

MINUTES OF THE REGULAR MEETING OF THE SHOW LOW AVIATION ADVISORY COMMITTEE HELD ON MONDAY, FEBRUARY 24, 2025, AT 4:00 PM IN THE CITY COUNCIL CHAMBERS, 181 NORTH 9TH STREET, SHOW LOW, NAVAJO COUNTY, ARIZONA

1. CALL TO ORDER:

Chairman Tom Cedarblade called the meeting to order at 4:00 p.m.

2. ROLL CALL:

COMMITTEE MEMBERS PRESENT: Chairman Thomas Cedarblade, Member John Hannah, Member Bruce Ironside, and Member Gary Winslow.

COMMITTEE MEMBERS ABSENT: Member Roger Williams.

STAFF MEMBERS PRESENT: Anna Atencio, City Attorney; Bill Kopp, Public Works Director; Jacob Allen, Airport Manager; and Kathy Clements, Assistant City Clerk.

CITY COUNCIL PRESENT: None.

GUESTS PRESENT: None.

3. APPROVAL OF MINUTES:

A. Aviation Advisory Committee Regular Meeting of September 28, 2023.

MEMBER GARY WINSLOW MOVED TO APPROVE THE MINUTES OF SEPTEMBER 28, 2023; SECONDED BY MEMBER BRUCE IRONSIDE; MOTION PASSED 4 TO 0, WITH CHAIRMAN CEDARBLADE AND MEMBERS HANNAH, IRONSIDE, AND WINSLOW VOTING IN FAVOR.

4. NEW BUSINESS:

A. Recognition of Aviation Advisory Committee members terms expiring in March 2025

Mr. Allen thanked committee members Roger Williams, Bruce Ironside, and Tom Cedarblade, whose terms on the Aviation Advisory Committee expire in March.

B. Consideration of Recommendation to Rescind Resolution No. R2017-04 and Recommend Adopting Resolution No. R2025-09 to reduce frequency of Aviation Advisory Committee meetings (Jacob Allen)

Mr. Allen said currently, Resolution No. R2017-04 read as follows:

“An annual meeting of the AAC shall be held in April of each for the purpose of electing officers. Additional regular quarterly meetings are generally held during January, July and October of each year. At a regular City Council meeting in the month of October, the AAC will present an annual report of its activities.”

Mr. Allen said the new Resolution No. R2025-09 would amend Attachment A with the following text:

Meetings

An annual regular meeting of the AAC shall be held in April of each for the purpose of electing officers. An additional regular meeting shall be held October of each year. Special meetings may be scheduled as needed if AAC matters require them to be addressed promptly. At a regular City Council meeting in the month of October, the AAC will present an annual report of its activities.

Meeting agendas shall be posted in advance and only those items on the posted agendas shall be discussed. All meetings shall be conducted in public and AAC members shall be noticed personally by telephone, mail or email. Robert's Rules of Order shall be utilized in the conduct of all meetings.

Mr. Allen said this would effectively reduce the frequency of Aviation Advisory Committee meetings from four times per year to two times per year and allow for additional meetings to be held as needed.

CHAIRMAN CEDARBLADE MOVED TO RECOMMEND TO THE SHOW LOW CITY COUNCIL APPROVAL OF ATTACHMENT A OF RESOLUTION NO. R2025-09; SECONDED BY MEMBER BRUCE IRNSIDE; MOTION PASSED 4 TO 0, WITH CHAIRMAN CEDARBLADE AND MEMBERS HANNAH, IRNSIDE, AND WINSLOW VOTING IN FAVOR.

- C. Consideration of Recommendation of Amendment to Commercial Leases and Operating Agreements (rent deposit, security deposit, holdover rates) (Jacob Allen)

Mr. Allen said the City recently incurred some damage to one of its hangar facilities and a tenant that did not vacate the premises in a timely manner at the expiration of the lease agreement. This amendment would add the following language to the Airport's commercial leases and commercial operating agreements regarding rent deposits, security deposits, and holdover rates.

Mr. Allen presented the amendment language.

