

City of Gainesville

Inter-Office Communication
Office of the City Manager
Mail Station 6
334-5010

TO: Hon. Mayor and Members of
The City Commission

DATE: August 15, 2005

FROM: Barbara Lipscomb
Interim City Manager

SUBJECT: Gainesville-Alachua County Regional Airport Authority (GACRAA) – Request
to Transfer Title of Properties

In the last several years, City of Gainesville staff and Gainesville-Alachua County Regional Airport Authority (GACRAA) staff have been in discussions regarding the proposed transfer of fee simple ownership of Airport lands from the City of Gainesville to GACRAA. As stated to the City Commission in recent correspondence forwarded by the current Chairman of GACRAA on May 5, 2005, discussions were initiated based upon the GACRAA's enabling legislation that addresses the land transfer issue.

Brief History

The Gainesville-Alachua County Regional Airport Authority was originally created by chapter 85-738, Laws of Florida. This bill transferred jurisdiction over the operation, maintenance, and improvement of the Gainesville Airport to GACRAA from the City of Gainesville. Because of a legal challenge to the 1985 act, a new charter was adopted by the Legislature in chapter 86-469, Laws of Florida, eliminating legal defects of the 1985 act. The 1986 charter was amended in 1989, Chapter 89-433, Laws of Florida providing that the GACRAA may acquire land in the name of the City of Gainesville by eminent domain; appoint guards or police with full police powers; and expend funds to advertise and promote the Airport. In 1995, Chapter 95-457, Laws of Florida made certain clarifying amendments and provided that the GACRAA had exclusive jurisdiction over the operation and maintenance of the Airport and Airport facilities. More recently, an agreement between the City of Gainesville and GACRAA was entered into on January 28, 2004 regarding the relationship between the two entities related to a number of operating, maintenance, and facility issues.

Current Status

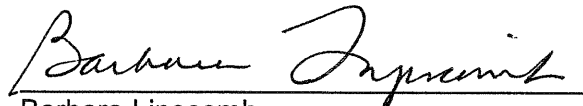
General Government staff, with input from Gainesville Regional Utilities staff, has performed a cursory analysis of the GACRAA proposed Transfer of Title boundaries and has highlighted a number of issues that will need to be resolved in future discussions. Based upon input by various Departments, a synopsis of these issues include:

- 1) Impact on Future Airport Development and applicable Land Use/Zoning Regime– The land use and zoning regimen applicable to proposed development at the Airport and future environmental impacts. Currently, there is no Airport Zoning Map required by the Land Development Code; the proposed expansion of Runway 6/24 and other facilities will impact existing wetlands and Little Hatchett Creek and will have to be mitigated; an extension of Runway 6/24 may trigger a Development Review Impact (DRI) review; and, finally, future development of Gumroot Park will need to be properly managed.

- 2) Impacts on Airport Industrial Park– The development and maintenance regimen utilized for future development of the Airport Industrial Park. Existing agreements including the existing property disposition and reimbursement agreement and applicable restrictions and covenants may need to be revisited. Future responsibilities regarding common area maintenance will need to be clearly delineated.
- 3) Impacts on Gum Root Park– Various issues related to the disposition, maintenance, and restoration of Gum Root Park. The City Commission may want to consider having GACRAA purchase the land with proceeds being utilized to acquire additional lands for conservation. Currently, GACRAA is seeking a conservation easement on a portion of Gum Root property to mitigate potential wetland destruction and this activity may need to be halted pending a decision to transfer title. Finally, an archaeological assessment of Gum Root Park needs to be considered.
- 4) Impacts on Fire Protection – Various financial and staffing issues associated with the operation and maintenance of Fire Station 6. Currently, the operations associated with this station are subsidized by the City of Gainesville in the amount of approximately \$190,000, based upon anticipated revenues.
- 5) Impacts on Police Protection – Personnel costs associated with provision of Officers. Currently, personnel costs are paid by GACRAA; operating and maintenance costs are offset by parking ticket revenue.
- 6) Impacts on Administrative Services Functions – Disposition of the Automated Flight Service Station and future allowances for property insurance coverage. Annual lease payments to the City total approximately \$56,000 and after September 30, 2008, this building will become the property of GACRAA per the January 28, 2004 agreement. In addition, insured values at the Airport are currently carried on the City of Gainesville's property insurance policy. The proposed transfer of title may necessitate the Airport carrying all relevant insurance including property, casualty, and workmen's compensation.
- 7) Impacts associated with Public Works Facilities/Programs– Various maintenance and operation issues related to existing facilities and programs in and around the Airport. These include: the existing driving range; landfill responsibilities; burn site remediation; stormwater management utility fee issues; access to the FEMA debris storage site; maintenance of ROW signs and markings; compliance with the Clean Water program; maintenance of existing stormwater basins; and, lead abatement associated with the Skeet and Trap Shooting Range.
- 8) Impacts on Gainesville Regional Utility Facilities – Existing facilities will need to be surveyed and maintained potentially via the mechanism of blanket easements.

