



AGENDA

Beaufort County
Airports Board Meeting
Beaufort County Government Center
County Council Chambers
Thursday, July 15th at 1:30 PM

Call to Order by Chairman

Motion to Accept July 15, 2010 Agenda.

Accept Deny

Motion to Accept June 10, 2010 Minutes. ([draft](#))

Accept Deny

GUEST INTRODUCTIONS

PUBLIC COMMENTS - Limited to Three Minutes Each Person.

HILTON HEAD ISLAND AIRPORT REPORT

- Tower Report- Paul Andres ([report](#))
- Projects-Paul Andres
 - Tree Obstructions
 - ARFF
 - RSA Drainage Improvements
 - Master Plan
 - Design Projects
- Operations Report- Chief Yeager ([report](#))
- Noise Complaints & Traffic Counters- Chief Yeager

BEAUFORT COUNTY AIRPORT REPORT

- Fuel Sales- Joel Phillips
- Projects- Paul Andres
 - Tree Obstructions
 - Master Plan
 - Runway Overlay
 - Airfield Electrical Improvements

COMMITTEE REPORTS

- Lady's Island Airport Operations: Graham Kerr ([report](#))
- Hilton Head Island Airport Operations: Will Dopp

UNFINISHED BUSINESS (Continued):

- Aircraft Hangars (Rental Rate/Sell) ([attachment A](#)) ([memo](#))
- Lady's Island Airport Hangar Rent (2.5% Increase and Equalization of Rent Rates)

NEW BUSINESS:

- Sea Breeze Airways Proposal

CONTINUATION OF PUBLIC COMMENTS - Limited to Three Minutes Each Person.

ADJOURNMENT

FUTURE MEETINGS

Airports Board: The next meeting will be held on Thursday, August 19, 2010 at 1:30 PM in the County Council Chambers of the Beaufort County Government Center.

([attachment B map](#)) ([attachment c memo](#))

County Council of Beaufort County
Hilton Head Island Airport – www.hiltonheadairport.com
Beaufort County Airport – www.beaufortcoairport.com
Post Office Box 23739 – 120 Beach City Road
Hilton Head Island, South Carolina 29925-3739
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AIRPORTS BOARD MEETING MINUTES
OF JUNE 10, 2010

The print media was notified in accordance with the State Freedom of Information Act.

The regularly scheduled meeting of the Beaufort County Airports Board was held at 1:30 PM on Thursday, June 10, 2010 in the Council Chambers of the Beaufort County Government Center. Chairman Pete Buchanan called the meeting to order.

A motion was made and seconded to approve the June 10, 2010 agenda. The motion passed unanimously.

A motion was made and seconded to accept the May 20, 2010 meeting minutes. The motion passed unanimously.

Prior to the vote, Mr. Dopp wanted to know why the minutes only reflect votes for, against and abstained without showing how each member voted. Mr. Buchanan asked Councilman McBride to comment. Councilman McBride stated that while the County Council minutes reflect the names of each Councilman and how they voted, the minutes for the Committees only show the number of votes like the Airports Board. Mr. Buchanan stated that the Airports Board minutes would remain as written. Mr. Dopp accepted this decision.

GUEST INTRODUCTIONS – Guests attending the meeting introduced themselves.

MEMBERS PRESENT

Pete Buchanan – Chairman
Jared Newman – Vice Chairman
Councilman Rick Caporale – Beaufort County Liaison
Will Dopp
Joseph Mazzei
Joe Zimmerman
Derek Gilbert
Graham Kerr
Leonard Law
Paul Jorgensen
Noel Duncan

MEMBERS ABSENT

Councilman Ken Heitzke – Town of Hilton Head Liaison
Ross Sanders

STAFF

Paul Andres – Airport Director
Larry Yeager – Chief of Operations
Linda Wright – Admin. Asst.

GUESTS

Councilman Steve Baer
Councilman Bill McBride
Councilman Stu Rodman
Joe Croley – Resident
Leo Brennan – Resident
John Morrisette – Resident
Jim Fisher – Resident

PUBLIC COMMENTS

1. Jim Fisher – Mr. Fisher stated he had attended the March 9th and May 19th joint sessions of the Master Plan. He stated that he found them to be extremely heavy on information, but weak on analysis. Mr. Fisher stated the Airports Board should provide the average citizen with something they can understand regarding the conclusions that are drawn. Mr. Fisher further stated that the question that the average citizen should have answered is whether there is a risk of losing Delta or US Airways service.
2. Leo Brennan – Mr. Brennan stated he is of the understanding that the Airports Board may make a decision today on which alternative to recommend. He stated there are still a number of unanswered questions and asked the Board to consider these questions before voting. Mr. Brennan stated that in his opinion the consultants have not presented all of the options. Mr. Brennan then noted various options that could use a shorter runway. He continued by stating that while the politicians seem to like the options that would not affect St. James Baptist Church, he has talked to people from the church who are still not comfortable with the plan because of the displaced threshold.
3. John Morrisette – Mr. Morrisette stated he would like for the Board to come up with figures that would differentiate between the cost of doing 5,400' now as compared to doing Phase I and Phase II due to the cost of the EMAS.

UNFINISHED BUSINESS

1. HXD Master Plan Update: Pete Buchanan
 - Mr. Buchanan stated the members have had time to look over the alternatives presented by Talbert & Bright. He stated the Board needs to recommend one of the alternatives to County Council in order for the consultant to be able to move forward. Mr. Buchanan stated that a motion had been tabled at the last meeting which would allow him to forward a letter to County Council recommending Alternative No. 2.

Mr. Mazzei stated he flew into Charlotte and noticed they have EMAS. He stated that in response to Mr. Morrisette's comment about the EMAS, the one in Charlotte is modular so it appears it can be repositioned if necessary.

Mr. Newman wanted to know if the costs are known for doing the expansion in stages as well as doing it all at once. Mr. Newman wanted to know if, in fact, the EMAS can be repositioned. Mr. Andres stated it is his understanding that it could be repositioned. He added that with a phased approach there would be an additional cost because of using contractors twice and repositioning the EMAS. He did not know how much more this would cost. Mr. Andres reminded everyone that once the consultants have received guidance on the alternative to pursue they still have to do an environmental overview, financial analysis and the ALP. Mr. Kerr wanted to know if the runway expansion would be done under the normal financing where 95% would be paid for by the Federal government, 2.5% by the State and 2.5% County. Mr. Andres stated that the funding scenario is correct.

