

CHARLOTTE COUNTY AIRPORT AUTHORITY

MINUTES OF REGULAR MEETING – SEPTEMBER 15, 2011 – 9:00 A.M.

5

1. Call to Order

2. Pledge of Allegiance

10 **3. Roll Call**

Present: Chair Stasko; Commissioners Coppola, Herston, Lee and Seay; Executive Director Quill; Attorney Garrard; Assistant Director Parish; Mrs. Cauley; Mr. Coulter and Mr. Steele. **Others present:** Steve Ave, Mayor Goldberg, Gary Bayne, Jim Deutsch, Jim Kaletta, Commissioner Deutsch, Debra Forester, Paul Andrews, Charles Bushman, Larry McClure, Paul Piro, Kelly Rubino, Matthew Herston, other people from the private sector and a member of the press.

15

4. Additions and/or Deletions to the Agenda

20

Mr. Quill added 11 a) Brazil Initiative and 10 f) Letter of Support.

5. Citizen's Input

25

No citizen's input.

6. Consent Agenda

30

Commissioner Lee made the motion to approve the Consent Agenda. Commissioner Seay seconded. Motion passed unanimously.

7. Secretary/Treasurer's Report

35

Commissioner Lee presented the Accounts Receivable, Profit & Loss Statement and Balance sheet.

a) Accounts Receivable - Mr. Quill reported making progress with Arcadia Aerospace and slow progress on some of the others.

40

b) Profit and Loss Statement - Mr. Quill reported a \$94,892 loss in August. He stated the Authority typically starts losing money around May and continues losing through November. He reported the Authority would have made money in August for the first time ever if not for the substantial amount of the repairs and maintenance to the hangar doors.

45

8. Committee Reports

a) **Land Use** - Commissioner Herston had nothing to report.

b) **Economic Development** - Commissioner Lee had nothing to report.

c) **Personnel** - Commissioner Coppola had nothing to report.

d) **Public Relations/Special Events** - Commissioner Coppola reported Commissioner Herston, Commissioner Lee, Jeannie Benjamin and Chair Gary Stasko had participated in the Pioneer Day's Parade in Englewood. She commented that the citizens of Englewood had a great turnout for the parade. She commented being very well received and impressed with Englewood.

e) **Government Liaison** - Commissioner Seay reported that the County does a redistricting every 10 years and the two proposals that came out looked fine. She reported Mr. Constance came out with a proposal, at the last minute, that was adopted. She stated Commissioner Duffy unsuccessfully attempted to bring the proposal for review. She reported this proposal puts Commissioner Herston and herself, who are up for reelection this year, in the same district. She is disappointed that the Charlotte County Board of County Commissioners never mentioned this to the Airport Authority. She stated it was an inappropriate surprise action by the County Commissioners. She commented that Commissioner Herston does a great job and running against each other would be tough. Commissioner Herston stated that he will not run against Commissioner Seay. He commented that Commissioner Seay is too valuable an asset to the Airport Authority. Commissioner Lee is disappointed that the County Commission did the redistricting without any review or discussion. He stated it was unconscionable when the County Commission had the opportunity to review it again, at Commissioner Duffy's request, and it was ignored. Commissioner Herston stated that Commissioner Duffy had called him when she realized that this was the case with the new map. He explained he went to the County Complex and again talked with Commissioner Duffy and the County Commissioners, and basically they knew it on Monday. He opined that it was an innocent draft, but he was disappointed when the consequences were known and no corrective action was taken. He opined they should have talked with the Airport Authority Commissioners. Commissioner Coppola opined that there should have been a public hearing before the final decision was made; presenting the new plan, public hearing input and vote, but apparently it was not done. Commissioner Herston commented that an advertisement was in the paper and he was not aware of any public hearings. Commissioner Seay commented that they have the right to change, but the maps that were shown to the Authority were not the ones that were adopted. Chair Stasko asked that Commissioner Deutsch speak on the matter. Commissioner Deutsch stated there were public hearings. He stated the process and procedures for the public hearings is that the people provide the input, suggestions and ideas. He commented being familiar with the redistricting process and was involved in a suit in another state. He stated after talking with Supervisor of Elections Paul Stamoulis, a plan could be done according to the numbers but did not want to break up the precincts. He stated when