I have attached a report that provides additional information on the associated impacts to the City with GACRAA's request to transfer title of properties.

Respectfully submitted,


Barbara Lipscomb
Interim City Manager

BL:rs

Attachment

Gainesville-Alachua County Regional Airport Request to Transfer Title of Properties

The request by the Gainesville-Alachua County Regional Airport Authority (GACRAA) for the City of Gainesville to transfer title of all City owned properties located at the Airport have been reviewed by staff. For several years, and based upon previously adopted enabling legislation regarding GACRAA, the previous City Manager Wayne Bowers, City staff, the City Attorney office, and representatives of GACRAA have had discussions related to a proposed transfer and outlined proposed boundaries to separate City controlled property from GACRAA controlled property.

Discussions have focused on funding of land purchases; the proposed development of the Airport and applicable land use/zoning regimen environmental issues and liabilities; requirements for stormwater retention to support runway and general Airport expansion; park and conservation requirements of various affected properties; separation of the Airport Industrial Park from Airport land; and, applicable FAA and other aviation requirements, etc. Based upon enabling legislation and subsequent amendments, it appears that GACRAA has exclusive jurisdiction over the operation and maintenance of the Airport and Airport facilities while any remaining control by the City appears to be vested solely in its appointment(s) to the GACRAA Board. As a result, City staff, on occasion, participate in various Airport planning exercises and reviews; however, strictly from an informational and/or advisory nature.

In the remainder of this report, I have attempted to outline some of the issues/concerns identified by a cursory staff review of the proposed transfer of title. There remain specific logistical and management concerns regarding the impact of any proposed transfer of title. These matters, along with other issues discussed during previous considerations of proposals generated by GACRAA's legal counsel, would need to further be explored before a tentative transfer document could be completed.

Impact of Future Airport Development and applicable Land Use/Zoning Regime

There is no adopted airport layout zoning map that has been required by Section 30-76 (Airport facility district – AF) of the land development code since the early 1990s. The consultant for the Airport Master Plan update has submitted a draft zoning map, but it needs considerable revision before the City Plan Board can hear it as a zoning petition. Planning staff has provided comments on the draft map to the consultant, who is developing a scope of work for completion of the zoning map.

The proposed extension of Runway 6/24 at Gainesville Regional Airport will impact wetlands and Little Hatchett Creek. All wetlands and creeks in the City of Gainesville are subject to substantial protections in the Comprehensive Plan and the land development code (Chapter 30, Gainesville Codes of Ordinance). As has been discussed on several occasions with the consultant for the update of the Airport Master Plan, the wetlands and surface waters ordinance does not exempt airport runways. Although the Land Development Code provides for wetland impacts that meet strict avoidance, minimization and mitigation requirements, there is no such provision for creek impacts. This issue will have to be addressed regardless of which entity owns the airport property. In the discussion relating to Urban Reserve Areas, the City requested to have Newnan's Lake and its tributaries in our Urban Reserve Area for protection of the Lake. This Runway Extension may or may not be contrary to this goal.