Mr. Buchanan stated Alternative No. 2 allows us to begin the work while staying

within the confines of Airport property during Phase I. Phase II is when some land would need to be purchased off Airport property, but that would be several years from now giving us time to assess the situation at that time.

Mr. Dopp stated there are still several questions that need to be answered and wondered if the Airports Board recommendation should be deferred until the information is given to Town and County Council. He added they also need some cost figures. Mr. Dopp stated this topic will not likely go before County Council before the July Airports Board meeting. Mr. Buchanan stated the consultants cannot give the cost until they know which alternative they are pursuing. He stated they cannot keep asking the consultants for more information without paying for it. Mr. Mazzei stated the time has come to decide on which alternative they need to recommend.

Mr. Zimmerman stated he feels there is another option between the current 4,300' runway and the proposed 5,000' runway that was not considered. Mr. Mazzei disagreed stating it is better to have too much runway rather than not enough. Mr. Newman stated it was his understanding that 5,000' was the absolute minimum that is needed.

Mr. Kerr stated he was a Captain on a Dash 8 for 11 years for Piedmont Airlines flying in and out of Hilton Head Island. He stated the Dash 8 is going to go away and they will only be replaced with jets so we may lose commercial service. Mr. Kerr asked Mr. Andres about Delta's flights. Mr. Andres stated that he has been informed by Delta that they will retire their turboprops in 2011 and they will only be replaced with regional jets. Mr. Kerr stated this limitation of the current airport for the ability of the airlines to service Hilton Head will have a tremendous economic impact. He said that if we want to maintain commercial service then we must do something with the Airport. Mr. Kerr stated there is a lot of controversy over the Airport, but he believed Alternative No. 2 was the best option as it is incremental and would allow us to get started and then make adjustments as needed.

Mr. Andres reminded everyone that the Master Plan is a planning document and does not answer highly specific or technical questions. He stated that a separate Environmental Impact Study will answer the detailed questions about noise and other environmental considerations

Councilman Caporale stated that the questions that he, Councilman Rodman and Councilman Baer sent to Talbert & Bright have been received and the consultants have said they will try to have the answers by June 30th. He stated these questions are a prerequisite for the joint meeting of Town and County Council which is likely to happen in mid-July according to Mr. Kubic. Councilman Caporale stated that his point is that none of these issues will get to County Council until sometime in late July or August. He stated it is his opinion that the Council will not endorse any alternative until after the joint meeting with the Hilton Head Town Council.

With no further discussion, Mr. Buchanan called for a vote on the following tabled motion.

A motion was made and seconded that Alternative No. 2 of the Hilton Head Island Master Plan be recommended to County Council. The vote was 7 for, 2 against and 1 abstained. The motion passed.

HILTON HEAD ISLAND AIRPORT REPORT

1. Tower Report: Paul Andres

For the month of May 2010 there were 3,974 total flight operations of which 2,154 were conducted under IFR procedures.

2. Projects: Paul Andres

- Tree Obstruction Removal – Mr. Andres stated the FAA is currently reviewing the 90% design plans for the removal work on Airport property. He stated they will phase the tree obstruction removal project by starting with the on Airport property then moving to the off Airport property trees. Mr. Andres stated he is still waiting to hear from the US Fish and Wildlife Service concerning the required eagle permits and for OCRM to review the plans and issue their letter of consistency for the process to be used in the wetlands on Airport property. These permits are needed before he can submit to the Town for their permit. Mr. Buchanan wanted to know when the project would start. Mr. Andres stated he hopes to start removing the tree obstructions in September as long as there are no obstacles in obtaining the permits.
- ARFF Station and Runway Safety Area Drainage Improvements – The foundation work for the ARFF station is underway and the utility service is being installed to the site. Mr. Andres stated the contractor is accelerating the construction schedule for this project. He stated they are waiting for the Town to issue the work permit for the drainage improvement work. Mr. Andres stated the Town has concerns regarding the eagle's nest so he has supplied the Town with information from the US Fish and Wildlife Service which states they will allow the work to occur once the eagles have vacated the nest for the nesting season. Mr. Andres stated he believes the eagles are gone for the summer, but he is waiting for this to be confirmed. He stated the Town is also concerned about how the surface will be treated once the storm water is piped underground. Mr. Andres stated he had wanted to install grass like the rest of the runway safety area, but the Town wanted water quality plants installed. The appropriate FAA Regulations and Advisory Circulars have been provided to the Town concerning the use of grass in this area and Mr. Andres is waiting on their response.

Mr. Mazzei wanted to know the total cost of the ARFF project and if most of the work was awarded to local contractors. Mr. Andres stated the construction company is located on Hilton Head although the prime contractor is a company in Tennessee. The total amount for the construction contract is just under \$1.7 million and the total project cost is approximately \$2 million.

- Hilton Head Master Plan – Previously discussed above.

- Design Projects –These projects are still on hold pending completion of the Master Plan. Mr. Andres stated that the RFQ to select architectural/engineering and professional consulting firms for the Airport has been advertised. Those qualification proposals are due back June 24th.

Mr. Andres stated the rental car RFP has been advertised and the responses are due back on July 8th.

3. Operations Report: Chief Yeager

- For the month of May 2010 there were 6 medivacs and 1 medical response call at the commercial passenger terminal.

4. Noise Complaints & Traffic Counters: Chief Yeager

- There were 12 noise complaints. Two were related to Coast Guard helicopter operations and 10 were related to a general aviation aircraft doing a banner towing operation along the beach which was not authorized by the Airport. Mr. Andres stated the tail number was recorded and he did work with the Town's Codes Enforcement staff. He stated it was determined that this aircraft was supposed to be in the Savannah area. Mr. Buchanan wanted to know if the Airport has any authority over this type of aircraft outside of the tower airspace. Mr. Andres stated the Airport does not have authority outside of the controlled airspace.
- The after hours traffic count was 90.

BEAUFORT COUNTY AIRPORT REPORT

1. Fuel Sales: Paul Andres for Joel Phillips

The total fuel sales for May were 9,947 gallons (5,559 gallons of AvGas and 4,388 gallons of jet fuel). There were 1,730 total operations. Fuel sales and total operations were up slightly from the same time period last year.