1. Rent Deposit:

(a) Amount: Upon the execution of this Lease Agreement, the Tenant shall deposit with the Landlord the sum of [insert amount] (the "Rent Deposit") to secure the performance of all obligations of the Tenant under this Lease Agreement.

(b) Purpose of Deposit: The Rent Deposit is intended to cover any unpaid rent, damages to the leased premises, or any other charges, fees, or amounts that may become due under this Lease Agreement. In the event of default or failure by the Tenant to perform any obligations under the Lease, the Landlord may, at its sole discretion, apply all or part of the Rent Deposit toward such amounts as may be due.

(c) Return of Rent Deposit: Provided that the Tenant has fully complied with all terms and conditions of this Lease, and no amounts are due to the Landlord at the end of the Lease term, the Landlord shall return the Rent Deposit, or the balance thereof, to the Tenant within [insert number] days following the expiration or termination of this Lease Agreement. Any deductions made from the Rent Deposit will be itemized in writing and delivered to the Tenant.

(d) No Interest: The Rent Deposit shall not bear interest, unless required by law, and the Landlord shall hold the Rent Deposit in a separate account or in accordance with applicable law.

(e) Application of Rent Deposit: If the Tenant defaults on the payment of rent or any other obligation, the Landlord may, at its discretion, use the Rent Deposit in whole or in part to cover the default. The Tenant shall replenish the Rent Deposit to the original amount within [insert number] days of the Landlord's written demand. Failure to do so may constitute a default under this Lease Agreement.

(f) Transferability of Deposit: The Rent Deposit is not transferable or assignable by the Tenant, and no part of the Rent Deposit may be applied against rent or other charges due under this Lease, unless agreed to by the Landlord in writing.

2. Security Deposit:

(a) Amount: Upon the execution of this Lease Agreement, the Tenant shall pay to the Landlord a security deposit in the amount of Two Thousand Dollars (\$2,000) (the "Security Deposit").

(b) Purpose of Deposit: The Security Deposit is held by the Landlord to secure the Tenant's faithful performance of all obligations under this Lease Agreement, including but not limited to the payment of rent, repair of any damage to the leased premises, and satisfaction of any other obligations or charges arising under the Lease.

(c) Application of Security Deposit: In the event of a default by the Tenant, including non-payment of rent or other charges, the Landlord may, at its sole discretion, apply all or part of the Security Deposit to remedy the default. The Landlord may also use the deposit for any costs incurred in repairing damages to the leased premises caused by the Tenant, excluding normal wear and tear, or for any unpaid amounts owed by the Tenant at the expiration or termination of this Lease Agreement.

(d) Return of Security Deposit: Provided that the Tenant has fully complied with all terms and conditions of this Lease, the Landlord shall return the Security Deposit, or any remaining portion thereof, to the Tenant within [insert number] days after the expiration or earlier termination of this Lease, subject to any deductions for damages or unpaid amounts. The Landlord will provide an itemized list of any deductions made from the Security Deposit.

(e) No Interest: The Security Deposit shall not accrue interest, unless required by law. The Landlord shall hold the Security Deposit in a separate account or in accordance with applicable law.

(f) Tenant's Obligation to Replenish: If any portion of the Security Deposit is applied during the term of the Lease, the Tenant agrees to restore the Security Deposit to its original amount of \$2,000 within [insert number] days of the Landlord's written request. Failure to replenish the deposit may constitute a default under the Lease.

(g) Transferability of Security Deposit: The Security Deposit may not be transferred or assigned by the Tenant, and no portion of the Security Deposit may be applied against the rent or other amounts due under the Lease, unless agreed to by the Landlord in writing.

3. Holdover Rent:

(a) Holdover Period: If the Tenant remains in possession of the leased premises after the expiration or termination of the Lease Agreement, with or without the Landlord's consent, such tenancy shall be considered a holdover tenancy.

(b) Holdover Rent Rate: During any holdover period, the Tenant agrees to pay rent at a rate of two times the monthly rent as specified in this Lease Agreement (the "Holdover Rent"). The Holdover Rent shall be due and payable on the same terms and conditions as regular rent.