The proposed extension of Runway 6/24 at Gainesville Regional Airport exceeds the applicable threshold of Section 380.06, Florida Statutes and is therefore subject to review as a Development of Regional Impact. There is, however, a statutory exemption from DRI review if an Airport Master Plan is adopted in a local government's comprehensive plan and if it meets all applicable statutory requirements. The Airport's

consultant has stated that this is the course that the Airport Authority intends to pursue. It is a matter of speculation that transfer of property ownership to the Airport Authority could diminish the leverage that the City Commission might otherwise have in its review of the necessary amendment(s) of the City of Gainesville Comprehensive Plan.

Impacts on Airport Industrial Park

City and GACRAA staff has determined that an orderly manner in which to pursue the proposed transfer of title regarding the Airport Industrial Park would be to delineate maintenance responsibilities between the City and the Airport along NE 49th Avenue (the proposed "break"). The City would then assume all common area maintenance appointed with all public lands (rights of way, etc.) lying to the north of the southern right of way line of NE 44th and 49th Avenues; GACRAA would assume all common area maintenance south of this boundary. The affected stormwater basins must remain within City control.

Although GACRAA is interested in the proposed transfer of title to include Airside Lots, the City would retain Lots 1 and 2 under City control. This would leave the remaining airside lots, which are Lots 8, 9, 10, and 20 under Airport control. Lot 21 would remain in the possession of Ryder.

It will be necessary to revisit the agreement regarding distribution of proceeds and payback of disbursements for airport land sales for less than fair market value for either amendment or rescission. Presently, all revenues from land sales must be reimbursed to the Airport at fair market value. If properties are sold at less than fair market value, the City must make up the difference over a period of ten years. Rescission, or a more equitable distribution between the City and the Airport, needs to be considered. This consideration could affect existing disbursements being made to the Airport regarding previous sales of less than fair market value.

Finally, the proposed transfer of title may necessitate amendment to the existing Airport Industrial Park Deed Restrictions and Covenants to eliminate the Airport's role in land development issues (site plan review, etc.) regarding future development proposals.

Impacts on Gum Root Park

There are various concerns relating to potential impacts upon Gum Root Park. As a matter of background, this property is currently zoned conservation and designated on the Future Land Use Map as conservation. It was targeted for acquisition by the Alachua Conservation Trust and the Community Development Office for "greenspace" for the City's green-belt program. The City requested GACRAA seek an FDOT aviation grant to assist the City in acquiring the parcel. The grant was awarded to GACRAA, with the City paying a \$224,000 local cash match and FDOT paying \$672,000. GACRAA did not make either a cash or in-kind contribution for this parcel. However, a grant agreement was never executed between FDOT and the GACRAA. Subsequently, the FDOT "cancelled any payback requirement for the Gainesville Regional Airport" relating to this project. The record is unclear; however, it is believed that the St. Johns River Water Management District (SJRWMD) may have contributed \$38,000 toward the purchase of Gum Root (March 15, 1993 Agreement) and may have a property interest in Gum Root.

GACRAA cites Florida Statutes indicating that, "the City may convey the title to the land comprising the Gainesville Regional Airport to the Authority for no monetary consideration". The Statutes do not require ("shall") the conveyance for no funds. The City Manager defers to the City Attorney on the interpretation of the Florida Statutes; however, payment may be an option for the City Commission to consider.

The Recreation and Parks Department would like the City to require GACRAA to purchase Gum Root Swamp at current value, should they desire to control this Gum Root Park. The land has appreciated and the citizens of Gainesville should be allowed to recoup their investment at today's values. Funds received could be redirected to acquire other lands for conservation, since that was the intent of the original investment.

With respect to operation and maintenance issues associated with Gum Root, the Nature Operations Division has provided land management activities for Gum Root protection and restoration of the natural resources and appropriate public use since its purchase by the City and Gum Root is included in the City's comprehensive plan park land requirements. If Gum Root Park is turned over to GACRAA, there could be an adverse impact on the City's Comprehensive Plan, depending on the amount of new park land that has been required as an off set.

Currently, the SJRWMD is working with GACRAA to place a conservation easement on a portion of the property to mitigate wetland destruction on the existing airport development. Consideration should be given by the City Commission to cease and desist all discussion with GACRAA on this issue and confine all discussions regarding use to the City and SJRWMD until such time as GACRAA has a property interest in Gum Root. The City will continue to provide land management activities in accordance with a letter dated January 8, 2004 by the former City Manager Wayne Bowers to SJRWMD.

