

Airport Authority Meeting Minutes

Regular Meeting: January 5, 2023

Place: Shelbyville Recreation Center, Meeting Room B, Shelbyville, TN

Call to Order: The meeting was called to Order by Chairwoman Helene Wharton at 12:00 PM

Roll Call: The roll was called by Chairwoman Wharton with the following members answering present: Chairwoman Helene Wharton, Councilmember Bobby Turnbow, Member Eric Cazort, Member Gary Fayard, Member Kelly Wilson, and Member Erick Larson. Also, present were Airport Director Paul Perry, City Manager Scott Collins, City Attorney Ginger Shofner and City Recorder Lisa Smith. A quorum was declared and the meeting open for business.

Consideration of a motion to adopt the Agenda: Chairwoman Wharton requested a motion to adopt the Agenda, **Member Larson made a motion to adopt the Agenda Member Wilson seconded and the motion passed by unanimous oral vote.**

Consideration of a motion to approve the minutes. The minutes from December 1, 2022 were up for approval and hearing no corrections or additions, Member **Cazort made a motion to approve, Member Larson seconded, and the motion carried unanimously by oral vote.**

Reports:

Director Perry began his monthly reports by thanking all the members for their support over the last year. He noted the Christmas Brunch was held in the middle of December as a small way to say thank you to everyone. The Motlow State Flight Simulator Lab opened and even though the Airport was not able to find space for them we look forward to partnering in the future. Fuel sales were up last month but at the close of the year they were down a little from last year.

In the Maintenance Report Perry advised a full load of JetA was purchased and the price went down some since the last purchase. The fuel farm was pretreated for the extreme cold temperatures and the septic tank was emptied due to the extra ground water. A new 6 seat golf cart has been added to the fleet and ramp and taxiway crack maintenance is underway.

The Financial Report were not available, so Manager Perry requested they be deferred. **Member Cazort made a motion to accept the reports given and defer the Financial Reports, Member Wilson seconded, and the motion carried unanimously by oral vote.**

Old Business:

Azure Lease: Director Perry advised this item had been tabled until MTSU provided their Lease and that has now been done. Therefore, the original Azure Lease is back before the Authority today with no changes. Member Fayard asked for a status on the subcommittee suggested at an earlier meeting and Attorney Shofner stated there have been some discussions with MTSU, but no committee has been formed at this time. Member Wilson stated he did feel the committee was necessary since a lot of the decisions would have to be made at a higher level than the Airport Authority. Wilson stated his main concern had been providing the utilities and this Lease states that is not the responsibility of the City. Member Cazort stated he was concerned about the term of 50 years for the Lease. Attorney Shofner stated that had been noted and would be lowered to at least 40 years.

Member Larson noted he felt the Board should review the Lease as there is knowledge and expertise on the Board that the City Council may not have. He agreed the City Council needs to make the final decision, but they should have the feedback from the Board. The Board then reviewed the Azure Lease and made the following suggestions.

Article 2 – The standard Airport Lease has been 20 years with 2 five-year renewals so they think the 50 year term is too long and suggest it be brought more in line with the standard.

Article 3 – Recommend the rent begins on the effective date of the Lease.

Article 4 – Remove all mention of Residual Value Amount.

Article 5 – Adds language that must gain approval of local authority.

Article 6 – Paragraph #A Item #3 be removed.

Article 7 and Article 8 no changes suggested.

Article 9 – Add language to incorporate the Airport's Rules and Regulations.

Articles 10, 11, 12, 13 and 14 – no changes suggested.

Article 15 – Add the City and the Airport as additional insured and recommend increase to higher limits or an umbrella policy. Paragraph I – Azure should be required to buy Aviation Insurance, Builder's Risk Insurance, and all other standard insurances available when building.

Article 16 – Strike the last sentence of Paragraph A "During the period of such repair or rebuilding, Rent shall be abated.

Article 17 – no changes suggested.

Article 18 – Strike the the end of the first sentence beginning at "except for the rights of Tenant set forth below. Strike all of Paragraph A.

Articles 19 through Article 36 – no changes suggested.

Member Larson made a motion to forward all recommendation to the Azure Lease to the Subcommittee for consideration, Member Fayard seconded, and the motion carried unanimously upon oral vote.

NewBusiness:

MTSU Lease: It was advised that the City Attorney, Airport Director, and City Manager had reviewed this Lease and Chairwoman Wharton stated there would be two Leases one Aeronautical and one Non-Aeronautical. The Board reviewed the Lease presented and made the following recommendations.

