



August 2, 2022

**Response to the City of Clearwater's Request for Proposal
#38-22 Fixed Base Operator (FBO) Services – Clearwater Airpark**

**Submitted By:
Clearwater BlueSkies Inc.**

**Terry Couto
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TAB 1 – Letter of Transmittal

Clearwater BlueSkies Inc. (“CBI”) proposes to provide the services outlined in the City of Clearwater’s (“City”) June 29, 2022 Request for Proposal #38-22 (“RFP”) regarding FBO Services at Clearwater Airpark (“Airpark”). CBI was formed for the purpose of responding to the RFP. It is owned by Terry Couto and CBI will become active if and when the RFP is awarded.

Terry Couto is a financially secure and experienced business executive. He is an instrument rated private pilot and airplane owner with a passion for aviation. He has extensive experience starting, managing and growing companies. He is also a real estate investor and angel investor in several startup companies. Terry will provide deep financial support and management expertise to CBI.

Terry will hire **Abe Alibrahim** to serve as the full-time manager of the FBO. Abe is a pilot and FBO operator, with over 30 years of experience in the aviation industry. For the last 23 years, Abe has been providing general aviation services to the public, including developing, owning, and managing FBOs for the last 18 years. Abe has over 8,700 of flight time and over 30 years of flying and flight instructor experience. Abe is in the process of selling his FBO real estate in Tuscaloosa Alabama and will be moving to the Clearwater area for his wife to work on her PhD at USF.

Tab 5 of this proposal outlines an expected initial 5 year lease term with subsequent 5 year renewal options for up to 30 years. However, CBI saw the Youtube video of the 5/4/22 Clearwater Airpark Advisory Board committee meeting where Eric Gandy (at around the 20 minute mark) explained that the City is required to issue this RFP but expects to extend the current lease with David King for 1 year while it assesses how the City runs the Airpark. If for any reason the lease is not extended with David King (e.g., if David King does not want to move forward for another year, or if the City would like a new player that would help facilitate discussions of possible changes), then CBI is willing to assume the current lease from David King for one year, subject to the reasonable cooperation of CBI, the City and David King for a smooth transition.

The combination of Terry’s business expertise and Abe’s business and FBO management experience will create a powerful team for fulfilling the services outlined in the RFP. Both Terry and Abe are excited about the opportunity to amicably transition and improve the FBO operations at the Airpark, which is a valuable resource to the residents of Pinellas County.

Terry Couto the City’s key contact person at CBI. His contact information is:

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119 Phillips Way
Palm Harbor, FL 34683
cell: 727-492-7417
terry.couto@yahoo.com

TAB 2 – Demonstrated Experience of Company and Project Personnel

As previously explained, CBI was formed for the purpose of responding to the RFP. It is owned by Terry Couto and CBI will become active if and when the RFP is awarded. Terry would initially capitalize CBI with \$300,000 of cash/equity to ensure that working capital is more than sufficient for the operation of the FBO.

Terry is a financially secure and experienced business executive, entrepreneur and instrument rated private pilot who rents a hangar at the Airpark for his Cessna T182T airplane. He is an owner/partner of Clearwater based consulting firm Newbold Advisors LLC, but is retired from day to day operations. Terry has over 30 years of experience in the mortgage and banking industries and served as CFO of four large companies. He is also a real estate investor and angel investor in several startup companies. Terry will provide deep financial support and management expertise to CBI.

Terry will hire Abe Alibrahim to serve as the full-time manager. Abe is a pilot and FBO operator, with over 30 years of experience in the aviation industry. For the last 23 years, Abe has been providing general aviation services to the public, including developing, owning and managing FBOs for the last 18 years. Abe has over 8,700 of flight time and over 30 years of flying and flight instructor experience. Abe is in the process of selling his FBO real estate in Tuscaloosa Alabama and will be moving to the Clearwater area for his wife to work on her PhD at USF.

Again, the combination of Terry's business expertise and Abe's business and FBO management experience will create a powerful team for fulfilling the services outlined in the RFP. CBI is also willing to hire some of the existing staff now working for David King at Clearwater Airpark, inc., subject to approval from David King.

Resumes for Terry Couto and Abe Alibrahim will accompany the RFP submission.

TAB 3 – Project Methodology, Operations and Integration Plan

If awarded the RFP, CBI would work with the existing FBO manager, Clearwater Airpark Inc. (“CAI”) to provide for a smooth transition, particularly as it relates to services provided to Airpark tenants and the City. CBI is willing to purchase some CAI assets, if applicable, and hire some of CAI’s employees.