2. Projects: Paul Andres

- Tree Obstruction Removal – Mr. Andres stated they are still waiting for the FAA's response regarding the SCE&G power poles.
- Master Plan – The consultant is finishing the development alternatives for a phased approach to runway expansion which includes improvements in the runway safety area and expansion of the runway to 4,400' total length with an ultimate build out to 5,000' twenty years out. Mr. Andres stated they are doing the environmental overview and have solicited input from the appropriate regulatory agencies. The consultant is also updating the ALP. Once this information has been obtained they will be scheduling a joint session between County Council and Beaufort City Council

Runway Overlay and Airfield Electrical Improvements Projects – The permanent marking on the runway is the only remaining item for the Runway Overlay project. This will be done through a State contract on June 22nd and they hope to finish this in one day. Mr. Phillips will be notifying the tenants in case they want to relocate their aircraft on this day since the Airport will be closed. The Airfield Electrical Improvements project consists of the REILs, wind cone and rotating

beacon. Mr. Andres stated the work on the rotating beacon is essentially finished. They are finishing up with the installation of the REILs on the South end and they will also be finishing up the improvements on the wind cone. Mr. Andres stated there will be a brief press release about the installation of the REILs so motorists will not be alarmed by the flashing strobe lights. Mr. Duncan asked if a sign could be placed in the area. Mr. Andres stated he will check into the placement of a sign.

Mr. Newman wanted to know if it would be possible to expand the manned hours of the Lady's Island Airport since there is more daylight in the summer. Mr. Andres stated he would have to talk to Mr. Phillips, but budget constraints for personnel salaries may pose a problem.

Mr. Andres stated that the South Carolina Division of Aeronautics and the Aeronautics Commission have requested a security plan for the Lady's Island Airport. The plan is to be submitted to the State for their review by July 30th.

COMMITTEE REPORTS

1. Finance: Leonard Law – No Report.
2. Lady's Island Airport Operations: Graham Kerr – No Report.
3. Hilton Head Island Airport Operations: Will Dopp
 - Mr. Dopp stated Republic Parking's new equipment, which includes a credit card reader, is currently operational. The new parking rates became effective May 1st and the new operating agreement became effective April 1st.

UNFINISHED BUSINESS (Continued)

2. Aircraft Hangars (Rental Rate/Sell): Will Dopp
 - Mr. Buchanan stated no decision has been made yet as to whether the hangars should be sold or not so there was no need to discuss this again. He stated that Mr. Dopp had written a memorandum concerning the hanger rates. Mr. Dopp stated the anniversary date for the hangar rental rates is July 1st and he wanted to recommend an increase in hangar rates (Attachment A). Mr. Dopp gave some background information and then stated he was recommending the hangar rental rates at the Hilton Head Island Airport be increased by approximately 2.5% and that the rates at the Lady's Island Airport should remain the same. Mr. Dopp noted that the Civil Air Patrol does not pay any rent and wondered if they could perhaps make a token payment. Mr. Andres stated the Civil Air Patrol has no source of income so they are unable to make any rent payment. Mr. Mazzei wanted to know if the Air Force subsidized the Civil Air Patrol. Mr. Andres stated it is a very minimal amount.

A motion was made and seconded to recommend to County Council to raise the hangar rental rates at the Hilton Head Island Airport by 2.5% rounding to the nearest dollar, that the current hangar rental rates at the Lady's Island Airport remain the same and that the rent for the Civil Air Patrol be discussed as a separate issue.

Mr. Duncan wanted to know if tenants would leave if they raise the rent. Mr. Mazzei stated it is possible, but his main concern is why the recommendation differentiates between the two Airports. He stated if there is a shortfall for paying off the hangars then the rates should be raised at both Airports. Mr. Duncan stated he could not support this recommendation. Mr. Buchanan stated that while there is a waiting list at Lady's Island it is not nearly as large as it used to be and they have a lot of competition due to the facilities at surrounding airports. He added that Mr. Phillips had stated that he did not want to raise the rent on the hangars. Mr. Mazzei stated that even with an increase at Hilton Head, a significant portion will be given to Signature Flight Support. Mr. Kerr wanted to know if there was an increase at both Airports last year. Mr. Andres stated the rates were increased 5% at both Airports last year. Mr. Newman stated he still has not received any adequate answer as to why there is a difference in price between the new and old hangars at Lady's Island. He stated that in his opinion the old hangars are better than the new hangars because they do not rely on electricity to open the door. Mr. Mazzei stated he wanted to amend the original motion.

A motion was made to amend the original motion to make the hangar rents at Lady's Island Airport equal for both types of hangars and that the rate increase of 2.5% rounded to the nearest whole dollar apply to both Airports. The motion died for a lack of a second.

Because of the objections from Mr. Dopp, Mr. Buchanan and Mr. Duncan, Mr. Mazzei rephrased his motion.

A motion was made to amend the original motion to increase all hangar rents at the Hilton Head Island Airport and the hangars with electric doors at the Lady's Island Airport by 2.5% rounded to the nearest whole dollar. The motion died for a lack of a second.

Mr. Newman asked that the original motion be split so they could vote on Hilton Head Island Airport and Lady's Island Airport separately. There were no objections.

When the vote was called to raise the Hilton Head Island Airport hangar rents 2.5% rounding to the nearest dollar the motion passed unanimously.

A motion was made and seconded to equalize the hangar rental rates at the Lady's Island Airport to \$252.00 thereby increasing the older hangars from \$210.00 to \$252.00 and not raising the rates on the newer hangars.

Mr. Dopp asked for Mr. Andres' opinion. Mr. Andres stated that Mr. Phillips had said before the Board meeting that he (Mr. Phillips) did not want to see any changes or increases in the hangar rental rates in order to stay competitive with surrounding airports. Mr. Andres stated there is a waiting list at the Lady's Island Airport, but he did not know if this change would result in any vacancies.

A motion was made and seconded to table the original motion until Mr. Phillips could express his opinion at the next meeting. The motion passed unanimously.

3. Aircraft Property Tax Recommendation: Will Dopp

- Mr. Andres presented an overhead graphic showing the aircraft property tax rates as of July 2009 (Attachment B). The map revealed that the majority of counties in South Carolina have a 4% tax rate. Mr. Dopp stated the subcommittee for aircraft property tax wanted to present a recommendation (Attachment C). Mr. Dopp stated there are 111 aircraft registered in Beaufort County that are currently being assessed at 10.5%. He stated the subcommittee is recommending that the aircraft property tax rate be reduced to 6%. Mr. Dopp stated they also suggested the County considered a way of modifying the tax policy to implement an aircraft registration like they do for motor vehicles and boats. The sub-committee had also suggested the County require aircraft owners to register their aircraft in Beaufort County if they want to rent a hangar. Mr. Newman stated the FAA has made it very clear that you cannot do this. Mr. Dopp stated the FAA had informed Mr. Andres this topic had caused considerable discussion indicating that nothing was in black and white. Mr. Andres stated the FAA meant that they had referred this topic to their senior legal counsel in Washington, DC and it was their determination that you cannot discriminate based on location of aircraft registration at public federally funded airports. Mr. Dopp stated this is not part of the recommendation, it was only a suggestion. A discussion was then held as to how the aircraft values are assessed.