Consideration may need to be given to an initiative by the Recreation and Parks Department to perform an archaeological assessment of Gum Root Park. According to the Nature Operations Division, the wetlands and southern portion of the property are relatively undisturbed, and as such, are archaeological resources. The uplands on the northwest portion of the property, although disturbed through silviculture and other properties, could still contain archaeological resources, which are protected by the state.

Finally, with respect to the applicable zoning and land use regimen, the Airport Director has expressed interest in possible use of some of this land for uses other than those allowed by the existing land use and zoning. If ownership of the land were to be transferred to the Airport Authority, permission from the City to file the application would not be required.

Impacts on Fire Protection

The Fire Department currently operates Fire Station 6 at the Airport and provides Airport Rescue and Firefighting (ARFF) services. This station is staffed by six (6) employees (three Lieutenants and three drivers). This station provides specific required fire services for the Airport – the trucks and drivers never leave the Airport. The FAA requires the Airport to have two (2) trucks on site on availability to marshal or commandeer agents such as foam within two to three minutes. During GFR's ISO grading in 1994, it was determined that staff needed to improve coverage in the northeast section of Gainesville. The cost benefit of staffing an engine company located in this station is not in the Department's best interest with the current configuration of the city limits off Waldo Rd. This station does not provide good coverage for much of the City and a limited number of households would benefit. However, if the City is successful at annexing property in the Fairbanks area, Station 6 would be an effective location for a structural engine company to respond from. While an engine company at Station 6 would save on infrastructure costs, some additions and modifications would be necessary. When not providing fire services, fire department employees are involved in maintaining breathing apparatus, and other associated activities. Currently the airport station personnel are responsible for the maintenance of our breathing air systems. That function would be shifted to another in-town station. This would result in workloads being impacted for personnel at the new location. The Department also stores its Utility

vehicle that is used for breathing air and emergency lighting at this station. There may be some issues with the original funding of this vehicle as some of the funds came from an FAA grant. Fleet Management is planning to replace this vehicle next fiscal year and could address those impacts if necessary.

In FY 04, the City incurred total expenses of \$563,000 to operate Station 6, including personnel, operations, and "backfill overtime". The Department anticipates revenue of \$373,000, based upon the contract with GACRAA. The Finance and Fire Departments are reviewing this situation. Should total anticipated revenues of \$373,000 be provided, the subsidy by the City to GACRAA for FY 04 is \$190,000. Based on the current arrangement, a substantial subsidy of this nature will continue to be provided by the City. As a result of this existing situation, staff believes that the following issues need to be considered by the City Commission:

The current contract should be modified. Elimination of the station would reduce General Fund income by \$384,000 and require full reimbursement of City operational and maintenance costs for this station should the title of the Airport transfer to GACRAA. Based upon FY 04 revenue situation, GACRAA should have paid an additional \$190,000 to \$233,000 to the City.

If GACRAA does not wish to pay full cost recovery, operations may need to be shifted to another location and utilize the employees to cover daily vacancies, and reduce Fire Department overtime and associated expenses, which totaled \$580,000 in FY 04. Utilization of these six employees should reduce overtime expenses by over \$250,000.

In the event that City ceases provision of Airport services, there would be a need to replace the \$384,000 that is currently being provided by GACRAA. Under this arrangement, GACRAA could hire and staff the fire department with its own employees, with GFR responding to emergencies. Currently GFR responds with four (4) structural units staffed with a minimum of eleven personnel at the report of a problem on incoming aircraft. Over the last twelve months, GFR has responded to fifteen aircraft emergency incidents. Based upon a rate of \$500 per unit response, GACRAA would have been billed \$16,500 for 33 unit responses for airport emergencies in FY 04. This fee could cover the initial response and an additional charge could be established for incidents that last longer than thirty minutes. These response numbers do not take into consideration medical or other types of emergencies on airport property. Additionally, utilizing six (6) employees (two per shift) could reduce departmental overtime by over \$250,000. This "savings" would be used to replace the revenue currently budgeted as part of the GACRAA contract. Further, these six (6) employees could become the core unit of a new fire station in the future, should the City move in that direction.

