

MINUTES

Beaufort County Airports Board

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October 20, 2022 | 1:32 pm | Meeting called to order by Chairman Howard Ackerman

Attendance

Present: Howard Ackerman, Brian Turrisi, Chris Butler, Ian Scott, Anne Esposito, Mark Bailey and James Buckley and Nick Messenburg

Absent: Thomas Sheahan, Leslie Adlam Flory and Trey Ambrose

County Staff: Jon Rembold, Airports Director; Stephen Parry, Deputy Airports Director; and Rocio Rexrode, Administrative Specialist.

Adoption of Agenda

Motion: Ian Scott made a motion to adopt the agenda. Anne Esposito seconded the motion. All were in favor and the motion passed.

Approval of Minutes

Motion: Chris Butler made a motion to approve the September 15, 2022, meeting minutes. James Buckley seconded the motion. All were in favor and the motion passed.

Public Comments

There were no Public Comments.

Director's Report – Steve Parry, Deputy Airports Director

a. **STEVE PARRY – DEPUTY AIRPORTS DIRECTOR**

• **HXD Terminal and Airport Update:**

- He mentioned that a second Bipartisan Infrastructure Law (BIL) grant was submitted for the Terminal renovation.
- He stated that the scope of work for the Tower upgrade is being created. It will then be reviewed by the FAA and once it is approved it will go into a bid out for the funds.
- He said the enplanements and fuel sales for September are down from last year due to pilot shortages and the increase in aircrafts used by the airlines last year (as a result of Covid) is leveling off this year.
- He stated there was no storm damage due to Hurricane Ian.

- **ARW Update:**

- He informed the hazardous trees located in the parking area were removed.
- He mentioned the Flying Frog 5K is Saturday, October 22nd and he encouraged the Members to participate.
- He mentioned the terminal building exterior renovations are moving along.
- He informed there was a small decrease in fuel sales in comparison to last year.

- **Other:**

- He showed a picture of the B17 that visited the Hilton Head island Airport. There was a conversation regarding the possibility of bringing the aircraft back as part of the Concours d'Elegance event next year.
- He mentioned that Chase Fulmer had a tour of the Hilton Head island Airport.

Chris Butler provided a fuel sales comparison sheet. There was a conversation regarding the possibility of changing the pricing structure to improve the sales numbers. Steve Parry deferred the matter to Jon Rembold.

Howard Ackerman talked about the state of the hangar maintenance at HXD. Steve Parry said that an onsite visit by Members would help identify the issues more accurately. There was a consensus, and an onsite visit of the hangars will be scheduled.

Howard Ackerman introduced John O'Toole and Russell Freed.
(The presentations start on minute 26:20 of the [video](#) recording)

Howard Ackerman mentioned O'Toole and Freed are giving a preliminary presentation for the utilization of the last piece of vacant land at the Hilton Head Airport.

- b. **JOHN O'TOOLE – PROJECT CLOUD**

John O'Toole provided a detailed presentation of the proposed utilization of the land.

There was an extensive discussion regarding the proposed project.

- c. **RUSSELL FREED – BUSINESS OPPORTUNITIES AT HXD**

Russell Freed provided a detailed presentation of the proposed land development.

There was an extensive discussion regarding the proposed project.

Unfinished Business

There was no Unfinished Business.

New Business – Action Items

1. **GRANT ACCEPTANCE: SCAC GRANT 22-044 FOR BEAUFORT EXECUTIVE AIRPORT (ARW) TERMINAL BUILDING EXTERIOR RENOVATION**

Chris Butler made a motion to accept SCAC Grant 22-044 for Beaufort Executive Airport (ARW) terminal building exterior renovation. Anne Esposito seconded the motion. All were in favor and the motion passed.

Chairman Update

1. **FINANCE COMMITTEE**

Members: Howard Ackerman (Chair), Anne Esposito, Chris Butler, and Brian Turrisi.
The Committee had nothing new to report this month. They will keep the board informed of any developments.

2. **COMMUNICATIONS AND MARKETING COMMITTEE**

Members: Jim Buckley (Chair), Brian Turrisi, and Leslie Adlam Flory.
The Committee had nothing new to report this month. They will keep the board informed of any new developments.