CBI will strive to provide a very high level of customer service to all of its ‘customers’, including Airpark tenants, visiting pilots and passengers, the general public, the City, and people in nearby neighborhoods. In addition, CBI will think “safety first” to govern every decision that is made.

Some ideas to generate higher value and enhance the safety of aviation related activities include:

- CBI believes it would be beneficial to get input/approval from relevant constituents and prepare a document that would: a) describe the customary traffic pattern practices that should be used for the Airpark, and b) explain the key Tampa and St. Pete Clearwater airport airspace boundaries that are very close to the Airpark. Doing so would improve safety for both Airpark tenants and pilots that don’t have much experience flying in and out of the Airpark.
- CBI would create a quarterly newsletter for Airpark tenants to facilitate communication and foster a better sense of community.
- Bring more attention to and increase participation in the existing Airpark Advisory Board meetings.
- Make the Airpark more inviting and beautiful. The main sign needs to be replaced and new landscaping would also improve the look of the Airpark. The pilot lounge in the terminal building could also be modernized with a new computer and flat screen TV.
- Hold safety seminars at the Airpark for Airpark tenants and other pilots. Such presentations are routinely done at other airports by organizations such as the FAA’s [faa.gov](http://www.faa.gov/safety) team members.
- CBI believes that it would make sense to encourage and facilitate aviation related businesses to move into the vicinity of the airpark.
 - While there is currently little to no space to accommodate companies at the airpark, there is a lot of industrial space nearby. We have not given a lot of thought on how to accomplish this but many other airports are surrounded by aviation related businesses. More economic activity in the area would be helpful to create jobs and increase tax revenue for the City.
 - CBI doesn’t know the zoning issues or feasibility but wonders whether it would be possible to convert some of the T Hangars to leases for aviation related businesses (e.g., maintenance services or avionics sales/service) instead of just airplane storage.
- CBI also strongly believes that it would make sense to introduce private funding of capital improvements into the current structure where everything is funded with government dollars. For example, if the City would allow long-term (e.g., 20 or 30 year) leases for certain parcels of land, then it would be economically feasible for private companies to pay for improvements and have a positive return on investment. This approach could work for a self-service fuel option, the possible new T hangars outlined in the February 2020 “Final Airpark Layout Plan”, and other improvements, especially the possible development of some of the land now occupied by the Landings golf course. Terry Couto has a lot of real estate, deal-making, and financing experience and is willing to work with the City on a plan to explore such private development. In fact, CBI is very interested in being an investor in such projects.

As requested in the RFP, below are some thoughts about the scope of each of the required Aeronautical Activities:

Rental of hangar and tie down space. It would be helpful to improve the transparency of the “first come/first served” waiting list for hangars and tie down spaces.

Sale of aviation petroleum products. A sore point for many Airpark tenants is the high cost of fuel. CBI will conduct regular surveys of fuel prices at nearby airports and include them in the quarterly newsletter. CBI will strive to have competitive pricing on fuel and may create a type of fuel club for Airpark residents to encourage them to buy fuel at their home airport. CBI thinks it would be beneficial to have a self-service fuel option but realizes that there are space and capital constraints that would have to be worked out.

Aircraft Rental. CBI expects to renew the sublease for Tampa Bay Aviation, subject to negotiation of any key material terms other than rental rates.

Repair and maintenance of airplanes. CBI also expects to renew the sublease for Bender Aviation Services, subject to negotiation of any key material terms other than rental rates.

Regarding CBI’s approach to balancing the intensity of aviation activity at the airpark with safety and expectations of the neighborhoods surrounding the airpark:

- CBI deeply understands that people in the neighboring communities often complain about noise levels generated from the airpark. Receiving those complaints is surely a sore spot with City employees. CBI believes that limiting, or possibly curtailing, the number of helicopters operating at the airpark would help to alleviate the noise.
- CBI does not know how complaints are handled today but thinks that it would be beneficial to: a) give neighbors a formal way of submitting complaints, b) track and report on those complaints, and c) communicate with some of the neighbors when practical so they at least feel like their complaints are being heard.
- CBI will attempt to monitor whether pilots are following the noise abatement rules. If pilots are found to have violated those rules, CBI will contact the pilots and explain the issues.

