

ARNIE B. GREEN ASSOCIATES, INC.



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FOR IMMEDIATE RELEASE

SUMMARY

CITY OF ORMOND BEACH COMPLAINS TO FAA ABOUT NEWS COVERAGE OF ITS BLOCKAGE OF ORMOND BEACH AIRPORT DEVELOPMENT

December 10, 2012. Ormond Beach, FL

The City of Ormond Beach's Washington, DC attorney has complained to a federal agency about recent press coverage of its own action to block a \$70 million airport development project, and has asked the agency to speed its decision-making process in order to shorten the time available for public awareness and discussion of the issue.

In a letter referring to an article published November 29 and 30, 2012 in the Daytona Beach News-Journal, the City's attorney requests that the Federal Aviation Administration (FAA) "expedite" a pending decision in order to deny the developer the time to "promote its position in the media and with outside parties."

The full text of the City's attorney's letter to the FAA, as well as the November 29 and 30, 2012 article, are reproduced below.

"We cannot understand why the City continues to block our efforts to bring \$70 million in private investment, over 1800 good-paying jobs, and much-needed economic development and growth to Ormond Beach," developer Arnie B. Green commented.

"Now the City has paid a Washington, D.C. lawyer to write a letter that seeks to deny the people of Ormond Beach their constitutionally guaranteed right to know the facts," Green said. Rather than giving one good reason why it opposes privately-funded airport development and growth, the letter seeks to rush the FAA's process in order to avoid what the City calls 'unnecessary questions and uncertainty in the community.'

Green pointed out that the City's letter affirms the weakness of its anti-development position by admitting in the letter that: "If the FAA's review of the Complaint were to take several months, this would simply provide Green additional time to use the FAA process to promote its position in the media and with outside parties'."

"The City does not need to suspend freedom of the press in Ormond Beach. It does not need to protect our citizens from 'questions and uncertainty.' And it certainly does not need to spend our public funds to get some Washington, DC lawyer to give unwanted advice to the Federal Aviation Administration," Green continued. "This is a waste of time and money, since we are seeking nothing more than good-faith negotiations with the City. We will continue our efforts to bring the facts to the citizens who stand to benefit from the jobs and growth our proposal will bring to the area."

XXX

From: Leidl, Rich [mailto:XXXX]

Sent: Friday, December 07, 2012 3:03 PM

To: XXX@faa.gov

Cc: XXX

Subject: Informal Complaint Filed by Arnie B. Green Associates, Inc. against the City of Ormond Beach

Mr. XXXX: On behalf of the City of Ormond Beach ("City"), we respectfully request that the FAA expedite its review and issuance of its decision concerning the Informal Part 13 Complaint ("Complaint") filed by Arnie B. Green Associates, Inc. ("Green").

The basis for this request is that Green has apparently been contacting various Florida organizations concerning the pending proceeding. For example, Green apparently sent the attached email to the Florida Redevelopment Association and has apparently sent similar emails to the Ormond Beach Chamber of Commerce and the Florida City and County Management Association. In addition, the attached article appeared in the Daytona Beach News-Journal.

We note that in its message Green states that it has "been forced to seek FAA help" and that the "City stands to lose over \$5.0 million in past federal grants if the FAA finds that the City's failure to negotiate violated FAA regulations." The City, of course, can provide the email recipients a response that addresses these assertions and the City has done so. However, there may be other email recipients of which the City is not aware. The City is concerned that members of the public may assume that the mere pendency of the FAA informal complaint process, in and of itself, provides credibility to Green's allegations. Moreover, Green's claim that the City could lose \$5 million in prior grant funds creates unnecessary questions and uncertainty in the community. If the FAA's review of the Complaint were to take several months, this would simply provide Green additional time to use the FAA process to promote its position in the media and with outside parties.

For these reasons, the City respectfully requests that the FAA issue a prompt and, as stated in the Surreply, unequivocal decision that dismisses the Complaint.

Richard J. Leidl

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Counsel to the City of Ormond Beach

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<http://www.news-journalonline.com/article/20121129/NEWS/311299964?p=1&tc=pg>

Developer: Ormond wrong to ground airport project

**By [Chris Graham](#)
STAFF WRITER**

Published: Thursday, November 29, 2012 at 5:03 p.m.

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ORMOND BEACH - A local developer has filed an informal complaint with the Federal Aviation Administration claiming the city failed to adhere to federal law when it denied his company's \$70 million proposal to expand the municipal airport.