3. **PASSENGER SERVICE COMMITTEE**

Members: Leslie Adlam Flory (Chair), Anne Esposito
The Committee has nothing new to report this month. They will keep the board informed of any new developments.

4. **ARW FACILITIES USE AND IMPROVEMENT COMMITTEE**

Members: Chris Butler (Chair), Mark Bailey, and Trey Ambrose
Chris Butler mentioned that there is not much used of the GPU Mosquito Control has. He proposed talking to Mosquito Control about the FBO using the CPU.

5. **THE HHI AIRPORT GENERAL AVIATION IMPROVEMENT COMMITTEE (HXD)**

Members: Howard Ackerman and Brian Turrisi.
The Committee had nothing new to report this month. They will keep the board informed of any new developments.

Public Comments

There were no Public Comments.

Adjournment

Motion to adjourn was made at 2:59 pm. It passed unanimously.

Next Meeting

November 17, 2022 | 1:30 pm | Hybrid Meeting
Town of Hilton Head Island, One Town Center Ct., Hilton Head Island, SC.



Project: Cloud

Description: Project Cloud is an aviation facility that will train pilots, sell, and maintain high-end aircraft at Hilton Head Airport. The Beaufort County Economic Development Corp has been working with this client company and previous administrations since 2017. The project was delayed due to: complications related to acquiring “heirs” property and gaining U.S. Army Corp of Engineers wetland guidance. At this point, the Economic Development Corporation has sought FAA counsel on the preferred method of assembling the property and considerations given to both the Town and the developer. The developer has acquired 3.75 acres shown on the attached map in blue as the ‘Cannick property.’ The developer also requires approximately 9.7 acres +/- of Town of Hilton Head property (shown as a portion of the yellow area on the attached map). In addition to this land the developer is looking to develop fixed based operations on a 3 acre parcel adjacent to the control tower.



The BCEDC recommends bidding this project out to determine the highest and best use of the airports valuable and limited land resources. The detail below and images show the offer that is known today – “Project Cloud.” We know today that this developer would like to proceed with a project, but by going out to bid we will invite competition and meet FAA requirements.

Details on Project Cloud

Investments: Estimated \$18,050,000

Estimated Capital Investment	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Total
Land Costs	\$ 1,000,000					\$ 1,000,000
Building - New Construction	\$ 10,000,000	\$ 3,000,000				\$ 13,000,000
Building - Purchase of Existing						\$ -
Building - Renovations						\$ -
~Internal Renovations						\$ -
~External Renovations						\$ -
Building - Leasehold Improvements						\$ -
Machinery & Equipment - New	\$ 2,000,000	\$ 500,000	\$ 300,000	\$ 200,000		\$ 3,000,000
Machinery & Equipment - Used	\$ 750,000	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00		\$ 1,050,000
Pollution Control Equipment						\$ -
Total Capital Investment	\$ 13,750,000	\$ 3,600,000	\$ 400,000	\$ 300,000	\$ -	\$ 18,050,000

New Facility: 25,000 +/- sq.ft.