A motion was made and seconded to recommend to County Council that the aircraft property tax be lowered to 6%. The motion passed unanimously.

NEW BUSINESS – None

PUBLIC COMMENTS

1. Councilman Rodman – Councilman Rodman asked the Board to let them know if there are other questions the Board would like to have submitted concerning the Master Plan. He stated he may have a slightly different position as that of Councilmen Caporale and Baer of when the joint meeting may be held with the Town. He stated that he believes they are in a position where this could take place independently because all they would be doing is saying that they agree with the approach of Alternative No. 2 and that there will be other questions. He stated this is just a place to start so the consultants can move forward. Councilman Rodman stated that in regards to the aircraft property tax there is an appraised value and then they apply an assessment ratio and then the millage is applied. He stated the reduction from 10.5% to 6% is not the tax rate, but rather the assessment ratio. Councilman Rodman stated there is a shift in the counties across the state in lowering the rates. Regarding hangar rental rates, Councilman Rodman commented on the Signature Flight Support contract stating that it is not entirely their fault because it is an old contract that they purchased at fair market value. He stated there is nothing wrong with negotiating a new contract in the future. Councilman Rodman stated that it sounds like some of the Town's regulations relative to the tree cutting are still onerous. He stated this is something they may want to look at in the near future if this starts to drive up the cost in removing the trees. Councilman Rodman also stated that he looks at the cash flow as opposed to profit because the profit is impacted by the depreciation. He stated if you adjust for depreciation it appears both Airports are profitable.

2. Councilman Baer – Councilman Baer stated that he tracked the monthly IOU's to taxpayer's general fund from the two Airports and it is up to \$2.2 million total this month or approximately \$100,000.00 more in debt. He stated this breaks down to approximately \$1.8 million for the Hilton Head Island Airport and approximately \$400,000 for Lady's Island Airport.
3. Jim Fisher – Mr. Fisher wanted to know the rationale for airport expansion. He stated there seems to be different views and different questions that require valid answers. Mr. Fisher stated they need to go back to the original question which is what is the maximum runway length that will fit on the Airport. He stated another question is what is the minimum runway length needed to support commercial aviation that has the minimum effect on the surrounding community. Mr. Fisher felt the questions have not been answered for commercial service. Mr. Fisher stated the residents did not get four alternatives, they only received two which is either do nothing or go to 5,400'. He continued by stating that we are spending taxpayers' dollars to have the consultants come up with a detailed plan when they do not have the basics. Mr. Fisher also stated that the question needs to be asked if the consultant provided us with what they were contractually required to do. Mr. Fisher concluded by stating the politicians and the residents need to ask hard questions and find out what they want and what the rationale is for expanding the Airport.
4. Leo Brennan – Mr. Brennan stated we still don't know what the runway requirements are for the aircraft being used today. He stated that it was mentioned that the Dash 8's will be going away in the near future. He stated that Air Canada just bought 20 Dash 8's and Jazz just purchased 15 and that Bombardier has a production schedule through 2016. Mr. Brennan stated he read that the turboprops are becoming more popular because of their fuel efficiency. Mr. Brennan concluded by asking why the officials are settling for 5,400' when the consultant has stated that the replacement regional jets require 5,600' for the CRJ200 and 5,500' for the CRJ700. He stated the officials should then consider the 5,600' to ensure commercial service to the island.
5. John Morrisette – Mr. Morrisette stated that it was his understanding that the Board would not discuss the Master Plan until it had been presented so he had hoped they would discuss the Master Plan at this meeting. He stated that he is disappointed in the shallow discussion before the vote was taken on the Board's recommendation. He stated that he has a copy of the questions generated by Councilmen Caporale, Baer and Rodman that consists of four or five pages and yet the Board did not even mention this. He wanted to know if the Board had a copy of the questions and he wanted to hear more from the Board.

FUTURE MEETINGS

The next meeting of the Airports Board will be held on Thursday, July 15, 2010 at 1:30 PM in the County Council Chambers of the Beaufort County Government Center.

ADJOURNMENT

With no further business to discuss, the meeting was adjourned at approximately 3:25 PM.

TOWER REPORT

TOWER	VFR	IFR	Total	After Hrs. GA	After Hrs. Comm	Total Ops
January 2010	1217	1240	2457	85	44	2586
February 2010	1171	1228	2399	136	37	2572
March 2010	1333	1918	3251	86	114	3451
April 2010	2610	1896	4506	87	84	4677
May 2010	1600	2154	3754	90	130	3974
June 2010	1560	2121	3681	78	125	3884
July 2010						
August 2010						
September 2010						
October 2010						
November 2010						
December 2010						
TOTALS 2010	9491	10557	20048	562	534	21144

TOWER	VFR	IFR	Total	After Hrs. GA	After Hrs. Comm	Total Ops
January 2009	959	1280	2239	Out of Service	10	2249
February 2009	1457	1299	2756	Out of Service	24	2780
March 2009	1501	2091	3592	Out of Service	99	3691
April 2009	1547	2697	4244	Out of Service	116	4360
May 2009	1326	2226	3552	54	132	3738
June 2009	1325	2236	3561	162	128	3851
July 2009	1343	2321	3664	32	128	3824
August 2009	1118	2091	3209	28	121	3358
September 2009	1391	2041	3432	26	114	3572
October 2009	974	1993	2967	21	114	3102
November 2009	1451	1678	3129	Out of Service	41	3170
December 2009	1398	1313	2711	79	42	2832
TOTALS 2009	15790	23266	39056	402	1069	40527