5 reviewing the plan he had looked to see if he was still in his district and he was. He
stated when Commissioner Constance decided to work on a plan, the thought that any
of the elected officials would have been pushed out of a district never enter his mind.
He commented that he can't answer for the other Commissioners. He opined that this
10 was not a plot or a plan to intentionally remove someone out of the district. He stated
to the best of his knowledge it was an oversight. He is concerned about the
redistricting and when Commissioner Duffy brought up the motion to rescind the
action, he seconded it. He stated part of the problem was complicated because the
15 districts were already advertised in the paper and the second advertisement would be
in the paper today or tomorrow. He commented one of the Commissioners is strongly
in favor of trying to do change it and he is in favor of changing it. He commented it
is obvious that three of the Commissioners felt to let it be. He brought up the fact that
you cannot, when you look at the legal definition of what is required in redistricting,
20 as part of a plan to redistrict someone out of office. He commented that one of the
basic criteria was to preserve the elected people to stay where they were. He stated
the County Attorney told him he was wrong. He opined that it is not impossible to
overturn it, but we have to come up with major strong reasons to do so. He opined
that looking at the lines of the districts, the Commission could have done some things
25 differently. He commented on being surprised and shocked at the oversight and the
County Commissioners did not see the plan before it was presented. He commented
it was presented, motion was made, it was seconded and it was voted on. He
apologized to Commissioner Herston and would like to see him stay and will figure
out a way to do that. He stated they have to do some serious legal work to have a
30 strong basis so they can legitimately straighten this out. Chair Stasko asked if there
were two plans submitted before the third plan, and who did the first two plans.
Commissioner Deutsch stated the first plan was presented by the Supervisor of
Elections and they saw that plan. He opined that if he was going to draw the lines he
would have done them differently, but at that point, he figured it was best not to get
35 involved. Chair Stasko opined that he finds it odd that the person who runs the
elections in this county came up with a plan and everybody was in favor of it, but
then at the last minute a County Commissioner, which is not his job, comes up with a
different plan and that is the plan that gets approved. Commissioner Deutsch
commented, in defense of Commissioner Constance, that he looked at the plan, liked
40 it and the numbers were made tighter. He stated he didn't want to mess with
precincts, but as it turned out they did. He opined it could have ended up with a
better plan and he feels bad about it. He opined that it did not enter anybody's mind
that a Commissioner, Airport Authority, school person or anyone would be affected.
He stated it is within the realm of possibilities to change it, but suggested to touch
45 base with Ms. Knowlton to find out what happened. He stated that he made
suggestions after the meeting, but he did not get support. Commissioner Herston
asked if there were two advertisements. Commissioner Deutsch stated by law when
the new precincts are done it has to be put in the paper twice, and he knows it was in
the paper once. Commissioner Herston asked which map was in the paper once.
Commissioner Deutsch stated the one that was voted on and approved. He stated he
did not recall if the proposals were put in the paper. He opined that it probably was
when the first one was proposed. He stated they could have changed it at the meeting

5 if a suggestion was made to draw a line differently. Commissioner Herston stated the numbers don't look close. Commissioner Deutsch stated it is closer to the ideal number and are tighter. He stated when looking at the map numerically it is tighter than the original proposal. He commented on the district boundaries and they are to follow the natural boundaries which would be highways, major roadways and canals. He stated that in the beginning they were trying to make it simple by not breaking down the precinct and then they would have to start over. He opined that he would put the whole thing in a computer and let the computer deal with the population and draw the lines. He opined if they have to change precinct once a year we'll have to deal with it. Commissioner Herston stated there is a solution but it may not be liked by everybody, including the County Commissioners. He stated that he received a number of phone calls with different kinds of reactions. He stated the redistricting would have occurred no matter what jurisdiction we were in. Commissioner Deutsch stated the redistricting is required by federal law two years after the census. Commissioner Lee commented that there are five Airport Authority Commissioners that do not agree with the redistricting. Commissioner Seay opined that the redistricting should not be based only on the 2010 census, which is old information, but the potential for growth. Commissioner Deutsch stated that it is considered. Commissioner Seay opined that as an elected official you need to use common sense, which was missing in this whole thing. She stated it wasn't just a couple of numbers and she wants to know the real reason for the redistricting. Commissioner Deutsch commented that they are mandated to be done every 10 years and based on the most recent data taken in the 10 year census. He stated it has nothing to do with registered voters, but population.

25 **f) Metropolitan Planning Organization** - Commissioner Herston reported a special board meeting was held on the Brownfield enhancement grant and is supported by the Authority. He commented the next meeting will be November 7th, 2011.

30 **9. Attorney's Report**

Attorney Garrard had nothing to report.