The complaint filed by the Ormond Beach start-up airport development company Arnie B. Green Associates Inc. alleges the city violated a portion of the FAA's grant assurances agreement with cities that operate airports receiving federal funding. One provision stipulates airports that receive grants from the federal government shall make the airport available "for public use on reasonable terms without unjust discrimination to all types, kinds and classes of aeronautical activities."

"The key term here is: negotiate. The city hasn't done that," said Jim Jarrell, who has been providing pro bono consulting services to Green. Jarrell at one time served as director of Flagler County Airport and deputy county administrator for three years before retiring in 2008.

But the city attorney's office said Green and his company had several opportunities to sway the city into committing to a deal to develop the land.

Deputy City Attorney Ann-Margret Emery said Green gave at least two presentations to city staff and talked with each city commissioner before his proposal was turned down.

"This is a potential \$70 million project with a start-up company that would put our community at an unreasonable risk," she said.

Green denied Emery's claim, saying he was given one opportunity to present his initial proposal.

"We find Ms. Emery's statement characterization as highly misleading," he said.

Last year, the city solicited bids from qualified developers to build a commercial business that would provide aeronautical services in the Ormond Beach Municipal Airport's southwest quadrant. City officials view the facility as a way to draw industry to the area and help spur growth at the city's prized Ormond Crossings mixed-use project.

"I think the airport can be one of our most powerful economic engines," Deputy Mayor Bill Partington said at a meeting earlier this year.

Ormond resident Green and his team, however, were the only ones to respond to the request, pitching a \$70 million project his company contends would add more than 1,800 jobs, including 638 "direct" jobs, \$115 million in local industrial production and an additional \$3 million in tax revenue. The proposal included a general aviation passenger terminal, which would have conference rooms, a flight crew lounge, and an aviation-themed restaurant.

But city staff said Green didn't meet the specifications outlined in the bid request. Green's proposal was tabled by the City Commission and eventually rejected.

The complaint calls into question the city's willingness to negotiate with Green despite having shown interest in developing the southwest portion of the airport property.

"We're not saying that because we're showing up on their doorstep that we're entitled to some type of lease, but what we're saying is you have to sit down and negotiate with us and provide reasonable access," Green said.

In the event the venture appeared to be in jeopardy, the city could implement a mechanism such as a performance bond, which would ensure a payment to the city should the project fail, Green said.

In a response to Green's complaint, the city argued it did not find Green and his company to be a "qualified" applicant. A selection committee ranked Green's proposal a 66 out of 100 points.

"In reviewing Green's Proposal, the City's Selection Committee had immediate concerns that Green, the legal entity that would be obligated under the thirty-year lease, was not qualified to undertake its proposed \$70 million development plan," the response reads.

"Accordingly, the city has no intention of leasing the site to Green, which the city has determined to be unqualified for such a project."

But Green said his team is more than qualified.

"The development project is well conceived and staffed by a cadre of professional aviation operators, consultants, engineers, attorneys and financial advisors, all with successful track records developing similar airport projects," he said.

The city, however, gave multiple reasons for rejecting Green's proposal, including his lack of business experience, lack of capital and his proposal's failure to fall within the guidelines of the city's request for proposals.

Green, a retired Air Force lieutenant colonel who has 14,000 hours of flying experience, agreed he doesn't have "\$70 million sitting in the bank" but would secure financing through loans, bonds and private partnerships. The city, though, wanted to see Green's financing before the project was approved.

"It's like when you go to buy a house," Green said. "You can't get a loan unless you have a sales agreement. Just as you can't get a loan without a sales agreement, we can't get the actual construction money before we have a contract."

Emery used that same logic if the city were to agree to a joint development venture.

"You don't ask someone with a background in corporate development to fly a jet," she said.

Another sticking point for the two parties was the need for more infrastructure — such as a taxiway and an access road — that would need to be built. So far, the city has yet to acquire funding for the taxiway, which Green requested be available before the project was started.

There is no timetable for when the FAA could find a resolution to the matter. The next step will be for federal officials to determine whether an investigation is needed or whether the two sides can come to an agreement.

Green said he harbors no ill will toward the city. He said he simply doesn't understand why it seems officials don't want to listen to his proposal.

"We're willing to discuss anything," Green said. "We may never come to an agreement. But if you can't sit down and talk, you get nowhere. This project has tremendous potential for public benefit to the people and businesses of Ormond Beach."