TOWER	VFR	IFR	Total	After Hrs. GA	After Hrs. Comm	Total Ops
January 2008	1383	1720	3103	36	120	3259
February 2008	1473	1789	3262	12	84	3358
March 2008	1641	2294	3935	29	112	4076
April 2008	1666	2479	4145	6	66	4217
May 2008	2133	2405	4538	11	68	4617
June 2008	1959	2167	4126	14	74	4214
July 2008	1935	2479	4414	12	100	4526
August 2008	1228	1957	3185	16	83	3284
September 2008	1124	1833	2957	16	14	2987
October 2008	1305	1975	3280	12	13	3305
November 2008	1113	1775	2888	10	11	2909
December 2008	1222	1403	2625	13	6	2644
TOTALS 2008	18182	24276	42458	187	751	43396

TOWER REPORT

TOWER	VFR	IFR	Total	After Hrs. GA	After Hrs. Comm	Total Ops
January 2007	1519	1713	3232	36	62	3330
February 2007	1335	1753	3088	31	62	3181
March 2007	1721	2391	4112	30	90	4232
April 2007	1949	2942	4891	28	120	5039
May 2007	1567	2579	4146	29	120	4295
June 2007	1462	2410	3872	34	124	4030
July 2007	1595	2587	4182	29	124	4335
August 2007	1308	2608	3916	28	124	4068
September 2007	1447	2106	3553	33	120	3706
October 2007	1389	2353	3742	33	124	3899
November 2007	1866	2420	4286	33	124	4443
December 2007	1262	1746	3008	36	124	3168
TOTALS 2007	18420	27608	46028	380	1318	47726

TOWER	VFR	IFR	Total	After Hrs. GA	After Hrs. Comm	Total Ops
January 2006	1217	1516	2733	11	62	2806
February 2006	836	1471	2307	24	62	2393
March 2006	1186	2328	3514	50	62	3626
April 2006	1489	2779	4268	33	62	4363
May 2006	1526	2478	4004	21	62	4087
June 2006	1265	2264	3529	58	62	3649
July 2006	1484	2298	3782	35	62	3879
August 2006	1357	2125	3482	55	62	3599
September 2006	1616	2096	3712	37	62	3811
October 2006	1452	2259	3711	34	62	3807
November 2006	1412	2123	3535	51	62	3648
December 2006	1600	1849	3449	129	62	3640
TOTALS 2006	16440	25586	42026	538	744	43308

TOWER	VFR	IFR	Total	After Hrs. GA	After Hrs. Comm	Total Ops
January 2005	1040	1411	2451			
February 2005	1070	1418	2488			
March 2005	1052	2009	3061			
April 2005	1314	2697	4011			
May 2005	1076	2388	3464			
June 2005	793	2187	2980			
July 2005	1134	2192	3326			
August 2005	810	2092	2902			
September 2005	530	760	1290			
October 2005	1012	2266	3278			
November 2005	1072	1979	3051			
December 2005	754	1544	2298			
TOTALS 2005	11657	22943	34600			

TOWER REPORT

TOWER	VFR	IFR	Total	After Hrs. GA	After Hrs. Comm	Total Ops
January 2004			0			
February 2004			0			
March 2004			0			
April 2004	1129	1840	2969			
May 2004	1606	2153	3759			
June 2004	856	1974	2830			
July 2004	1118	2051	3169			
August 2004	773	1617	2390			
September 2004	786	1393	2179			
October 2004	1037	2274	3311			
November 2004	996	2001	2997			
December 2004	1266	1502	2768			
TOTALS 2004	9567	16805	26372			

LADY'S ISLAND AIRPORT OPERATIONS REPORT

		Avgas	Jet A	Total Flow	Total Flight Ops
2010					
January		4,385	3,837	8,222	Not Available
February		4,271	3,159	7,430	1,328
March		2,801	3,045	5,846	871
April		4,511	3,000	7,511	2,185
May		5,559	4,388	9,947	1,730
June		4,584	2,519	7,103	1,110
July					
August					
September					
October					
November					
December					
2010 Totals		26,111	19,948	46,059	7,224
2009					
January		3,421	1,829	5,250	750
February		4,281	3,196	7,477	1,100
March		4,241	3,624	7,865	1,400
April		6,871	3,141	10,012	1,600
May		5,822	3,979	9,801	Not Available
June		6,914	5,849	12,763	1,824
July		4,959	2,459	7,418	1,185
August		5,389	3,214	8,603	1,285
September		4,258	3,715	7,973	1,184
October		4,500	723	5,223	1,052
November		4,538	4,969	9,507	1,326
December		2,932	3,543	6,475	1,050
2009 Totals		58,126	40,241	98,367	13,756
2008					
January		5,619	4,937	10,556	1,210
February		5,500	6,200	11,700	Not Available
March		Not broken down		8,100	Not Available
April		5,675	5,435	11,110	1,225
May		5,363	6,907	12,270	1,680
June		6,196	3,954	10,150	1,153
July		4,442	3,367	7,809	985
August		4,402	2,120	6,522	940
September		4,358	3,613	7,971	1,180
October		5,308	3,244	8,552	1,050
November		5,200	3,700	8,900	Not Available
December		3,535	2,200	5,735	Not Available
2008 Totals		55,598	45,677	109,375	9,423

ENPLANEMENTS/DEPLANEMENTS

HILTON HEAD ISLAND PASSENGER ENPLANEMENTS(departures) 2004-2010													
	2004	2005	2006	2007	2008	2009	2010						
JAN	2,985	3,520	3,540	3,145	4,206	2,510	2,539						
FEB	3,431	3,957	2,748	3,250	5,275	2,976	2,916						
MAR	5,053	6,647	5,956	6,273	8,052	5,547	6,044						
APR	6,513	7,809	6,715	8,985	7,930	6,872	7,596						
MAY	6,438	7,782	6,739	8,682	8,389	7,177	7,912						
JUN	6,111	6,814	6,140	8,638	7,819	6,771	7,947						
JUL	6,051	6,849	5,850	8,498	7,954	7,393							
AUG	6,422	6,500	5,086	8,843	7,649	6,957							
SEP	4,957	1,129	5,070	7,392	5,922	6,249							
OCT	6,115	6,632	5,794	9,230	6,882	6,601							
NOV	5,052	5,107	4,313	7,355	5,927	4,121							
DEC	3,792	3,676	3,198	4,780	2,928	2,977							
TOTALS	62,920	66,422	61,149	85,071	78,933	66,151	34,954						

