

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.

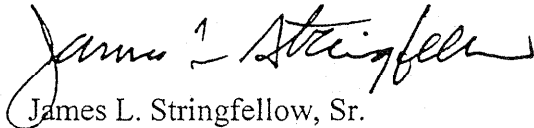
## Debt Placement

To keep pace with an ambition 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.

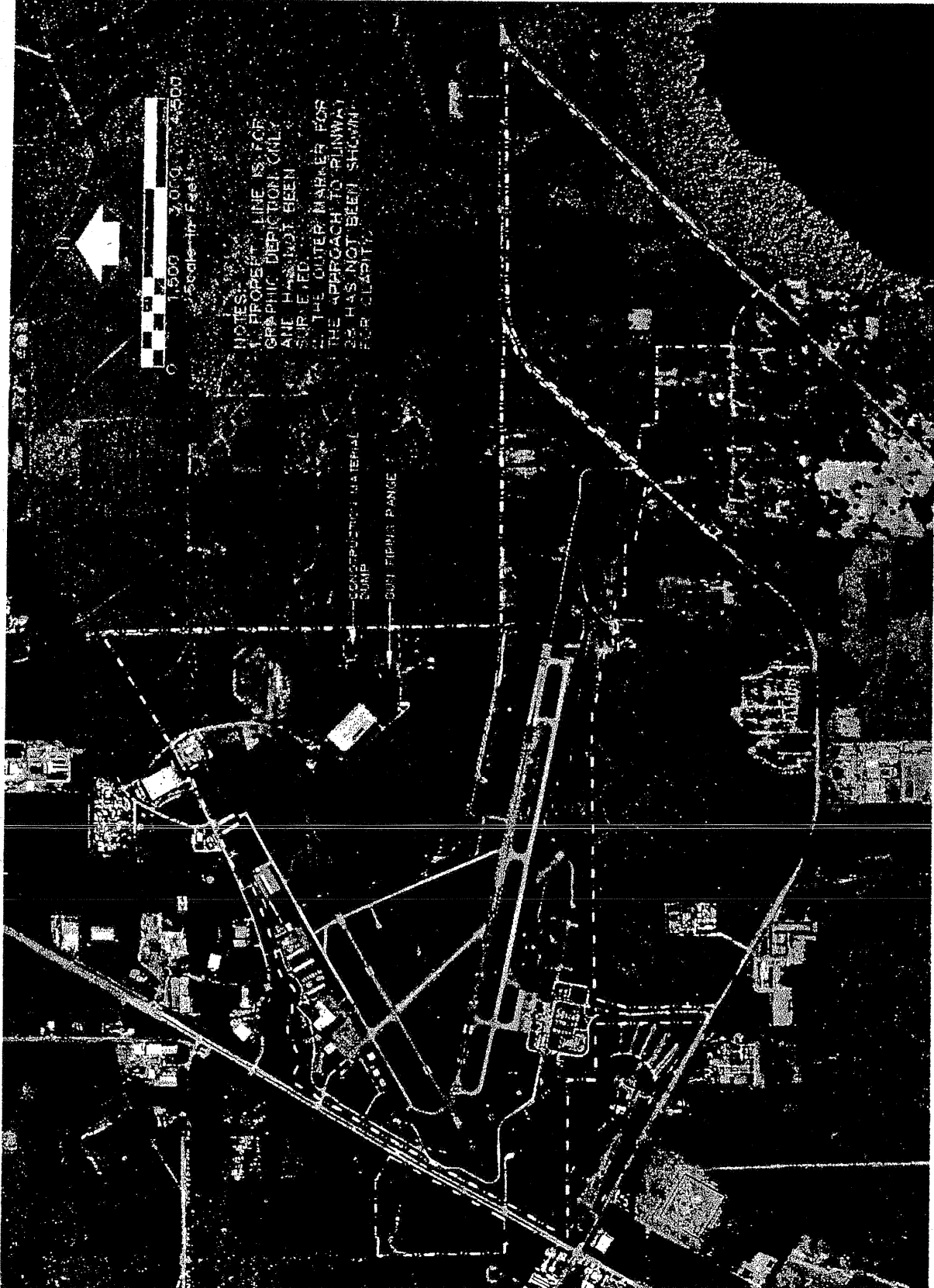
Very Sincerely Yours,



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  
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NOTES:  
 1. PROJECT LINE IS FOR GRAPHIC DEPICTION ONLY AND HAS NOT BEEN SURVEYED.  
 2. THE OUTER MARKER FOR THE APPROACH TO RUNWAY 25 HAS NOT BEEN SHOWN FOR CLARITY.

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