TAB 4 - References

References for Terry Couto:

Larry Spangler

(a former co-worker at GE Capital. CFO at several Newbold Advisors' clients over many years)

CFO, Computershare Loan Services

8800 Bay Meadows Way W, Suite 300,

Jacksonville, FL 32256

Larry.spangler@sls.net

817-807-1934

Tim Gaven

(one of Terry's partners at Newbold Advisors. personal and business relationships for over 17 years)

Partner, Newbold Advisors LLC

412 Whitewood Road

Union NJ 07083

tgaven@newboldadvisors.com

908-265-3072

References for Abe Alibrahim:

Charles Welden, President/Owner

(an FAA examiner and flight school owner with deep business history with Abe in Alabama for last 20+ years)

WaterWings Flight Training Center

Shelby County Airport

265 Weather Vane Road, Calera, AL 35040

iflywet@gmail.com

205-651-7000

Andy (and Gale) Fortson

(7 year business relationship, including aircraft sales and flight training)

President-General Manager, Dexter Fortson Associates, Inc.

910 Ploof Drive

Hueytown, AL 35023

afortson@DFA-INC.com

205-531-9037

TAB 5 – Compensation to the City

As noted in Tab 1, CBI expects the City to extend the current lease with David King for 1 year while it assesses how the City runs the Airpark. If for any reason the lease is not extended with David King (e.g., if David King does not want to move forward for another year, or if the City would like a new player that would help facilitate discussions of possible changes), then CBI is willing to assume the current lease from David King for one year, subject to the complete cooperation of CBI, the City and David King.

Notwithstanding the above comment, the proposed monthly rental payment to the City by CBI is as follows:

1. Monthly rent of \$30,000* from December 1, 2022 through December 31, 2023. That is a \$1,544.51 per month, or 5.4%, increase over the current monthly rent of \$28,455.49.
2. In an effort to keep end user gas prices low, CBI proposes to continue with the same flowage fee arrangement, which CBI understands to be \$.10 per gallon for the first 90,000 gallons per year and \$.20 per gallon above 90,000 gallons per year.

** the monthly rent is subject to adjustments for “items to be negotiated” as outlined in the RFP documents. One very likely adjustment is for costs to be paid by the Lessee for after-hours security. If CBI’s understanding is correct, the City pays for the enhanced security now but wants the new Lessee to pay for after-hours security going forward. Addendums 1 and 2 address this. Similar to other changes discussed in the RFP that will be “subject to negotiation”, it would be unfair to impose new costs on the current and/or future lessee without making an adjustment to the rent paid.

Assuming at least a 5 year term, CBI is also willing to invest \$20,000 in capital expenditure enhancements on items such as:

- Attractive new sign by the Hercules road entrance.
- New/enhanced landscaping.
- Improvements to the FBO/Terminal building (e.g., new computer(s), new TV(s), paint, and carpet).

CBI is willing to execute a lease with an initial 5 year lease term and subsequent 5 year renewal options for up to 30 years (as described in Addendum #1). The estimated value to the City for the initial 5 year term is summarized in the following table, assuming the following:

- A 2% CPI rent increase each year beginning January 1, 2024
- Flowage fees based on 11,000 gallons per month of fuel and a 3% increase in the number of gallons sold effective December 1 each year.
- These numbers exclude adjustments to rent for items to be negotiated, including after-hours security to be paid by the Lessee, as discussed in ** above.

	Rent/year	Cumulative Rent	Flowage Fees/year	Cumulative Flowage Fees	Total City Proceeds Per Year	Cumulative Total City Proceeds
Year 1	\$ 360,000	\$ 360,000	\$ 17,400	\$ 17,400	\$ 377,400	\$ 377,400
Year 2	\$ 366,600	\$ 726,600	\$ 18,192	\$ 35,592	\$ 384,792	\$ 762,192
Year 3	\$ 373,932	\$ 1,100,532	\$ 19,008	\$ 54,600	\$ 392,940	\$ 1,155,132
Year 4	\$ 381,411	\$ 1,481,943	\$ 19,848	\$ 74,448	\$ 401,259	\$ 1,556,390
Year 5	\$ 389,039	\$ 1,870,981	\$ 20,713	\$ 95,161	\$ 409,752	\$ 1,966,143

The total estimated value to the City over 5 years will be \$1,986,143 if the \$20,000 of capital improvements are added to the rent and flowage fees to be paid.

TAB 6 – Other forms

The 7 forms required in this section of the RFP will be submitted online along with this proposal.