New Jobs over 4 years: 45 jobs

Average Compensation: \$59,750 per year

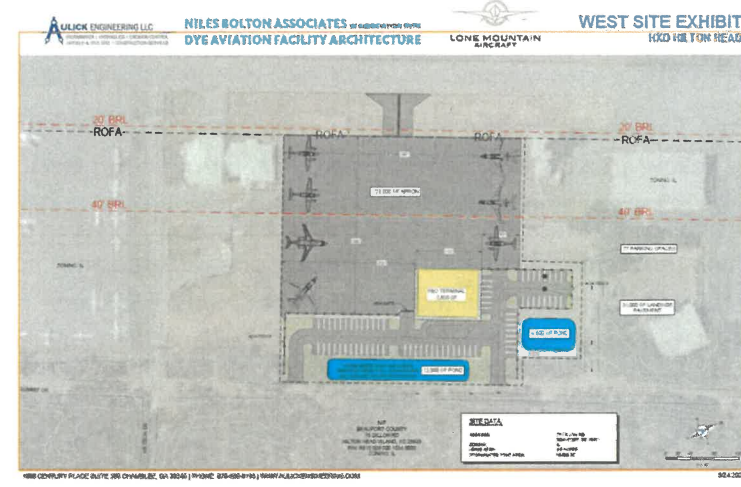
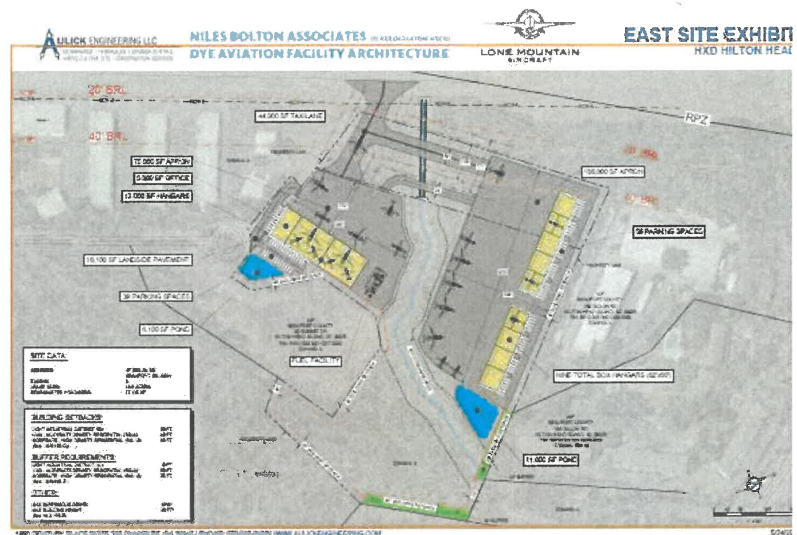
Economic Impact: Over the years 2023-2030, including capital investment, Project Cloud is projected to generate on average 72 jobs in the county and a total impact of \$32.5 million in compensation and \$133.6 million in output (summed across all eight years) in Beaufort County.

Alternatives: The developer would consider doing this project at other regional airports in the southeast.

Background and Considerations

FAA mission statement

“Our continuing mission is to provide the safest, most efficient aerospace system in the world.” The FAA mission statement signifies that the organization is dedicated to ensuring the safe and streamlined functioning of the US aviation system.



The primary aim of the FAA is to ensure the safety of air passengers, both military personnel and civilians. They promise to ensure that airway passengers reach their destination safely. The mission statement also highlights the efficacy of the aerospace system and makes it the best in the world.

Everything that FAA does is related to providing the safest and efficient aviation system across the U.S. To ensure that its mission is fulfilled, the FAA enforces regulations on all civil airlines. As per its strategic mission for 2019-2022, FAA wants to:

- Ensure utmost safety in the civil aviation and commercial space transportation system.

- Improve the aviation sector by investing in its infrastructure.
- Follow an innovative approach by implementing new technologies.
- Serve the nation efficiently while aiming to achieve this.

The above statement exemplifies the FAA is always looking to promote the US airport via infrastructure. Project Cloud is the perfect project under its mission statement. Hilton Head Island Airport, under their grant assurances, is compelled to move forward with any reasonable method to promote the airport. This includes the three-acre parcel near the air traffic control tower.

With all the above said, the Regional FAA should indeed want to fund this project if monies are available. They will want to ensure that there will be an RFP prior to issuance of an agreement. It must not be a project funded by the FAA for a specific person or organization. If a competitive process isn't employed the resulting project will not allow Federal funding to flow down to the Airport. It is estimated this project would end up being a 90/10 cost share – that is 90 percent funded by the Federal Aviation Administration and 10 percent by local government which could be the Economic Corporation, County or Airport. In speaking with the Washington FAA, it was said that the Town could act as the bank in this deal so that perhaps that 10% could be that of the Town with payments like a mortgage but made to the Town for the remaining balance. If that option is not desirable, economic development site funds and/or utility tax

credits could be used to make the town whole. Either way, we do believe the FAA will work with the Airport to help bring this land acquisition to completion.

How to proceed:

- Gain approval from the Beaufort Airport, Beaufort County Council and Town of Hilton Head Island to put a development project out to bid for response in 30-45 days.
- Specify investment made will be inside the fence to include 16 +/- acres at the northeast end of the runway and 3 +/- acres (just south) adjacent to the control tower.
- The successful bidder will share via SC Department of Commerce worksheet:
 - Its planned investments and business plan,
 - Projected jobs to be created over 5-years, and
 - Its experience and ability to carry out its plan.
- The successful bidder should at a minimum include in its bid a willingness to:
 - The successful proposal will include a proposed 30-year lease rate with two 5-year options at .26 cents per square foot leased to increase annually by the CPI annually. (\$11,326 per acre)
 - The successful bidder will shall pay a fuel flowage fee equal to nine (9%) percent of gross revenues from the sale of retail fuel and lubricants.