Article 1 – Strike #9

Article 2 – Paragraph B - Extension terms be negotiable. Member Larson reminded the standard Lease of the Airport is 20 years with 2 five-year options and he feels we should stay equitable. Paragraph C – Strike the sentence "The purchase price for Purchase Option A will be equal to the amount Landlord paid to purchase the Parcel, on a per square foot basis, less any rental payments made by Tenant up to the date of sale of Purchase Option A from Landlord to Tenant."

Article 3 – Rent Commencement Date will be effective date of Lease. After discussion the Members recommended all mention of Purchase or Lease to Purchase of the Land be removed from the Lease completely.

Article 4 – Strike all mention of Residual Value Amount.

Article 5 – Same language as Azure Lease.

Article 6 – Strike all mention of Residual Value Amount. Paragraph B change number of days to 90 to mirror Azure's Lease.

Article 7 – no changes suggested.

Article 8 – Paragraph C should say Tenant shall install additional meters for utilities provided instead of Tenant may.

Article 9 – Add language to incorporate Airport Rules and Regulations.

Articles 10 through 13 – no changes recommended.

Article 14 – Suggest increase limits and/or an umbrella policy.
Article 15 – Delete “in Tenant’s sole discretion” from the first sentence. Delete the last sentence entirely.
Article 16 – Delete any mention of Residual Value Amount.
Article 17 – no changes recommended.
Article 18 – Delete any mention of Residual Value Amount.
Article 19 – Paragraph A – Change term month to month and strike “earlier termination”.
Article 20 – no changes suggested.
Article 21 – Add Airport Manager and address as Landlord with copy to the City Recorder.
Articles 22 through 28 – no changes suggested.
Article 29 – Strike completely.
Article 30 – no changes suggested.
Article 31- Paragraph B and C should be deleted completely.

Member Fayard suggested it be negotiated that local contractors and materials will be used if possible, however it was noted by City Attorney that due to State regulations that can not be done.

Member Larson made a motion to forward these recommendations to the Subcommittee for consideration, Member Cazort, seconded and the motion carried unanimously upon oral vote.

Other Business: None

Citizen Comments: Several citizens made comments as follows:

Jannette Sherrill - Very impressed with the effort of this committee to review the Lease but is not in favor of the MTSU project. She lives on Wild Creek Road and the noise from the Airplanes are very disturbing to her enjoyment of life.

Mike Gregory – He noted he has two parcels Midland Road and Church Cross Road and he would like regulations as to what time they can start training and what time to end. He does feel this is a good project and would be good tie in with the TCAT center.

Leah Tierney – Complaints many times and does not think the people in this room realize the scope of this project. In Murfreesboro they take over 70% of the Airport. She stated her land had lost value and she cannot sit outside and has issues with her horses.

John Clark – Lives on Midland Road and Flight Path is over his house. He stated the planes do not bother him at all, but he would like to know what the increase will be. The Airport has been there for years, and it currently is not a problem. He would like to know the expected increase.

Greg Van Patten a representative with MTSU gave some information and advised the increase has already begun and they are working on some common sense regulations on when training can occur to be a good citizen in the community. He advised that March is normally the peak time and there was a 20% increase from 2021 to 2022. They also assign training areas. He noted his best guess would be less than double what it is now.

Lauren Hayes - Planes circle her home on Harts Chapel Road. Has tried to sell the property and not able to due to the Airport and has reduced Internet services. Concern of the funding required and is against the project.

Martin Davis – Landowner on Benford Road living in the flight pattern and has no major problems. MTSU has quieter planes than most local Aircraft. He has lived there the entire time the Airport has been there and believes this is a great opportunity.

Josh Green – Ask what kind of planes they would be used. Van Patten stated the vast majority were single engine with about 8 or 10 twin engines piston driven. Green questioned how this compared to current planes. Airport Director stated newer Aircraft is quieter because of regulations. He noted the frequency of the planes is usually the complaints he receives.

Randolph Kelly – Property owner on 41A and has no issues with the Airport. He is familiar with the noise and expects there to be less of an impact than expected. He feels this is a good opportunity for the community.

Adjourn: Member Larson made a motion to adjourn, and Member Cazort seconded. The meeting adjourned at 1:46 PM.

Approved:

Helene C Wharton
Chairwoman, Helene Wharton

Attest:

Lisa Smith
City Recorder, Lisa Smith