HILTON HEAD ISLAND PASSENGER DEPLANEMENTS(arrivals) 2004-2010													
	2004	2005	2006	2007	2008	2009	2010						
JAN	2,810	3,177	3,253	2,887	3,591	2,308	2,228						
FEB	3,369	4,120	2,964	3,453	5,729	3,256	3,106						
MAR	5,558	7,418	6,652	7,313	8,652	5,770	6,750						
APR	7,053	7,912	6,740	9,289	8,263	7,057	8,111						
MAY	6,530	7,995	6,836	9,035	8,681	7,175	8,287						
JUN	6,419	7,649	6,465	8,961	8,110	7,055	8,716						
JUL	6,028	6,868	5,895	8,708	8,470	7,849							
AUG	6,518	6,399	5,177	8,979	7,748	6,684							
SEP	4,936	1,185	5,152	7,119	5,583	6,558							
OCT	6,102	6,654	5,832	9,068	7,243	6,699							
NOV	4,828	5,002	4,380	7,169	5,556	3,860							
DEC	3,972	3,742	3,419	5,010	3,037	3,248							
TOTALS	64,123	68,121	62,765	86,991	80,663	67,519	37,198						

MEMORANDUM

Subject: Annual Review Hangar Rents at HXD & ARW

Prepared By; Will Dopp, Member Hangar Rental Committee

Date: June 10, 2010

Background: While this annual review of hangar rents is somewhat belated as hangar lease agreements have a July 1 effective date for adjustments, it is nevertheless important the matter be reviewed, and a recommendation made.

Under the currently approved rent schedule. 21 T-Hangars at HXD.....the 22nd one is donated to the Civil Air Patrol....are rented at \$361.62 each per month, 3 box hangars at \$1,074.94 each, and 1 large box at \$2,205., or a annual gross rental income of \$157,276 for all hangars.

At ARW, the approved schedule has the 10 old (manually-operated door) T-Hangars renting for \$210 each per month, and the newer (electric doors) 24 T-Hangars renting at \$252 each per month, or a gross annual rental income of \$97,776.

The above rates which reflected an across-the-board 5% increase were approved by the BCAB May 21, 2009 but not made fully effective for all tenants until October 1, 2009. No tenant was charged retroactively to July 1, 2009 as the delay in implementing the new rates was procedural within the County.

There is waiting list for hangar space at both airports.

Points Considered: With respect to the hangars at HXD, there is a serious shortfall between the net rental income the County receivesthe above \$157,276 gross less a 25% management fee equal to \$39,319 to Signature Flight.....and the debt service on the construction financing bonds. The shortfall currently amounts to about \$30,000 annually.

While steps are being taken by a committee of the BCAB to study the possibility of selling the HXD hangar complex, a final decision by County Council, if it gets that far, is months away. In the interim, the cash shortfall remains, and should be addressed , if even in a small way..

New information has been received that HXD's major competitor, SAV, is raising T-Hangar rates from \$300 per month to \$400, and for a twin-engine sized box hangar from \$850 monthly to \$1,100. These SAV rates become effective July 1, 2010.

While current HXD hangar rates are slightly higher than those at Charleston Executive and Columbia Metro, our nearest major competitor is Savannah International with rates soon to be about 10% higher than our present rates..

As for AWR, its chief competition for hangar storage is the general aviation airports at Waltersboro, Summerville and Berkeley County. Current rates at ARW are appear in line with those nearby airports.

Recommendation: While the shortfall between net rental income and debt service at HXD is large, it is not going to be eliminated by substantially increasing rents in the near term. In fact, to do so by rent increases alone, a T-Hangar tenant would have to pay some \$800 more annually than the \$4,339 currently being paid.. However, a modest increase would seem reasonable in light of the airport's need to address the shortfall to some small degree, and to otherwise help improve revenues at HXD

In keeping with the foregoing, it is therefore recommended rates for a T-Hangar at HXD be raised to \$370. per month, for a small box hangar to \$1, 102. per month, and the large box to \$2,260. Such recommended rates reflect an approximate 2.5% increase., and should be effective as soon as all approvals are secured. No retroactive adjustments to July 1, 2010 are suggested.

As for hangar rates at ARW, and as cited above, current rates are competitive so it is recommended said rates remain in effective for another 12 month period.

Suggested for Future Consideration: Review of hangar rents should be made well in advance of July 1 of each year so any recommendation, and subsequent approvals including tenant notification, be attained well in advance of the effective date.

Also in light of the substantial debt-service shortfall at HXD as well as the ever-constant demand for hangar space, it may be prudent to discuss with the Civil Air Patrol if they can make a token monthly payment in lieu of rent for the hangar they occupy. I mention this not knowing their funding source, or even if they have one.

It is again suggested the 3 storage rooms, one in T-Hanger Building A and two in T-Hanger Building B, amounting to 170 square feet each be rented to adjacent or nearby aircraft tenants for \$50 to \$75 per month each..

Respectfully submitted

Will Dopp
BCAB Member

MEMORANDUM

DATE: July 8, 2010

TO: Beaufort County Airports Board

FROM: HXD Hangar Sale Study Committee

The Committee of BCAB members studying the issue of whether or not to recommend the sale of the County-owned hangars at Hilton Head Island Airport (“HXD”) met to discuss various sale scenarios. In all such scenarios, there is one, over-riding factor and uncertainty that exerts great influence on the potential success (or lack thereof) of such a transaction. That factor is the 25% management fee currently retained by Signature Flight Support (“Signature”) for administering the hangar rental business at HXD.

The Committee has been informally advised that the right of Signature to continue to act as manager for such hangars would terminate with their sale to a third party. However, because this management fee is quite substantial...about \$40,000 for the year 2010...and the question so important, the Committee believes a formal, written, legal opinion confirming the above, is necessary at this time and before proceeding further with our study and recommendation. Without termination of the management fee, sale possibilities will be extremely limited.

Accordingly, the Committee respectfully requests the County Attorney provide us with his written opinion that, in the event of a hangar sale to a third party, the right of Signature to continue as manager and collection agent for such hangars pursuant to Lease Addendum No. 1 of June 21, 2005, ceases as of the date of hangar sale, and further, the purchaser would have no obligations remaining under this Addendum, to Signature. A new agreement between Purchaser and Signature relative to the latter’s continued occupancy of the largest box hangar would be substituted.

Upon receipt of the requested opinion, the Committee will move as quickly as possible to submit its recommendation to the BCAB.