(c) Landlord's Right to Terminate Holdover Tenancy: The Tenant acknowledges that the Landlord has the right to terminate the holdover tenancy at any time by providing the Tenant with written notice, and may

take any legal action necessary to regain possession of the leased premises.

(d) Liability for Damages: The Tenant shall be liable for any damages caused by the holdover, including but not limited to additional costs or losses incurred by the Landlord due to the Tenant's failure to vacate the premises as required by the Lease Agreement.

(e) No Waiver: The Landlord's acceptance of holdover rent shall not be construed as a waiver of any rights to seek eviction or any other legal remedy for the Tenant's failure to vacate the premises.

Mr. Allen said staff recommended implementing these changes to the commercial leases and commercial operating agreements.

Member Winslow asked what the difference was between a rent deposit and a security deposit. Ms. Atencio said a security deposit could not be used for rent. It should only be used for damage to the property, and a rent deposit could be applied to unpaid rent or the last month's rent. The holdover rent was meant more as a deterrent to remain in a hangar once the lease expired.

Chairman Cedarblade asked how many days the deposits would be held after the Lessee vacated the premises. Mr. Allen said he was looking for a recommendation for the number of days.

Chairman Cedarblade said that there might be a state law determining the time a rent or security deposit could be held and asked staff to verify that information and use that number to determine the length to hold a security deposit after a lease expires or is terminated.

Chairman Cedarblade asked if the City would make these changes by an addendum to existing commercial leases. Ms. Atencio said these changes would be applied to new leases as it would be hard to change the deposit terms of the agreements after the fact.

Member Winslow asked if the security and rent deposit requirements were competitive. Chairman Cedarblade said that based on his experience, the deposit requirements were reasonable. He had to pay both a security and rent deposit at another airport, each equal to one month's rent.

Member Ironside asked what the monthly rent was for the hangars at Show Low Airport. Mr. Allen said rent was based on the square footage of the hangar, so the rents varied, but the average rent was about \$2,800.00 per month.

Member Ironside asked how long a typical commercial lease was at the airport. Mr. Allen said most of the leases were long-term. A new lease was signed for the city-owned three-bay hangar for 10 years. The city-owned hangars were all

used for commercial aviation purposes.

CHAIRMAN CEDARBLADE MOVED TO RECOMMEND APPROVING THE AMENDMENT TO COMMERCIAL LEASES AND OPERATING AGREEMENTS REGARDING RENT DEPOSIT, SECURITY DEPOSIT, AND HOLDOVER RATES TO SHOW LOW CITY COUNCIL; SECONDED BY MEMBER IRNSIDE; MOTION PASSED 4 TO 0, WITH CHAIRMAN CEDARBLADE AND MEMBERS HANNAH, IRNSIDE, AND WINSLOW VOTING IN FAVOR.

D. Draft Insurance Matrix for Commercial Operators

Mr. Allen reviewed the proposed changes to insurance in the Airport Minimum Standards as presented in Attachments 1 and 2. He said the proposed changes and draft insurance matrix would only apply to commercial operators. Both attachments were incorporated into the minutes.

Mr. Allen said the language in Section B. 1. Worker's Compensation Insurance, "as based on May 1996 dollars," would be removed. In Section B. 3. Public Liability Insurance would be changed to Commercial General Liability Insurance, and the language, "As of May 1996, an example of required insurance would be as follows: The combined single limit for all liability coverage's shall be \$5 million." would be removed.

Mr. Allen said that the example above referencing \$5,000,000.00 was confusing. Lessees thought that \$5,000,000.00 was the required amount. Instead, Attachment 2, Summary of Minimum Requirements for Commercial Aeronautical Activity, would be referenced to determine the minimum insurance requirements based on the commercial operator's business, which would be typically \$1,000,000/\$2,000,000 based on input from the City's Risk Pool.

Mr. Allen said that \$1,000,000.00 combined single-limit coverage for Motor Vehicle Insurance was required unless the operator's public liability coverage included vehicular operations on the airport. Staff felt that \$1,000,000.00 was excessive and that \$500,000.00 would be sufficient.

