

# ARNIE B. GREEN ASSOCIATES, INC.



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## SUMMARY

### **AFTER 5 YEARS, DEVELOPER SEEKS FEDERAL HELP TO OVERCOME CITY’S BLOCKAGE OF \$70 MILLION INVESTMENT IN ORMOND BEACH AIRPORT**

November 21, 2012. Ormond Beach, FL

Despite being hard hit by the economic recession, the City of Ormond Beach inexplicably continues to block a new airport development project, forcing the local developer to seek help from the Federal Aviation Administration.

The development promises to turn unused space and facilities at the Airport into new hangars, shops, a restaurant, and facilities to service private aircraft and attract new aviation-related businesses and growth. It would attract \$70 million in new investment at the Airport and would create over 1,800 new jobs. Yet inexplicably, the proposal has been met with hostility by the City of Ormond Beach.

“Not only has the City of Ormond Beach refused to meet or negotiate with us, but it is spending money on Washington, DC lawyers to fight us, and is risking the loss of over \$5 million in past FAA grant money by refusing to comply with FAA regulations that require reasonable access to the Airport for the public benefit,” said Arnie B. Green, President of the development company, a 28-year retired Lt. Colonel in the US Air Force and Air Force Reserves, and 18-year longtime resident of Ormond Beach. “We just don’t understand why the City continues to block our efforts, when this project would bring significant and much-needed economic development and jobs to the area.”

“This project has tremendous potential for public benefit to the people and businesses of Ormond Beach,” Green added. “We simply want to negotiate in good faith. We do not understand the City’s refusal even to speak to us, and believe the City is in violation of FAA rules and is failing to act in the best interests of its citizens.”

Five years ago, Green, a locally based private developer with deep aviation operational and management experience, solid qualifications, combined with strong financial backing sought to lease unused space in the Southwest Quadrant of the Ormond Beach Airport to build new hangars, maintenance shops, a restaurant, and other facilities to service private and business aircraft. The developer submitted to the City a full proposal detailing the improvements and projecting that the project would help attract new aviation-related businesses to relocate to the City, as well as creating 1000 construction jobs and eventually well over 800 full and part-time jobs in the local economy.

But after five years of obstruction and refusal to negotiate by the City, developer Arnie B. Green Associates, Inc. has been forced to seek the help of the Federal Aviation Administration, which requires federally funded airports such as Ormond Beach Airport to negotiate and provide reasonable access for

the public benefit. 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.

"We strongly believe in this project and the economic benefits it will bring, including investment, construction, attraction of new business, and good-paying jobs," said Green. "We've already made a significant investment in the project, and we are determined to see it to completion."

Green points out that although City Staff has expressed concern that the City could be financially liable for providing certain elements of the project such as roads and taxiways, this is clearly not the case. "We have structured the development plan so the City of Ormond Beach would have absolutely no financial liability," Green said. "And if the City has other issues, we would be glad to discuss them and are confident they could be resolved."

"Why is the City Staff and government standing in the way of our proposed aviation development? I certainly hope it's not because they're concerned about increased noise complaints. City leaders have long spoken about the significance and importance of the Ormond Beach Airport as an economic development asset to our community. Now it's time for them to show they mean it," Green said. "The City has nothing to lose, and everything to win."

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## **ADDITIONAL BACKGROUND**

Arnie B. Green Associates, Inc., a locally based airport development company filed a complaint with the FAA against the City of Ormond Beach regarding its operation of the Ormond Beach Airport. The complaint is based on the company's contention that the City of Ormond Beach has not complied with FAA regulations requiring federally funded public airports to negotiate for the potential lease of available public airport property and has been working in an unreasonable manner to deny the Company reasonable access to the Airport.

FAA regulations require the City of Ormond Beach, and other cities that operate federally funded public airports, to operate the Airport primarily for aeronautical purposes and to do so for the benefit of the public. The FAA says that the public benefit is not simply met by keeping the runways open.

The City is required to make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial activities offering services to the public at the airport. This includes the leasing of property when such property is available as is the case at the Ormond Beach Airport. As such, FAA regulations require the City to, at an absolute minimum, negotiate with those requesting to lease available property on the Airport.

The City of Ormond Beach (as are other cities operating public airports) is required to comply with these regulations in response to accepting FAA funding grants for airport operations and capital improvements. Since 2000, the City has accepted over \$5 million from the Federal government for airfield and airport improvements. Such regulations are known as "Grant Assurances." These regulations "assure" to the FAA that the City will abide by all federal and FAA regulations. The FAA can withhold and in some cases recover all funding grants received in the past 20 or more years, if the City doesn't voluntarily abide with the Grant Assurances.

It has been well over five (5) years since Green and its private investors first approached the City with its proposal to provide aeronautical services to the public at the Airport. To date, the City has not complied with FAA "Grant Assurances" because it has refused to enter into negotiations with the Company in response to a proposal to lease airport property. As the first step in the complaint process, Arnie B. Green Associates, Inc. is asking the FAA to help to resolve the matter.

The Company has proposed a comprehensive airport development project on the Southwest Quadrant of the Airport. At a cost of more than \$70.5 million over the course of 20 years, the total employment effect created by the Fixed Based Operation (FBO) would exceed 850 new full and part time jobs, while the total employment effect created from constructing the project would exceed 1080 jobs in the local economy. The project includes a state-of-the-art FBO which would provide a multitude of aviation services to local and visiting private and business aircraft. In addition, an array of new hangars, maintenance shops and a large chain, family style aviation themed public restaurant are planned. The completed facility will give the City a major boost in accessibility and service that will encourage and enhance the opportunities for businesses considering relocating to the City. The construction of the complex will also add much needed capacity to the Airport. Upon completion, the project will provide an economic impact to the City of approximately \$382 million dollars.

The development project is well conceived and staffed by a cadre of professional aviation operators, consultants, engineers, attorneys and financial advisors, all subject matter experts, and all enthusiastic to make the project happen. The team is professionally qualified and has the technical ability, experience, financial capability and resources to complete and operate the facility at the Airport.

Company President Arnie Green said: "It is unreasonable for the City to be hesitant to develop this Federally-obligated facility for aeronautical purposes, since the land was conveyed to it from the United States of America for this very purpose."

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