35 **10. Executive Director's Report**

40 **a) Development Update** - Mr. Parish reported receiving the CO for the tower at the last meeting. He reported the Authority is continuing to work with the FAA and the FAA installed a couple of their phone lines. He reported the FAA is working on getting the secondary weather information into the tower, which is one of their responsibilities. He commented the Authority is working with RSW and Washington to get a future set of radar displays in the tower. He reported that RSW had requested this and their radar has three outputs, Page, RSW and Naples and each of them have one in their towers. He reported they are third in line nationally for a new digital radar system that would have more output and hope to get a display in the tower. He reported the commissioning date is scheduled for October 26th or 28th and he will let the Board know the exact date as soon as it is given to the Authority. He reported that date is

the day they man the tower for a 30 day familiarization process and at the end of the 30 days the air space will become controlled. He reported when the paving of Piper Road is finished, they will open the road. He reported Mr. Quill and himself have worked with the county on additional signage for the Airport and the entrance way on Viking, which is adjacent to the new office complex. He reported working with the FAA on replacing some of their equipment at the end of runway 22, so the runways are closed every Tuesday and Wednesday and some night time closures after the last Allegiant flight has departed. He reported that Allegiant MD80 requires the longer runway. He reported it should not affect too many people and the other runways will be available at all times. He reported working on development of the plans for the expansion of the terminal with Halfacre Construction, Schenkel Shultz, and URS. He reported they are working on the Authority's justifications for the AIP grant for the tower. Chair Stasko commented on a letter to the editor of the local paper which stated if the water park comes here we will expand the airport terminal. He commented the terminal expansion has nothing to do with the water park. He stated the terminal expansion is happening because the Authority needs to expand the terminal. Chair Stasko commented seeing on the news that the FAA funding is on hold with the people in Washington. He asked if that would affect the date with the tower. Mr. Parish stated that they are working on the 22nd extension of the FAA Authorization Bill, this will be the 23rd extension and is another short term extension. He reported being told that this will not affect the funding for the people in the tower because it is already in legislation, but there are no guarantees. He reported the tower is funded through the Federal Contract Tower Program. He reported the Authority is listed on the towers to be manned in October. He commented on having a lot of support from the legislative delegation. He is confident that the Authority will have funding for manning the tower in October.

b) Airline Update - Mr. Quill reported for the month of August the Airport had 12,942 passengers, a 55% increase over a year ago. Mr. Quill reported the airlines added two more cities, St Louis and Louisville. He commented typically the airlines add additional flights starting around November to Christmas. He commented that the Authority is expanding the terminal facilities, hold room and check-in area because at times the terminal is maxed out. Commissioner Seay asked if the expansion of Direct Air in Lakeland would have an impact on us. Mr. Quill stated to the best of his knowledge it will not have an impact, but they did drop one city.

c) Land Swap - Mr. Quill reported receiving the appraisals for the IDA land and the Authority's property. He reported the IDA land of 80 acres was appraised at \$13,500 per acre. He reported the appraisal for the Authority's property came in at \$140,000 per acre for a parcel less than five acres, and \$100,000 per acre for a parcel five to twenty acres. He proposed negotiating a long term land lease for an equivalent dollar amount subject to Board action. If the Board is comfortable with this, to start to negotiate just a land lease. Commissioner Lee commented that the Authority will lease land to IDA which would mean the Authority's parcel has nothing to do with it. Mr. Quill commented that IDA will give the Authority the parcel of land and the Authority in return will give IDA a long term land lease for Airport Authority

property for an equivalent dollar amount. Commissioner Seay commented the Authority will need to get it approved from the FAA and the Authority keeps ownership of the land. Chair Stasko stated the Authority would own the 80 acre parcel and in turn the Authority would do a long term land lease on Airport Authority property with the IDA. Commissioner Lee stated otherwise IDA could keep it for the next twenty years and not do anything with it. Commissioner Coppola stated it would be expensive for IDA to develop. Chair Stasko stated the parcel is not developable. Mr. Quill stated it would be an incredibly expensive development.

5

10

d) Website Update - Mr. Quill reported that the Authority is making progress on the website. Mr. Parish reported that he and Cindy Laishley met with the designers and presented to the Board the production of the first wire frame showing the information that will be on the Authority's home page. He stated the Authority is transitioning into a typical airport website because the majority of the people that visit the website are looking for airline information. He reported all the information that is shown is taken from the major airports in Florida, (Sarasota, Orlando and RSW) and is put on the front page. He reported the information under the General Aviation tab was taken from Page Field and Venice's website. He opined that the majority of the complaints the Authority receives from the public is that they can't find this and that. He stated the Authority's goal is to have the website up and running in October and the Authority has supplied them with 90% of the information. He reminded the Board that this is the first draft and will move forward from there. Commissioner Seay asked if this would be ready before the Brazilian people arrive. Mr. Parish stated that is the plan and the website will be active by October 15 - 20. Mr. Parish explained there will be some items that won't be on the website in October but it can be added at a later date. He stated that one of the attractions with this website is the ability to edit it anytime. He commented most airports collect email addresses, which the Authority has never done, when the public visits the website, and they use this list to send information to the people when the airlines have sales or when the Authority has events. He stated the Authority does not want to spam people, but when they request the information from the Authority, it's a good direct marketing to the people.

