NEW BUSINESS

LEASE AGREEMENT -- Tango Yankee, LLC d/b/a Business Aircraft Center

Chairman Ashkar stated everything has been covered in the lease and am satisfied by the terms and conditions of this proposed lease.

Motion made to approve Lease Agreement between Tango Yankee, LLC d/b/a Business Aircraft Center and the City of Danbury by Commissioner King, seconded by Commissioner Omasta

Discussion followed by Michael Safranek, Airport Administrator:

1. Going from about $11,500 per year under the old lease to an estimated $81,845 per year (depending on the tax of an acre of airport land) with this new lease.
2. From this lease forward, all leases will have this "blue print" which will be $8,000 per acre (increasing over time) and a min 2% CPI cap every single year.
3. New fee called "Airport Improvement Fee" will be instituted due to the fact that some leases pay property tax, some pay what is called thru the fence fee or other. With this new AIF we can create a line item and keep track as a revenue source coming into the airport. So funds can be tracked and revenue measured coming in for the Airport. We can have an accurate count from the AIF and the lease and permit fees. Moving forward, this new fee will be paid by all FBOs when their lease is renewed and any new development / leases, will also be paying this AIF as well.

Commissioner King asked if this is for tie-downs which Mr. Safranek replied no it is just for the leases. The FAA was not happy with us as some of the inconsistencies. So now the AIF will be applied to all new leases. The AIF will be 90% of whatever the property tax would have been on an acre of airport land, which can be appealed through the Tax Appeal process.

Chairman Ashkar asked what happens if they go bankrupt and they walk away. Mr. Safranek replied that the building will revert back to us and we would be able to lease it out to another party.

Commissioner Omasta asked if this new AIF will be for all FBOs. Mr. Safranek stated from this lease forward it will be incorporated into all new leases. He also stated that Mr. Silvestro will be giving up his "sweet heart" lease at Danbury Aviation. For that building he is paying $5,200 for an acre and a building which will increase to $16,400.

Chairman Ashkar apologized for not having more meetings this year and that it won’t happen again.

Motion was unanimously approved.

Motion made to adjourn by Commissioner Tamburri, seconded by Commissioner Omasta, and unanimously approved.