FREEDOM
A E R O S P A C E



KHXD – FBO Proposal

10/20/2022



Russell Freed – President & Chief Pilot



- ✦ Co-founded Freedom Aerospace to pursue investments in aviation and aviation services
- ✦ Prior to Freedom Aerospace, served as an Investment Banker for the Royal Bank of Canada focusing exclusively on aerospace, defense, and government services
 - ✦ Closed ~\$5 billion of aerospace transactions
- ✦ Previously served as a R&D Engineer for Gulfstream Aerospace certifying the G500/600 platforms
- ✦ Youngest concurrently rated Private and Instrument Pilot with over ~1,100 flight hours and a jet type rating

Drew Freed – Chairman & CEO



- ✦ Co-founded Freedom Aerospace to pursue investments in aviation and aviation services
- ✦ Prior to Freedom Aerospace, served as CEO of Micro-Coax, a leading manufacturer of high-performance coaxial cables and assemblies for the aerospace and scientific industries
 - ✦ Successfully grew and sold the business to a publicly traded strategic buyer
- ✦ Previously served as CEO of Uniform Tubes Inc, a premier manufacturer of complex medical devices, leading a global organization of over ~3,000 employees across 13 manufacturing facilities in 5 countries

Local and Passionate Aviation Professionals Focused on Long-Term Growth

Proposed Development Locations



KHXD Airport Layout



Proposed Locations for Project Development per Airport Master Plan

New Development Solves Infrastructure Needs and Enhances Business & General Aviation Experience

Project Design Goals & Timeline



Design Goals



Local Team Creating Positive Economic Impact



Destination Facility Mirroring Hilton Head Island Spirit

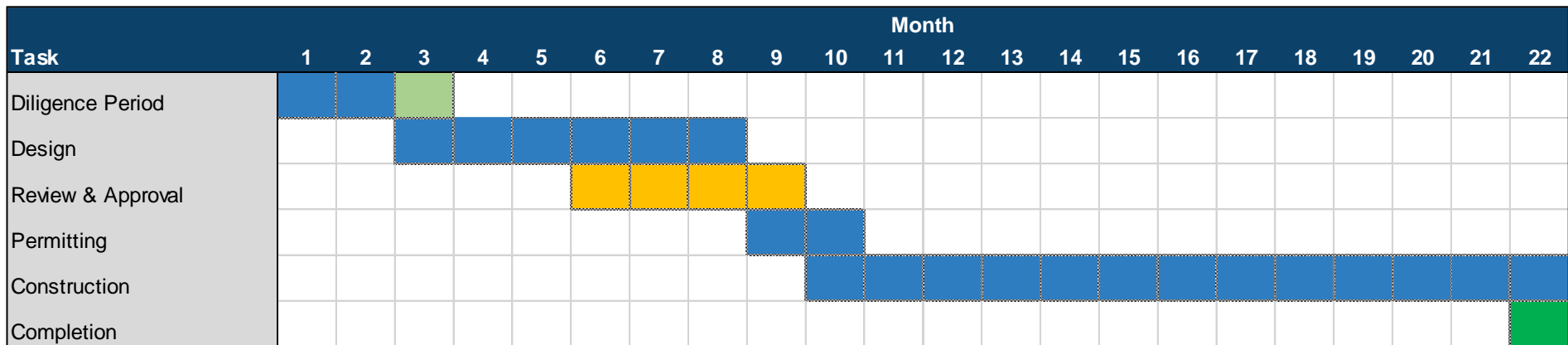


Innovative Service Improving Customer Experience



Environmentally Friendly Design and Operations

Illustrative Project Gantt Chart



Project Start Decision Point



Review Cycle with Airport, County, and other Stakeholders



Project Completion

Freedom Aerospace has Key Relationships and Unique Focus on Successful Project Completion

Source: Discussion with Choate Construction and Grady Woods (Architect). Grady Woods is currently architect on Ridgeland & Lancaster FBOs.

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