15

20

25

30

35

40

45

e) Parades - Mr. Quill stated that Chair Stasko requested adding the parades as a topic. He stated the Authority received an inquiry from El Jobean inviting the Board to be in their Christmas Parade. Chair Stasko stated he received a request from the Rotonda Association asking the Board to participate in their Christmas Parade. He stated that the Rotonda Parade is on the same day as the Punta Gorda Christmas Parade. He commented, historically, the Board has participated in the Punta Gorda Christmas Parade every year. He commented that the Board can't be in both places at the same time so the Board will have to decide on which parade they want to be in. He opined that west county is important to the Authority. He commented that the beaches are located there with a lot of the tourist traffic going through the west county. Commissioner Seay commented that the biggest challenge is getting the float to Rotonda. She suggested doing the float in the Punta Gorda Christmas Parade and get an antique car and have FLYPGD banners on the car for the Rotonda Christmas Parade. She stated this will alleviate the problem of hauling the float to the Rotonda

and the Board will be able to participate in both parades by splitting up. Chair Stasko stated he was in the Rotonda Parade last year. He opined that since the Rotonda Parade was in the afternoon and the Punta Gorda Parade was in the morning, there would be the possibility that the Board could attend both. He stated the Board has more meetings to attend before the parades and asked the Board to think about doing both parades. He opined that the more the Authority gets their banners and the knowledge of the Airport out to the community, the better it is for the Airport. Commissioner Lee asked what time the parade is in the afternoon. He stated it takes about an hour to drive to the Rotonda.

- f) **Letter of Support** - Mr. Quill reported that Commissioner Herston referenced earlier the effort on the Brownfields and he asked Debra Forester with the Economic Development Office to brief the Board on their requested Letter of Support. Ms. Forester reported that the County is going to be applying for two different Brownfield grants, one will be through the MPO, which will be a regional approach and will include Lee and Charlotte Counties. She stated the County will be applying for a community wide assessment for the Airport. She stated that they are requesting the Airport Authority to give them a Letter of Support which will allow them, if they get funded, to get funds to do phase I and phase II of the environmental assessments at the ECAP area. Mr. Quill stated that it would be no cost for the Authority. Commissioner Lee stated that he did not have a problem with that. Commissioner Seay asked that once the Brownfield designation is in place, and that process is completed, would there be funding available for businesses to establish in the Brownfield area if they meet the criteria. Ms. Forester replied that there is an incentive package funded through the State of Florida for an additional \$2,000 for each new employee, provided they meet the criteria of being a targeted business in wages. Commissioner Seay asked for more information on this. She asked if a business from Brazil would qualify or an existing business on the airport qualify. Ms. Forester replied that they certainly would and would be happy to share the information with any business that is expanding.

11. Old Business

- a) **Brazil Initiative** - Commissioner Seay commented that a lot of very good things have happened since the last meeting. She reported the trade mission is doing great. She commented the Authority is participating with the businesses in Brazil that have an interest in Florida and the Authority has several opportunities. She has been invited to represent the Authority at a program being held on October 18th in Compinas, Brazil. She stated she accepted the invitation and the Airport has the opportunity to present a two hour presentation to the 65 businesses. She commented that she will be taking with her the information about incentives. She reported the Authority has the October 18th presentation, October 23rd - 27th trade mission in Brazil and November 1st - 5th which is the follow-up mission. She reported the follow-up mission are the Brazilian businesses that are coming to the United States that have taken part in the trade mission or have expressed an interest in coming to Florida. She stated the original plan had them in Miami for five days and then to go back to Brazil. She commented

