

Heber City Corporation
City Council Meeting
June 3, 2010

7:00 p.m.

REGULAR MEETING

The Council of Heber City, Wasatch County, Utah, met in **Regular Meeting** on June 3, 2010, in the City Council Chambers in Heber City, Utah.

Present: Mayor David R. Phillips

Council Members Eric Straddeck
Nile Horner
Robert Patterson
Alan McDonald
Benny Mergist

Also Present: City Manager Mark K. Anderson
Deputy City Recorder Michelle Kellogg
Police Department Sgt. James Moore

Others Present: James P. Morgan, Dave Kennamer, and Ryan Jaussi

Pledge of Allegiance: Councilman Horner

Prayer: Councilman Straddeck

Minutes: Councilman McDonald moved to approve the minutes for the regular City Council meetings dated March 18, 2010 and April 15, 2010. Councilman Straddeck seconded the motion.

Voting Aye: Councilmen Straddeck, Horner, McDonald and Mergist. Councilman Patterson abstained.

PUBLIC COMMENT

Mayor Phillips invited any from the audience to come forward if they so chose. Nobody came forward.

APPOINTMENTS

Ryan Jaussi – Rental of City owned airport hangars: James Morgan, tenant of Hangar 24, came before the Council and referred to a letter the Council had received from Richard Luskin, one of Morgan's hangar partners. He stated that three of the four partners came from other airports when they began leasing at Heber's airport. He said none of his colleagues knew he bought an airplane because they would think he was rich. Morgan expressed that most owners of airplanes didn't have a lot of money. There were many expenses associated with flying, including gas and repairs. Now, two of the four renters were gone. He requested that the Council reconsider this increase in rent.

Ryan Jaussi stated he had lived in this area for 10 years. He had a few suggestions he wanted to present to the Council. Jaussi stated to his knowledge, none of the tenants of these hangars were capable or interested in purchasing the hangars, and with the increase in rent, they were all planning on moving out. He knew the Council's mindset of, "How could the City continue to rent these hangars at a lower price and still motivate people to buy them? One of his ideas was to rent out quarter shares of the hangars instead of the whole hangar. People might not want to share, and in those cases, they would rent a whole one. An advantage of quarter shares would be the lower price of \$250 per month was attractive and would fill up all the hangars until the economy turned around and they were able to sell. He stated if the Council thought it would be a hassle to rent to so many renters, automated payments could be set up easily. Jaussi said this solution could be a very low stress situation. To echo Morgan's comments, Jaussi indicated each large hangar could very comfortably fit four airplanes. He stated that the \$1,000 was very competitive and quoted the rent of Salt Lake City's airport hangars as being \$180-\$320 per month. He also quoted other figures that different airports charged which were within that range.

Jaussi also thought the City wouldn't be taking business away from OK3, since other FBOs and cities did this and it didn't seem to be a problem. He pointed out that more airplanes would be at the airport, which would increase the fuel usage, which meant more money for the FBO, the restaurants in the area, etc. His last point was that he didn't see any way the increase in rent to \$2,500 per month would sell more hangars, but it would drive out the current tenants.

Councilman McDonald asked if Morgan would rent from hangar row. He stated he preferred renting the new hangars, and he didn't want to be outside during the winter months.

Anderson indicated another tenant emailed him and would no longer be renting a hangar. Councilman McDonald asked what was being done to advertise these hangars. Anderson said he emailed all those who had expressed an interest in purchasing an airport hangar and there was one offer that would be discussed later tonight. Anderson stated he had also spoken with Airport Board member Eric Rowland, who indicated he would be willing to set up a basic marketing package that was tied to a website to advertise the hangars. Councilman McDonald suggested advertising in trade magazines as well.

Councilman McDonald asked if there was an agreement with the buyers of the first three hangars that if other hangars were sold, the buyers would be reimbursed the difference in price.

Anderson indicated he would have to look at the minutes. Councilman McDonald said one hangar owner told him there was a verbal agreement. Mayor Phillips asked Councilman McDonald to find out who had made the agreement and if it was during a City Council meeting.

Councilman McDonald also asked about the snow removal equipment building. He wanted the \$453,000 from professional services broken down to the specified areas. Anderson said he would break down the different amounts. Anderson clarified the items the FAA grant would and would not pay for.

Anderson said the tenants had asked the Council to reconsider the rent amount. Councilman Patterson indicated the City would gain nothing by having the renters move out. Councilman McDonald liked the idea of quartering the hangars out to get more tenants. Councilman Horner asked Jaussi if \$300 per quarter share would be reasonable. Jaussi said if it included utilities that would be fine. Anderson said during the winter, the engine block heater would be plugged in, or a propane heater.

Councilman Mergist moved to leave the lease at \$1,000 per month, and in the future address the issue of quarter shares and leasing them at a higher rate but including utilities with that rate. Councilman Horner wanted to address the issue now. Councilman Mergist stated after utilities and quarter shares were studied, the Council could address the issue again. He was concerned that one quarter share could have the whole hanger if no other tenants were renting. Councilman McDonald seconded the motion.

Voting Aye: Councilmen Straddeck, Horner, Patterson, McDonald and Mergist.

ACTION ITEMS

Review Request from Dan Hemmert on behalf of J.R. Miller Enterprises LLC to convert their Hangar Lease from a Non-Reversionary Lease to a Reversionary Lease: Mayor Phillips stated the Council had revisited this issue a few different times. Anderson said the Council agreed the price would be based on the current price.

Councilman McDonald moved to convert the hangar lease of J.R. Miller Enterprises LLC, Dan Hemmert, representative, from a non-reversionary lease to a reversionary lease with all current changes. Councilman Straddeck seconded the motion.

Voting Aye: Councilmen Straddeck, Horner, Patterson, McDonald and Mergist.

Approval – Farm Lease Agreement with Mario Fabrizio – 38.5 Acres of land by the Heber City Airport: Anderson indicated Fabrizio was interested in leasing the whole parcel of land.

Councilman McDonald moved to offer Fabrizio a 5 year lease from June 1, 2010-May 31, 2015, to be paid quarterly. Councilman Patterson seconded the motion. Councilman Horner asked about developing that property within the next 5 years. Anderson stated there was a 60 day termination clause built into the lease.

Voting Aye: Councilmen Straddeck, Horner, Patterson, McDonald and Mergist.

With no further business, the meeting was adjourned.

Michelle Kellogg, Deputy City Recorder