The Committee: Will Dopp
 Derek Gilbert
 Joe Mazzei
 Joe Zimmerman

ENPLANEMENTS/DEPLANEMENTS

TOTAL PASSENGER ENPLANEMENTS & DEPLANEMENTS 2004-2010													
	2004	2005	2006	2007	2008	2009	2010						
JAN	5,795	6,697	6,793	6,032	7,797	4,818	4,767						
FEB	6,800	8,077	5,712	6,703	11,004	6,232	6,022						
MAR	10,611	14,065	12,608	13,586	16,704	11,317	12,794						
APR	13,566	15,721	13,455	18,274	16,193	13,929	15,707						
MAY	12,968	15,777	13,575	17,717	17,070	14,352	16,199						
JUN	12,530	14,463	12,605	17,599	15,929	13,826	16,663						
JUL	12,079	13,717	11,745	17,206	16,424	15,242	0						
AUG	12,940	12,899	10,263	17,822	15,397	13,641	0						
SEP	9,893	2,314	10,222	14,511	11,505	12,807	0						
OCT	12,217	13,286	11,626	18,298	14,125	13,300	0						
NOV	9,880	10,109	8,693	14,524	11,483	7,981	0						
DEC	7,765	7,418	6,617	9,790	5,965	6,225	0						
TOTALS	127,044	134,543	123,914	172,062	159,596	133,670	72,152						

Delta Connection/ASA began service March 17, 2007

Delta Connection/ASA ended service November 30, 2008

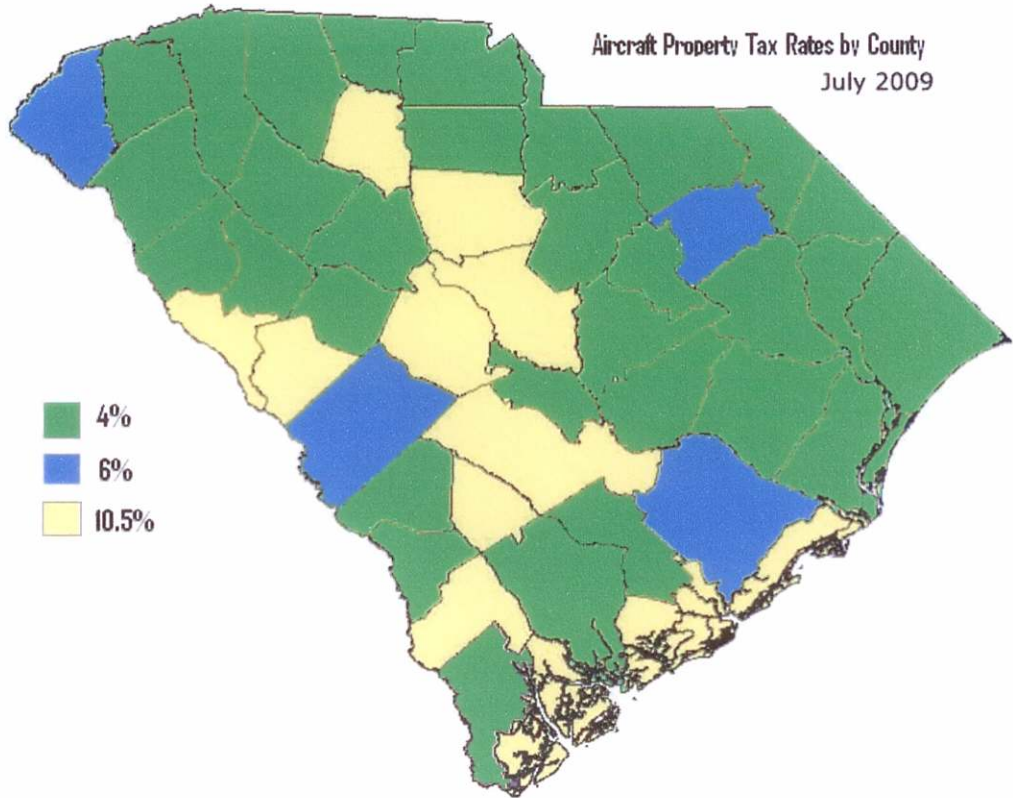
Delta Connection/Mesaba began service March 2, 2009

Aircraft Property Tax Rates

This graph includes counties that have lowered their tax rate, and those which are in the process of lowering the rate.

Aircraft Property Tax Rates by County
July 2009

County	County Millage Rate	As of 07/23/09 Aircraft Tax Assessment Rate
Abbeville	0.362	4.00%
Aiken	0.214	6.00%
Allendale	0.423	4.00%
Anderson	0.270	4.00%
Bamberg	0.392	10.50%
Barnwell	0.391	4.00%
Beaufort	0.143	10.50%
Berkeley	0.252	6.00%
Calhoun	0.267	4.00%
Charleston	0.192	10.50%
Cherokee	0.242	4.00%
Chester	0.343	4.00%
Chesterfield	0.233	4.00%
Clarendon	0.291	4.00%
Colleton	0.261	4.00%
Darlington	0.234	6.00%
Dillon	0.252	4.00%
Dorchester	0.303	4.00%
Edgefield	0.421	10.50%
Fairfield	0.284	10.50%
Florence	0.261	4.00%
Georgetown	0.200	4.00%
Greenville	0.264	4.00%
Greenwood	0.265	4.00%
Hampton	0.445	10.50%
Horry	0.181	4.00%
Jasper	0.293	4.00%
Kershaw	0.244	4.00%
Lancaster	0.262	4.00%
Laurens	0.235	4.00%
Lee	0.335	4.00%
Lexington	0.327	10.50%
Marion	0.268	4.00%
Marlboro	0.269	4.00%
McCormick	0.186	10.50%
Newberry	0.349	4.00%
Oconee	0.205	6.00%
Orangeburg	0.334	10.50%
Pickens	0.213	4.00%
Richland	0.362	10.50%
Saluda	0.347	4.00%
Spartanburg	0.269	4.00%
Sumter	0.289	4.00%
Union	0.291	10.50%
Williamsburg	0.266	4.00%
York	0.261	4.00%
Average	0.282	State Average
Total		5.73%