with the Authority's participation in the trade mission, the businesses are now coming to Charlotte County for two days. She stated that a Brazilian network of local Brazilian companies and persons who have expressed an interest in finding ways to help has been created. She stated there will be interpreters, translators and ambassadors. She commented they can speak Portuguese and be able to tell them about being a business in Charlotte County. She commented that she has met with Commissioner Deutsch and Tom Patton of the Economic Development Office for the county. She commented sharing the information with them of what the Authority is planning to do to gain recognition of Charlotte County, the Airport and the City of Punta Gorda as a potential site for Brazilian businesses, so they can either establish here or connect with our businesses. She commented she will let them know that the Airport has a foreign trade zone and EB5. She commented meeting with Allen Heise who has the EB5 center which is a business visa, an investor visa, which allows a business to invest in a business. She stated they have to have a certain number of employees and meet other criteria to obtain a visa potential green card through that. She thanked Harvey Goldberg, Mayor of Punta Gorda, for taking the time to meet with her and that Mayor Goldberg got her on the agenda for the City's Wednesday meeting to talk about how they can help participate. She reported meeting with a businessman from Brazil, who is currently working with one of our businesses on the airfield. She commented that Jamie Trudeau is working with Fernando Papello and that has import and export written all over it. She stated that he is bringing in aircraft from around the country, working on them and exporting them to Brazil. She commented the Authority has those connections and the gentlemen she met through Mr. Trudeau has expressed an interest in helping the Authority. She stated the meeting on the November 4th and 5th requires the participation of all the Board. She commented that the Board are the ones which have titles and who they want to see to convince them that this is the place to be. She commented that there will be receptions and dinners, so check your calendars. She commented that she is looking for support from the City, County, ECEC through Mr. Patton, the Economic Development, anyone and everyone that we can get. She reported that there are 20 businesses that are going to be here and there is an opportunity to showcase our area as the place to be. She commented on the video from Mayor Goldberg being outstanding and she is taking that to Brazil which shows the energy that we have. She commented that this is not a retirement community and that this place is vibrant, it's fun, it's great, and the quality of life for family is outstanding and that is the message we need to send. Commissioner Coppola asked if there will be some lead time as to what businesses they will be so the Authority can get familiar with them and be able to talk with them about their businesses. Commissioner Seay replied there will be some lead time. She commented on talking with Jefferson Michaelis, who is coordinating the program, and he will be giving the Authority a list of names and the type of business. Commissioner Coppola asked if they speak English. Commissioner Seay replied that they do speak English, but will have translators with them. She stated the Brazilian network have their own volunteered translators. She commented that they will not be able to converse properly, but they have people who can translate the documents and materials for them. Chair Stasko stated Commissioner Seay did a good job and the Board will help in any way they can. He

5 stated the Sunshine Laws in the state of Florida limits on how we get together for
discussion. He stated the discussions would go through staff before they get to the
Board. He stated he is looking forward to having the people from Brazil.
Commissioner Seay commented if this goes well, follow-up will be extremely
10 important and for them to see new faces is important to show that everyone is behind
this program. She opined that this would be an exchange and it should be an ongoing
process by supporting and participating in the trade missions. She commented that
the aviation industry is outstanding in Brazil and that Embraer, manufacturer of
aircraft, has a presence in Florida. Commissioner Coppola stated it is a plus that
15 Commissioner Seay is familiar with Brazil and will help in any way she can.
Commissioner Seay commented that it laid the ground work and it opened a door
which it is great for everybody. Chair Stasko commented that it is great the Authority
is being proactive and looks forward to being involved in this in whatever way he
can.

12. New Business

- 20 a) **Arcadia Aerospace** - Mr. Quill asked Charles Bushman to speak. Mr. Quill reported
that the new trend in aviation, which started with home built aircraft, is composite
structures. He reported, traditionally, aircrafts have been made out of metal, but way
back they were made out of a fabric in wood. He reported the new trend is a
25 composite carbon fiber fuselage and a number of other parts. He reported that Honda
is building a new corporate jet made out of composite fiber, the new Boeing 787
Dreamliner is made out of composites and some of the structures for other Boeing
aircraft that have some composite aspects to it. He stated there is a market for testing
the fuselages at the production stage. He stated there will be an after-market
30 opportunity which will be very large. He stated once these airliners are out in the
fleets, they will be tested periodically. He commented that both of these are large
markets that are being created. He commented that when Arcadia came to the
Authority with this, it occurred to the Authority that this was going to be a growth
industry. He stated there have been some challenges with it because Boeing 787 is
35 behind where they thought they would be and in the past few weeks they delivered
their first 787 to Nippon Airlines. He commented that the cash flow for Arcadia has
been very hard to come by; for example, in the case of Honda, they would do a proto
type, test it and then do another proto type, but they are finally getting close to
production and Arcadia's business has been delayed as a result of this. He stated the
40 first time the Authority talked with Mr. Bushman about this the Authority saw the
market and the potential for the Airport to be involved creating jobs at the local level.
Charles Bushman, with Arcadia Aerospace, reported undergoing a number of
difficulties over the last three years. He reported getting started in January 2008 by
launching a community program, free of charge, and trained 250 candidates for the
45 career field non-destructive testing, which is what the company is based on. He
reported that out of the 250 candidates, 110 were able to finish the class and 8 passed
the exams. He stated that they carry the certification with them and this allows them
to go throughout the world. He stated that, to this day, they get contacted by the
individuals that are working in the rail system and other areas of aerospace. He stated