Mr. Allen said the items listed in red on the draft matrix, Attachment 2, were replaced with actual numbers instead of an "x" so Lessees would know the minimum insurance requirements.

Member Ironside said he would like to keep the Motor Vehicle minimum standard at \$1,000,000.00. Chairman Cedarblade agreed.

CHAIRMAN CEDARBLADE MOVED TO RECOMMEND APPROVING THE PROPOSED CHANGES TO AIRPORT MINIMUM STANDARDS ATTACHMENTS 1 AND 2 REGARDING REQUIREMENTS FOR MINIMUM INSURANCE STANDARDS; SECONDED BY MEMBER IRNSIDE; THE

MOTION PASSED 4 TO 0, WITH CHAIRMAN CEDARBLADE AND MEMBERS HANNAH, IRONSIDE, AND WINSLOW VOTING IN FAVOR.

5. CALL TO THE PUBLIC:

Any citizen desiring to speak on a matter that is within the jurisdiction of the Aviation Advisory Committee may do so at this time. Comments may be limited to three minutes per person and shall be addressed to the Committee as a whole, and not to any individual member. Issues raised shall be limited to those within the jurisdiction of the Aviation Advisory Committee. Pursuant to the Arizona Open Meeting Law, the Committee cannot discuss or act on items presented at this time. At the conclusion of the call to the public, individual committee members may (1) respond to criticism made by those who have spoken, (2) ask staff to review a matter, and (3) ask that a matter be put on a future agenda.

None.

6. SUMMARY OF CURRENT EVENTS:

A. Committee

Member Winslow congratulated staff on being named Airport of the Year.

B. Public Works Director

Mr. Kopp said the staff was currently working on the budget, which included some airport upgrades. He said the City received a large bison head from the Show Low Historical Society, which would be hung in the airport terminal.

Mr. Kopp said the City was planning an overflow parking project at the airport in the area just west of the existing parking lot. Crews replaced the HVAC in the terminal, and the Transportation Security Administration would be replacing some scanning equipment. He said the City had a fiber optic project planned, so fiber optics should be installed at the airport by the end of the year. The HVAC and heater were replaced in the Aircraft Rescue and Fire Fighting building, and the roof was replaced on the Bureau of Indian Affairs (old terminal) building.

C. Airport Manager

Mr. Allen said the Arizona Department of Transportation name Show Low Regional Airport - Airport of the Year, 2024.

Mr. Allen said 151,883.6 gallons of fuel were sold between July 2025 and January 2025. In January 2025, 20,312.5 gallons were sold, a five-year record for January.

Mr. Allen said Contour Airlines' on-time performance was 82.5%, and their completion factor was 99% for October 2024 through December 2024. January 2025's on-time performance was 91.2%. He shared the 2024

enplanements for the following months: October - 697, November – 624, December – 751, for a total of 2,072.

Mr. Allen said the airport's planning consultant, Dibble, completed the focused planning study for the crosswind runway project and submitted it to the Federal Aviation Administration (FAA). The scoping for the Environmental Assessment for the crosswind runway was underway, and comments from the FAA had been received. Dibble was addressing the comments. He said the scope and fees would be subject to an Independent Fee Assessment.

Mr. Allen said the Bipartisan Infrastructure Law funding was in place for the construction of two large helipads adjacent to Taxiway A. The City's consultant, Lochner, was recently asked by the FAA to make a "pen/ink" change to the Airport Layout Plan (ALP) to reflect the actual orientation of the helipads as designed. It would then undergo an FAA review process. Lochner was planning to put the project out to bid this month, but the ALP review period would cause a 30-day delay.

Mr. Allen said the Arizona Department of Transportation grant agreements for two projects have been accepted by the City Council. The Replacement LED Runway Signage on Runway 7-25 and Replacement Precision Approach Path Indicators/Runway End Identifier Lights on Runway 7-25 projects were expected to be completed this summer.