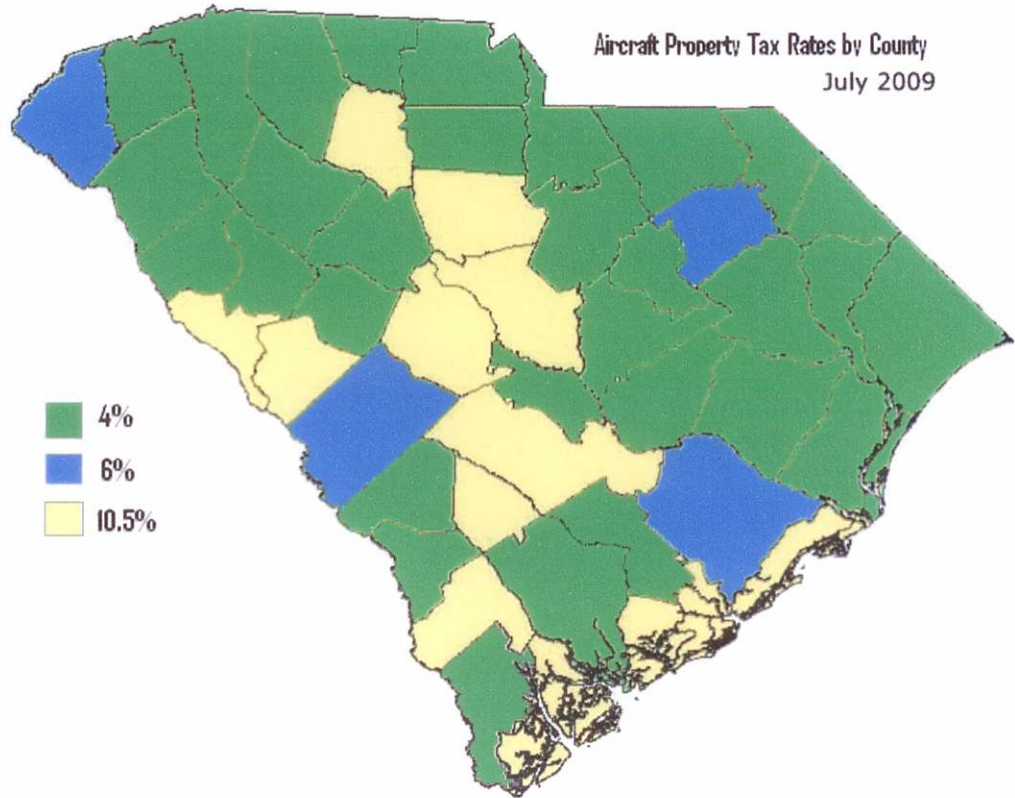


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Pickens	0.213	4.00%
Richland	0.362	10.50%
Saluda	0.347	4.00%
Spartanburg	0.269	4.00%
Sumter	0.289	4.00%
Union	0.291	10.50%
Williamsburg	0.266	4.00%
York	0.261	4.00%
Average	0.282	State Average
Total		5.73%



MEMORANDUM

Subject: Beaufort County Personal Property Tax on Aircraft

Prepared By: Sub-Committee of the Beaufort County Airports Board (BCAB)

Date: June 10, 2010

Background: This Committee was tasked to review the above subject and make a recommendation to the BCAB as a result of an April 23, 2009 County Council Finance Committee request. That request came about because the Finance Committee earlier rejected a BCAAB September 18, 2008 recommendation to reduce personal property taxes on County registered aircraft.

As of the 2009 tax year (FY2010), 111 aircraft are registered in Beaufort County, and have been billed a total of \$259,276. in personal property taxes using the present 10.5% rate.

South Carolina law permits individual counties to assess aircraft personal property taxes at rates of 4% to 10.5%. Aircraft are not required to be registered in the state....a prerequisite for assessing personal property taxes. Aircraft can be "based" in SC with no concurrent obligation to "register".

Beaufort County's ("BC" hereinafter) currently assessed personal property rate on aircraft is 10.5%, and is one of thirteen (13) counties at this rate. The remaining thirty-three counties use rates of 4% to 6% with the entire State averaging about 6%. Incidentally, only 16 of the 48 continental United States levy personal property taxes on general aviation aircraft with several BC based aircraft registered in no-tax states such as Delaware.

Points Considered: Since SC law does not require registration for aircraft based in the State, and registration in states which do not impose aircraft personal property taxes is both relatively simple and inexpensive, to expect a dramatic increase in BC aircraft registrations, and concurrent improved revenues, by way of reduced tax rates is not reasonable.

The greatest opportunity to increase aircraft registrations in BC will result from securing registrations on aircraft that are either currently here, or might be based here in the future. However, the present shortage of available hangar space at the County's two airports works against an owner's desire to base an aircraft here as owners of expensive aircraft do not want them stored outside and exposed to the elements.

It is currently estimated there are 130 to 135 aircraft based in the County. The latest FY2010 number of County taxpaying aircraft is 111 with a gross tax of \$259,276. This suggests there are 20 to 25 aircraft based here but not registered as taxpayers.....a prime target group for future BC registration.

There appears to be no rational argument for treating aircraft differently from either motor vehicles or boats when assessing personal property taxes.

Recommendation: The Committee does not represent that tax revenues, or other aircraft-related revenues such as fuel sales, will increase because of a lower tax rate, nor can it say aircraft registrations in BC will increase. It does hold, however, that reducing the effective tax for aircraft to the level of motor vehicle and boats will afford the best chance of retaining those registrations currently in BC. Further, lowering the effective rate will add a positive incentive to those considering registering their aircraft here. This would be especially so in the event additional hangar development (either public or private) is initiated at our two airports.

It is therefore the unanimous recommendation of this Committee that as a matter of equity among all personal property taxpayers of Beaufort County, the tax on aircraft be standardized at a 6 % effective rate. As a result, all defined personal property such as motor vehicles, boats, and aircraft registered in the County will be taxed alike.

Suggested for Future Consideration: The County could evaluate, concurrent with knowledgeable legal counsel, the possibility of modifying County tax policy to implement an aircraft registration mechanism more closely aligned with those for motor vehicles and boats. This could lead to a mandatory registration for aircraft situated in BC for a prescribed time period. An alternative could be to relate aircraft registration to the owner's principal residence such as is achieved when other personal property (motor vehicles and boats) is taxed here.

As an additional measure, the Committee explored the possibility of requiring aircraft owners who wish to rent one of the BC financed and built hangars.....no FAA or SC funds having been used in their construction.....to register their aircraft in BC as a condition of tenancy. However, a requested ruling from the FAA indicated that imposing such a condition would be discriminatory since the County is a federally obligated airport sponsor. The Committee, while acknowledging this ruling, believes that inasmuch as the subject raised questions all the way back to the FAA's Washington DC headquarters, perhaps the County should seek further review by outside counsel familiar with airport/aviation law.

Respectfully submitted,

Sub-Committee Members

Will Dopp
Paul Jorgenson
Leonard Law
Joe Zimmerman