5 it is a field that they can carry across many different disciplines and he would like to
get back into that area. He stated when Arcadia originally located to the Airport in
Punta Gorda they had Boeing with them, a group out of Winnipeg, Canada. He stated
they had discussions with them to dispense 900 - 1000 parts per month to go into a
10 unique machine that would be built at the Airport. He stated they had built that
machine and were two months ahead of schedule. He stated when they became
ready, the 787 started to take steps backward, not because of quality control, but
issues with other members of the supply chain. He stated they changed their business
15 motto and got into building machinery for other manufacturers and marketed
themselves to other airframe companies. He stated they had been working with
Honda throughout, but Honda was low volume. He stated that Honda was going
through their development with their first airplane and they had a number of steps to
go through, and it was a waiting process. He stated they weren't getting paid, tried
20 their best to pay their employees, had to scale back and make adjustments. He stated
they have achieved a number of aggressive certifications, which was not expected of
a small company, and that opened a few doors. He stated a strategic investor has an
interest in Arcadia Aerospace and they are in the final stages of the negotiations. He
stated they support the expansion program that was presented to them for this area.
He explained that once the composite aircraft are in use by the operators at various
25 airports, there will be a lot of things that will need to be changed, such as, they can't
load the airplane the way they would a metals based airplane and inadvertent impacts
to a composite fuselage style airplane has to be handled totally different. He stated
that by providing resources, similar to the Boeing's program for their 787 customers,
but on a smaller scale, to the people who own aircraft made out of composites the
30 manufacturers can pull from our level of expertise. He stated they take a non-
destructive approach to quantify the damage, detect the air worthiness, work with the
repair technicians and get the airplane back in the air as fast as possible. He
commented on receiving Letters of Intent from Honda wanting to keep the program at
the Airport. He stated over the next 3 years Arcadia will begin a ramp-up process and
35 eventually they will manufacture close to 200 airplanes a year. He stated the
investment company would strategically help Arcadia. He stated the investment
company is in the aerospace industry and they have a large number of contacts that
are waiting access to Arcadia's capabilities. He stated it is a unique union and it will
allow Arcadia Aerospace to go to the next level. Mr. Quill stated that Arcadia is
40 doing testing on 747-800 engine cowlings for General Electric. Mr. Bushman
reported that General Electric has pre-purchased the entire capacity of one of the
unique machines for next year. He stated there is not a week that goes by that they
don't ask for more capacity and the investment group wants to facilitate that. He
stated he can't mention too much about the investment group because of the final
45 stages of the negotiations. He stated the investment company wants to increase the
capacity and add a unique machine, which will be the only machine of its kind along
the eastern seaboard. He stated they would like to make the Authority whole on their
debt and this will be the first order of action by the investment group. He stated that
signatures on memorandums and Letters of Intent are standing in the way of doing it
now. He stated that they are getting together tomorrow to take care of the required
signatures. He stated the papers will go to the attorneys and within 30 days we will

5 be able to take care of the obligations. Mr. Quill stated that they had mentioned a
payment of \$300,000 and then doubling on the rent until Arcadia is current. Mr.
Bushman stated that is a possibility or the possibility of writing one check.
Commissioner Seay asked if the personal guarantees been executed per discussion
after the last Board meeting. Mr. Bushman replied that they have not been executed.
Commissioner Seay asked Mr. Bushman if GE paid for the pre-purchase of the
10 capacity for a full year. Mr. Bushman replied that they have not, it is a purchase
order and they will not be paid until the work is completed. Commissioner Seay
requested copies of Letters of Intent from Boeing and the others. Mr. Bushman will
verify if he can release them. He stated he did not get a Letter of Intent from Boeing.
He stated he got Letter of Intent from Honda with the intentions for the program.
Chair Stasko asked if there is a timeframe with the investment group. Mr. Bushman
replied the timeframe is within 30 days. Commissioner Seay is concerned because
15 that is a prime location with a wonderful building and if someone wanted that kind of
space and gave the Authority cash the business decision would be, in her opinion, to
cancel the lease with Arcadia. She commented that Arcadia has tremendous
potential, but potential does not pay a bill. She commented on having serious
concerns, but does not want to put Arcadia out of business, nor does she want Arcadia
20 putting the Authority out of business. Mr. Bushman stated he has lost a lot of sleep
over the building and being indebted to the Authority, but he does not want to have to
leave the Airport. He stated Mr. Quill, Mr. Steele and Mr. Parish have worked with
Arcadia on a weekly basis and the treatments they received by the Authority have all
been great and they want to stay. He stated they will be adding people for the
community, training programs and growing their campus size. He stated Arcadia has
25 a few legal aspects due to the transition of the company going from a small company
to a larger company. He stated the transition is exciting for Arcadia and should be
exciting for the Authority. Commissioner Seay stated that Arcadia had promised the
personal guarantee and she does not have them. She asked how would the Authority
know if the promises are going to be true. Mr. Bushman stated that the personal
30 guarantees were written differently than what he expected and it appears to be more
of an absolute guarantee. He stated that he was told to have his legal people review it
and to get back to the Authority. He stated that if this is not settled with the next 30
days he would like to take the approach of going back to a landlord tenant
relationship. He stated if the Authority has not been made whole in the next 30 - 60
35 days we can revisit it. Commissioner Herston asked if the investment company that
is bringing the additional machine will that create the additional capacity. Mr.
Bushman replied that they will provide the funds for the additional machine. He
stated Arcadia will build the machines. Commissioner Herston asked if failure is an
option. Mr. Bushman replied no it is not. Mr. Quill asked if he could talk about his
40 background publicly. Mr. Bushman stated that one of Arcadia's active clients is a
company that is a major supplier for the A350 XWB. He opined that there is a lot of
potential with them. He stated they are in discussion on three different types of
programs of which he can't discuss. He stated his background is 20 years in
automated machine building robotics for aerospace quality control. He stated they
45 would function as a group of independent contractors going into air framers solving
their quality control issues that were sensitive to probability to detect the defect that

