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Kruse makes new offer on terms for airport lease

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AUBURN — Dean V. Kruse, owner of Victory Aviation, Friday presented a counter-offer for extending Victory's lease for five years as fixed-base operator of the DeKalb County Airport.

Kruse made the offer to the Board of Aviation Commissioner, at a meeting also attended by two DeKalb County commissioners and the county attorney.

Two members of the board who are negotiating a contract with Victory Aviation, Jeff Turner and Brad Stump, will look at the latest proposal and then meet with Victory's attorney, Shannon Kruse, in an effort to resolve the issue.

Last month, the board instructed airport manager Russ Couchman to prepare a request for proposals to operate the airport. Couchman said the decision came after negotiations for a new lease with Victory Aviation failed to produce an agreement.

At issue is an appraisal by Misner and Associates of Fort Wayne. It sets the values of leasing the terminal building at \$4 per square foot and the service hangar at \$2.65 per square foot.

Victory as been paying the equivalent of \$1.31 per square foot for the entire 30,000 square feet of space.

Friday, Dean Kruse proposed leasing only half of the terminal space at \$2.40 per square foot. That would give Victory 2,500 square feet of space, and give the airport the opportunity to rent the remaining space for other purposes, he suggested.

Turner admitted that the board is not anxious to find a new fixed-base operator.

"Change is tough. It would be tough on us and tough on Victory," Turner said.

In addition to the money, "there is a pretty long list" of issues, he continued. "Neither Victory nor the airport is in compliance with some of the minimum standards."

Couchman previously said he needs to update the airport's minimum standards document, which guides the airport's operation and specifies responsibilities.

Turner said the board "is not battling Victory; the bottom line is this facility is owned by the public, and we have to be fair" and operate the airport in the public's best interest.

Turner said negotiations with Todd McCutchan, president of Victory Aviation, had been amicable.

Kruse said the only way Victory makes money is in fuel sales, and that the length of the airport's main runway is an obstacle to selling more fuel.

"In order to attract customers, the planes have to be able to land," he said, explaining that customers pass over the DeKalb airport because of the length of the runway, even though fuel is cheaper at the county airport.

Aviation board president James Mason said the board is working diligently to justify lengthening the airport.

Consulting engineer Don Manley said the airport is obtaining letters of interest from aircraft owners or operators that would show an additional 250 landings or takeoffs could result from a runway expansion.

"We are very close" to obtaining those letters, Manley told Kruse. The board then would seek federal funding to help pay for the runway expansion, he said. Kruse said he could help with those letters.

"As the fixed-base operator, we won't be in a position to make money until the runway is longer," Kruse insisted.

Before leaving the meeting, Kruse said the negotiation stalemate was "not a big deal. There is no need to spend a lot more time on it," he said. "Let's get it done."

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