Impacts for Police Protection

Currently, GPD provides 20 hours per day of coverage. Personnel costs are paid by GACRAA. Operating and maintenance (O&M) costs associated with those officers assigned to the Airport are not charged to GACRAA, but are offset from parking ticket revenue. The O&M costs total around \$1,000, which according to GPD, is covered by parking tickets.

Impacts on Administrative Services Functions

The City of Gainesville constructed a Flight Service Station in 1985, which is currently leased by the FAA. Annual lease payments total \$55,600. After September 30, 2008, the AFFS building and associated improvements will become the property of GACRAA, per the contract and the City shall no longer be involved. It has been established in

correspondence between City and GACRAA staff that the annual lease payments will have substantially repaid the City's initial construction costs. According to City interpretation of lease agreement provisions, the City does not have any current maintenance responsibilities associated with the facility.

Currently, since the City of Gainesville is the owner of the Airport property, insured values are carried under the City's umbrella. It is reported by City staff that there currently is no interlocal agreement that provides for the Airport to pay for that coverage and there is concern about the additions of new property. The Airport has its own casualty and worker's compensation insurance and if the proposed transfer of title is to occur it would make sense to similarly transfer the responsibility of property coverage as well.

Impacts on Public Works Facilities/Programs

A number of facilities and programs associated with the Public Works work program could be potentially impacted by the proposed transfer of title. These include:

- Burn Site Remediation – This site has been remediated and any additional work should be the Airport's responsibility should the proposal be adopted.
- Old Landfill Contamination – This site has been issued a 'No Further Action' status and any further work should be the responsibility of the Airport, if the proposed transfer of title is approved.
- Driving Range – The Range is used by many departments, including both GRU and General Government, for training drivers and continued access is required (there may be a cost); otherwise, a replacement facility will be needed to continue the training function.
- Old landfill – There are two issues associated with the old landfill. The first issue concerns the replacement of the cover material on eroding slopes. The Airport could assume responsibility for this maintenance project that is estimated to cost approximately \$750,000 to \$1 million. The second issue is regarding the financial responsibility for the removal of the old tires located at the rear of the property. The estimated cost is one million dollars to remove and dispose of the tires.
- Stormwater Management Utility – Prior to 1997, several parcels, including the Airport Terminal building and associated parking lots, were excluded from SMU fees for non-contribution because stormwater from these areas drain east to Gum Root Swamp, lying outside of the city limits. In 1997, these parcels became SMU eligible with Gum Root Swamp annexation. The Airport has declined to pay the SMU, which is about \$16,107 per year. Payment issues need to be addressed.
- FEMA – Disaster Recovery Process – The large paved area located at the Old Airport landfill is the City's main temporary debris storage site in the event of an emergency. This site will hold 500,000 non-compacted cubic yards of vegetative debris. This area is also used as a driver training facility by GPD, GRU, and RTS. If the City transfers title of the property to the Airport, the City should have an access agreement that would allow use of the area for a temporary storage site, if needed.
- Road Maintenance – The City will continue to maintain the streets currently under City maintenance responsibility and accept the new roads as approved by the City Commission.
- Signals, Signage and Pavement Markings – This issue relates to the signs and markings on the roads south of 49th Avenue, the only signal is at Waldo Road and 49th Avenue. The City would expect the Airport to assume responsibility of signs and markings in the event the transfer of title is approved.

- Clean Water Program – The Airport may elect to operate its own Clean Water Program in the event the proposed transfer of title is approved. Current participation entails cooperation by facilitating interviews with operations and maintenance staff to identify airport activities that could potentially generate pollution to surface water, and to develop appropriate written pollution prevention procedures/best management practices (BMPs) and staff training programs. The Airport would also be responsible for providing annual documentation of these activities.
- Long Range Transportation Planning – There will be no impact.
- Emergency Response Status – The City will continue to provide appropriate emergency response, as it has done throughout the City.
- Stormwater Basins – The Airport Industrial Park lots that will remain in City ownership has its supporting stormwater basins in an area proposed to be transferred to the Airport Authority. The City needs to maintain these basins in their present location and retain discharge rights to these basins.
- Old Skeet/Trap/Pistol and Rifle Range – There are current issues concerning the abundance of “lead” in these embankments and soils. It is unclear whether or not this concern would transfer to the Airport.

