the Consumer Price Index (CPI), whichever is greater.
- In addition to the annual adjustment, during the Full Operation Phase II (Lease Years 8 through the end of the Term), the Base Rent shall be adjusted by increase in the fair market rental value of the Leased Premises (the "Fair Market Rental Value") on the anniversary of the Commencement Date in years 8, 13 and 18 as determined by a licensed professional and commercial real estate broker or appraiser in the Airport market, identified, procured, and paid for by LESSOR, taking into account the fair market rental value for premises of comparable size, quality, age and location, and all relevant factors.
- Lessee will also pay quarterly, as Additional Rent, a sum equal to three (3%) percent of gross revenue obtained from all sales and services of any nature, excluding avionics sales and services, but including any subtenant rents of the Leased Premises.
- A motion was made by Commissioner Flores and seconded by Commissioner Bailey to approve and move the item to the Full Commission meeting by a roll call vote:

Commissioner Weill -Yes

Commissioner Bailey - Yes

Commissioner Flores -Yes

Action: The agenda item was moved to the *December 13, 2022* Full Commission meeting for approval



NEW BUSINESS

None

Updates:

- Manager Servis review the attached FY2022 Budget Update Presentation.
 - Overall we are tracking well within budget with current budget surplus of \$600,000.00 without CARES/SRRSAA grants. Manager Servis stated we needed to transfer more money into the budget to cover jet fuel purchases for resale.
 - Jet fuel sales are 81% above estimated revenue.
- Rental Car concessions are 81% over budgeted revenues.
- Reviewed top 6 Revenue Producers Jet Fuel, Grants, Non Aero Land lease, rental car concessions, landing fees, land lease.
- Operations are down 8% for the month compared to FY22.
- Operations overall are down 4% for FY23 compared to FY22
- Reviewed top 6 Revenue Producers Jet Fuel, Grants, Non Aero Land lease, rental car concessions, landing fees, land lease
- CARES Act Projects Update/Status
 - Replacement of T-Hangar & Airport Operations Renovation
 - Project update by Chris Bostwick
 - Mary Dunn Way Extension
 - Project update by Chris Bostwick
- Procurement
 - Three-year on-call painting
 - Café commercial kitchen or retail
 - Communications Manager
 - Airline Consultant
- Town of Barnstable Budget
 - Capital Improvement Plan (CIP) for FY2024 Submitted
 - Operations Budget development for FY2024 underway
- Airport Environmental Assessment Status
 - Public meeting 10/27 @ 1800 in Terminal Baggage Claim – Overview
 - Next Public Meeting = December/January
- PFOS/Public Involvement Plan & Update
 - Phase IV Report submitted to DEP in October 2022
 - Webpage development with more information on PFAS completed
- Rebranding
 - Sign Replacement
 - Mary Dunn Way Project included one sign.
 - Replacement of wooden signs – out for a bid/quotes.
 - Working with the state on replacement of the green/white signs

Additional Comments:

Adjourned: 9:26AM

The next Finance Subcommittee Meeting is scheduled Tuesday, January 3, 2022 @ 8:30 a.m.


Norman E. Weill, Chairman



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KATIE RILEY SERVIS Airport Manager | MATTHEW T. ELIA Assistant Airport Manager