they need to detect and their rate readiness, what is their risk. He stated, with Arcadia, they pulled this group of engineers together and placed them under one roof to allow the manufacturers access to the different disciplines associated with accomplishing projects and to take a one stop shop approach. He stated this involved

5 trimming and drilling applications, x-rays, machining and many different quality aspects. Commissioner Lee asked if he is intending to take care of this situation by the end of the month. Mr. Bushman replied yes, depending on the legal side. Chair Stasko stated that the Authority has been extremely patience. He stated the Authority is in a corner and when do you say enough is enough and when do you keep hoping

10 that things are going to happen. He stated it seems like a lot of positive things are currently happening for the company and for the Authority to put Arcadia off the Airport will basically be putting Arcadia out of business and does not make sense to him. He stated that if you were talking six months or a year down the road I would be looking at it differently. He stated that if it takes 30, 60, 90 days to happen, the

15 Authority would be penny wise and pound foolish to take any action right now. Mr. Bushman stated that there is a tremendous amount of opportunity that this investor brings to Arcadia. Chair Stasko commented that he would have to take Mr. Bushman at his word that these things are going to happen. He stated that Mr. Bushman can't guarantee that things will happen because it would be out of his control. Mr.

20 Bushman stated that he can guarantee what they have in house for contracts that they will help Arcadia fulfill which Arcadia couldn't fulfill without their help. He stated the Board does not need to take him at his word, he would bring the investors who are willing to come to a meeting to discuss this with us. Chair Stasko commented he would rather take his word than have a meeting with the investors and Mr. Bushman is currently at the meeting and the Board trusts him. Chair Stasko commented that he believes Arcadia is going in the right direction. He stated he has been in businesses that have gotten behind and it is almost impossible to get back to even without help

25 from the outside. He stated if a business is going backwards financially and you are doing all you can do, there is no switch that you can switch to make that go away. Mr. Bushman stated that the technologies they have in that hangar have created that switch so a large liquid company can step in and help them get to the level where they need to be. He stated that Arcadia has the deal written and they have supplied that and they are trying to fast track. He stated it is very attractive for a number of respects for the company going forward. Chair Stasko commented that he is

30 comfortable with the 30, 60, 90 days, but if this does not happen, the Authority needs to take action and Arcadia Aerospace has to present a plan to the Authority as to where they will go from here. He stated the Authority can't continue go down the same road so that needs to happen. Commissioner Seay stated that she is not supportive of the 30, 60, 90 days. She stated she has not seen anything in writing except the Authority's lease stating that Arcadia must pay. She commented that she wanted something in writing and she does not have it. She stated her confidence level has not gone up from where she was last month. Mr. Bushman commented that he will put something in writing and have it come from the investment company. Commissioner Coppola asked if the investor is buying into Arcadia or are they giving

35 Arcadia the money. Mr. Bushman replied that they are buying a majority share of ownership of Arcadia. Commissioner Coppola asked if Mr. Bushman will be

40

45

5 working for the new owners. Mr. Bushman replied that he would be working for the
new owners. Commissioner Coppola asked if the investor was already in the
aerospace business. Mr. Bushman replied that they are in several disciplines, have
285 employees and do 120 million a year. He stated the investment company has
10 invested time and effort on Arcadia for the last 90 days and they are serious and are
coming to Punta Gorda to meet with the other shareholders to get all the required
signatures. Commissioner Coppola asked if the business is one of a kind. Mr.
Bushman replied that Arcadia does have competition on the machine building robotic
15 side. He stated Arcadia is unique in that they bring a level of manufacturing
knowledge expertise for composites, which is a new ground for the manufacturers.
He stated there was an uncertainty period where the manufacturers didn't understand
how the composites were going to age from cycle repetition of take-off and landing.
He stated that Arcadia helped the AOG program build a data base showing what is
20 found in the fuselage sections, stringer sections and wing box sections that are made
out of carbon fiber composites, tracking the number of cycle take-off and landings
and what kind of fatigue is being experienced. He stated that Arcadia had been asked
to apply their knowledge to automobile manufacturers, which involved moving the
manufactured chassis of high end sport cars to carbon fiber. Commissioner Coppola
commented that it makes them lighter and use less fuel. Mr. Bushman agreed.
25 Commissioner Coppola asked about impact. Mr. Bushman replied that a composite
tends to keep itself together and feather apart, but still adheres together from an
impact prospective, but typically the part that absorbs the impact is damaged beyond
repair. Commissioner Coppola asked if the end product is less expensive to the
consumer. Mr. Bushman replied that it is less expensive to the consumer in the long
30 run, but the investment is in the beginning of the program. He stated the investment
is made initially and is spread out over a period of time to recover the costs.
Commissioner Lee stated that Arcadia should keep in contact with Mr. Quill and staff
for updates on what is happening. He opined the Board could not make a decision
today. Commissioner Lee commented that he has dealt with aviation companies for
35 years and they are difficult to deal with in getting money. He opined the Authority
should work with Arcadia and to update the Authority on what is happening.
Commissioner Herston commented that Arcadia does have support from the Board,
but the critical component the Authority wants is the paperwork which Commissioner
Seay is requesting.