Impacts on Gainesville Regional Utilities Facilities

GRU operates and maintains many utility facilities on the airport property, including electric, water, sanitary sewer, natural gas and communication facilities. These facilities were installed over a period of many years without any transfer of property rights as this was not necessary since GRU was installing the facilities on City owned property.

If the proposed transfer of title to the Airport Authority is approved, than a blanket public utility easement should be granted to the City over the entire property to cover all of GRU's facilities. Surveying all of the utility encumbrances would potentially be very costly. GRU staff can provide utility location maps for general reference as they exist in the organization's GIS utility system.

Finally, please note that disputes between the City and GACRAA under the January 28, 2004 agreement are subject to arbitration.



CITY OF GAINESVILLE

Office of the City Manager

January 8, 2004

Mr. Allen D. Baggett, Compliance Manager
St Johns River Water Management District
4049 Reid St.
Palatka, Florida 32178-1429

Dear Mr. Baggett:

The City staff is currently working with the Gainesville-Alachua County Regional Airport Authority regarding the dedication of a conservation easement on property located near the Gainesville Regional Airport between State Roads 26 and 222. The Airport Authority has approached the City concerning the use of the Gum Root Park parcel that is currently owned by the City of Gainesville as Airport lands and managed by the Nature Operations Division as a nature park for the placement of a conservation easement.

While the Gum Root Park parcel is currently identified on the City of Gainesville Generalized Future Land Use Map as conservation and is zoned conservation, there is not currently a conservation easement placed over the parcel that would legally restrict this property from being converted to another use in the future. The City staff supports the use of this property for the recordation of the conservation easement and encourages the Airport Authority to continue its work with the St Johns River Water Management District in resolving the technical details to achieve this goal. The Nature Operations Division will manage the property and City staff will work with the Airport Authority and its consultant to approve the conservation easement documentation and the management plan to ensure that the property will be managed for protection and restoration of the natural resources and appropriate public use.

If you should have any questions in regard to this matter, please do not hesitate to contact me at (352) 334-5010.

Sincerely,

A handwritten signature in black ink that reads "Wayne Bowers". The signature is written in a cursive style.

Wayne Bowers
City Manager

CC: Rick Crider
Jeffrey Breeden
Steven R. Phillips
Rodney A. Stokes

GAINESVILLE REGIONAL
AIRPORT 005 MAY -5 PM 3: 32

May 5, 2005

Honorable Mayor and Members of the City Commissioner
City of Gainesville, Florida

In preparation for our upcoming meetings, I wanted to take this opportunity to provide you with an exhibit of the airport lands, along with some rationale for our request to transfer the fee simple ownership of airport lands from the City of Gainesville to the Gainesville-Alachua County Regional Airport Authority (Authority). Shortly after Rick Crider arrived in Gainesville, he met with Wayne Bowers, Gainesville City Manager at that time, to discuss Airport / City issues, and the topic of land transfer came up.

The stimulus for that conversation was the opening paragraph of the Authority's enabling legislation, Chapter 95-457 Special Acts Laws of Florida 1995, which addresses land transfer by "affirming that the City of Gainesville has no power to operate or maintain the airport and airport facilities; providing for the conveyance of title to the authority..." and later in Section 8, Title to airport land, "The city may convey the title to the land comprising the Gainesville Regional Airport to the authority for no monetary consideration." It seems clear that the State legislature contemplated an eventual transfer of property from the City to the Authority, and upcoming projects make this topic very relevant today.

Mr. Bowers, City Staff and the Authority's legal Counsel met over the past few years to work through the specifics of carrying out the intent of this legislation. A new Agreement was developed and executed by the City and the Authority in January of 2004, which addresses the manner in which the City and the Authority do business. Further, a Real Property Transfer and Airport Operations Agreement, and a First Amendment to the Agreement dated January 28, 2004 between the City and the Authority have been drafted by the City Attorney's office and the Authority's legal Counsel for consideration by all parties at the appropriate time. These documents work out and propose resolution to specific logistical and management concerns raised in the discussions.