Mr. Allen said several new hangar development leases had been created, and new private hangar developments were erected at the airport recently. He said a Request for Proposals for non-commercial ground leases for hangar development was advertised in November of 2024 with a due date of December 11, 2024. The City received three proposals. City staff reviewed the proposals and coordinated new leases for new hangar developments. The City, in coordination with Big Dog Development, completed the hangar infrastructure project for Phase I and was preparing for Phase II.

Mr. Allen said staff was working on an insurance audit. Letters, including an insurance checklist, were sent to airport leaseholders requesting that they provide current certificates of insurance meeting the minimum requirements. We have received over 25 responses. Follow-up letters would be sent until all leaseholders complied.

Mr. Allen said a project to repaint the exterior of the terminal building was being put out to bid, and another project to remodel the terminal restrooms was scheduled for later this year.

7. **NEXT MEETING:**

Chairman Cedarblade said the next meeting of the Aviation Advisory Committee would be on April 24, 2025, at 4:00 p.m. in the City Council Chambers.

8. **ADJOURNMENT:**

There being no further business to be brought before the Aviation Advisory Committee, **CHAIRMAN CEDARBLADE ADJOURNED THE REGULAR MEETING OF THE SHOW LOW AVIATION ADVISORY COMMITTEE OF FEBRUARY 24, 2025 AT 4:37 P.M.**

ATTEST:

APPROVED:



Jacob Allen, Airport Manager



Signature

WILLIAM G WINSLOW JR

Name

GARY

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Aviation Advisory Committee of Show Low held on February 24, 2025. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 24th day of April, 2025



Jacob Allen, Airport Manager

ITEM 4.D

ATTACHMENT 1

A.

The following insurance requirements and limits reflect minimum and typical insurance coverage for the various commercial aeronautical activities. The required insurance coverage and limits will be determined during the development of a specific lease or agreement by the City's insurance carrier. The applicant will be required to provide a detailed disclosure of all activities, services or operations which will be associated with the lease or agreement. Included with the disclosure will be a maximum valuation of aircraft to be utilized or services. Any deviations from, changes to, or additions of activities, services or operations will prompt a review of the insurance requirements. Additionally, the operator's minimum insurance requirements shall be subject to adjustment at two (2) year intervals, at the sole discretion of the City, with the first adjustment date to be two (2) years following the commencement date of the lease or agreement.

B.

The following types of coverage and limits are minimum insurance requirements and are subject to modification by the City's insurance carrier during the development of the lease or agreement. The types of coverage listed below shall be carried by all operators of commercial aeronautical activities at the airport.

1. Worker's Compensation Insurance – as required and in such amounts to fully comply with the laws of the State of Arizona including employee's liability of \$1,000,000 ~~as based on May 1996 dollars.~~
2. Casualty Insurance – against loss or damage to buildings or other insurable improvements due to perils covered in the ISO Special Form in the amount of not less than 100% of replacement value.
3. Commercial General Liability Public Liability Insurance – against claims for death, bodily injury, or property damage occurring on, in, or about the operator's premises and the airport. ~~As of May 1996 an example of required insurance would be as follows: The combined single limit for all liability coverage's shall be \$5 million.~~

C.

Other types of insurance coverage may be required and will depend upon the precise nature of the commercial aeronautical activities to be conducted by the operator. The types of coverage which are listed below are representative of the additional insurance coverage and are not intended to be exhaustive. Additional insurance coverage which may be required include:

1. Aircraft Liability – against claims for death, bodily injury, or property damage relating

to the operator's use of an aircraft. Depending on commercial aeronautical activity, aircraft liability will need to cover passengers, aircraft renters, and student pilots.

2. Hangar Keeper's Liability – against claims for damage or loss to an aircraft during the movement of another aircraft in and around a hangar.

3. Product Liability – against claims for death, bodily injury, or property damage resulting from faulty or defective products. Typically supplements the manufacturer's product liability insurance.

4. Premises Liability

5. Chemical and Environmental Damage Liability

D.

Motor Vehicle Liability is required for any vehicle which is authorized by the Airport Manager to operate on the aircraft operating areas of the airport. Minimum amount of insurance is \$1 million combined single limit coverage. If the operator's public liability coverage includes vehicular operations on the airport, separate motor vehicle insurance shall not be required.