13. Citizen's Input

40 **Paul Andrews** - Commented that the Tenants Association sponsors Build A Pilot
Program and, with the help of the Authority, the first candidate received his private
pilot's license. He read a letter, attached, received from Anthony Randazzo, candidate.
He commented that the Tenants Association sponsored the program, but it was the effort
of general aviation community at the airport to pull it together. He was assisted by Larry
McClure, President of the EAA Chapter, in the interviewing process. He stated the
selectee is a member of the Charlotte County Civil Air Patrol Squadron under Colonel
45 Jim Kaletta. He stated they were able to get help with the costs and the Authority helped
with the fuel costs. He stated this kind of help demonstrates the commitment that we

have to general aviation. He stated Walt Bradshaw also helped with the costs. He commented this was a group effort that contributed help to the program. He thanked everyone who helped support this program. He stated that in the future he hopes to get Anthony Randazzo to attend one of the meetings.

Jim Kaletta - Clarified a few mistakes published in the local paper. He explained that the CAP is all voluntary and they do not charge for flight instructions. He stated they do charge for the airplane, either at \$36 or \$46 per hour, depending on which airplane they use, not \$100 per hour. He commented that for the past last 8 – 9 years they were able to put a cadet through to get their private pilot license. He stated they have another cadet coming up next month that will have their private pilot license. He stated throughout the years at least one of them go on to one of the academies during that period of time including the Air Force and Navy Academies which is a trend every year. Commissioner Coppola congratulated him on his promotion to Colonel.

Debra Forester - Invited the Board and staff to a property owner's meeting being held in this building on September 28th at 8:30 a.m. She stated that all the property owners within the ECAP area are to go over the land development code changes, which will reflect about a year of staff time, to reduce the landscape requirements within the ECAP. This will be brought to the property owners and then it will go to the P&Z and then the Board of County Commissioners.

14. Commissioner's Comments

Commissioner Lee - Had nothing to say.

Commissioner Seay - Commented the Visitors & Convention Bureau is making their presentation Friday to the Board of County Commissioners which will include the Airport Team recommendations. She stated she saw the presentation and shared the power point presentation with the Board. She stated it will go live on Friday. Commissioner Coppola asked if there are more private pilots in Brazil than the United States. Commissioner Seay replied they are growing by leaps and bounds and the reason for that is their infrastructure is not as good as our interstate system. She stated it is a huge country and it takes a few days to drive from one side to the other. She stated it can be a four hour flight going from one city to another within Brazil. She stated a lot of the people are getting small pilot licenses and the air space is rather open and free. She thanked everyone for the support and encouragement of the Brazil trade mission which has so much potential for this Airport. She stated looking forward to November 4th & 5th and will keep the Board up to date with the planning on that.

Commissioner Coppola - Commented that the Brazil trade mission is the most exciting thing that they had done at the Airport. She stated that going to Brazil and trying to get new businesses to come here and introducing people to the foreign trade zone is very exciting. She is looking forward to meeting the Brazilian people on Nov. 4th & 5th. She wished Commissioner Seay good luck on the Brazilian trade mission.

Commissioner Herston - Thanked everyone for their support the last few days over the redistricting.

5 **Chair Stasko** - Thanked everyone for coming to the meeting today. He stated it is a pleasure doing business with Commissioner Deutsch and it is always a pleasure to have someone from the county who actually seem to care about the Airport and their relationship. He stated Mayor Goldberg was here. He commented on having the major players in the County, the City and the Airport all in one room at the same time. Interacting is an excellent way to get things done. He wished everyone a wonderful day.

10

15. Adjournment

Meeting adjourned at 10:35 a.m.

15

Gary Stasko, Chair

20

Don Lee, Secretary/Treasurer