Below are some of the points we feel bring merit to such a transfer:

Reduction of Effort

Duplicate efforts currently exist between the two public entities. Topics of grant review, assurance and acceptance pass through two legal departments and require adoption by two governing authorities, resulting in redundancy. City staff members responsible for risk management are also involved with monitoring liability and looking after the City's interest with regard to Airport lands and buildings.

Liability

The City of Gainesville has liability exposure regarding Gainesville Regional Airport because it owns the land, has signed grant assurances and has constructed buildings on airport lands over time. By legislation, however, the City has no operational or maintenance control of the Airport.

Property Insurance for the Airport is acquired under the City's insurance policy, and the Authority pays the cost of this insurance. The Property Insurance policy that the City carries has a very high deductible; \$100,000 for airport losses, and in the case of a named wind storm, 1% of the value of the buildings damaged, with a minimum of \$250,000. The Insurance agent feels that the City, as the policy holder, would bear the burden of the deductible, though the City's position on reimbursement of deductible expenses is unclear.

In speaking with the insurance broker, it does appear that a separate policy for property insurance could be acquired that more closely mirrors the needs of the Authority. Unlike the City of Gainesville, the Authority is not prepared to self-insure the first \$250,000 like the City has elected to do.

Autonomy

The Authority has a need to make decisions regarding airport lands when leasing, acquiring, trading and recording easements on airport property; all of which currently require City involvement.

Governance

The transfer of land would in no way change the governance or the oversight of the Airport by the City Commission; the Commission would continue to appoint 5 of the 9 governing board members.

Real Estate Decisions

Property designated as airport lands must be used for the operation and maintenance of a public airport. Airport lands are those transferred by the federal government to the City when the military originally deeded the property to the City of Gainesville, property purchased with the assistance of funds from the Federal Aviation Administration (FAA) and property purchased with the assistance of FDOT Aviation funds. In those cases where airport lands were acquired either through Public Benefit Transfer (PBT) or with the assistance of State or Federal grant funds, both the City and the Authority have signed grant assurances and are legally bound to operate the airport for the benefit of the public.

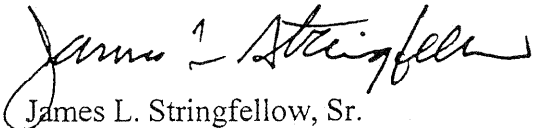
Debt Placement

To keep pace with an ambitious capital improvement plan that will establish infrastructure needed today and allow for the growth of tomorrow, the Authority is cautiously and prudently borrowing funds to finance the delay in collection of funds such as passenger facility charges approved for certain projects. The Authority is also investing in facilities such as hangars that will meet the demand of the aviation public, and that will generate economic activity for the airport. To keep the cost of debt as low as possible, the Authority needs to demonstrate continuity and control of airport lands.

The Authority will soon be faced with mitigating impact to wetlands, recording conservation easements, acquiring property for airport protection and mitigation of future noise impact, and development of non-aeronautical facilities that help the airport meet its goal of self-sufficiency and perpetuity. Many of these efforts will require financing vehicles, and ultimately, the Authority will need to be able to make real estate decisions and commitments, consistent with its Master Plan which has broad public involvement. We think that the transfer of airport lands from the City of Gainesville to the Gainesville-Alachua County Regional Airport Authority is consistent with State legislation, continues to serve the same public, preserves the same appointment process and oversight by elected officials, improves the efficiency and liability position of both public organizations and sustains the same level of local public and governmental involvement in planning and development matters.

I thank you in advance for your consideration of this topic, and look forward to visiting with you at our scheduled appointment.

Very Sincerely Yours,



James L. Stringfellow, Sr.
Chairman, Gainesville-Alachua County Regional Airport Authority

cc: Rick Crider, Gainesville-Alachua County Regional Airport Authority CEO
Don Stanley, Gainesville-Alachua County Regional Airport Authority Legal Counsel
Barbara Lipscomb, Interim City Manager, City of Gainesville
Marion Radson, City Attorney, City of Gainesville
File