

## Airport Authority Meeting Minutes

**Regular Meeting:** November 3, 2022

**Place:** Shelbyville Municipal Airport, Board Room, 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, Member Eric Cazort, Member Gary Fayard, Member Kelly Wilson, Councilmember Rick Overcast and Member Erick Larson. Also, present were Airport Director Paul Perry, City Manager Scott Collins, and City Attorney Ginger Shofner (out at 1:33 PM). City Recorder Lisa Smith was absent. A quorum was declared and the meeting open for business.

**Consideration of a motion to adopt the Agenda:** Chairwoman Wharton then requested a motion to approve the Agenda, hearing no changes Member Cazort made a motion to amend the Agenda as requested and adopt the Agenda as amended, Member Larson seconded, and the motion passed by unanimous oral vote.

**Consideration of a motion to approve the minutes.** Chairwoman Wharton advised she had noticed some errors with the minutes from the September meeting, it appears there were some information left on the copy from last month. As the City Recorder was not present at the meeting, Member Larson made a motion to defer the minutes to next months for corrections, Member Cazort seconded, and the motion carried unanimously by oral vote.

### Reports:

Director Perry gave the monthly manager's reports stating October is a good month for general aviation noting total operations increased since September and was up almost 2,000 more than this time last year. He further advised he and the Operations Coordinator had been to quality control training with Titan Aviation Fuels. This allows them to train other employees and ship Hazards materials. Perry noted the current fuel contract with Titan ends this month, so the City Council authorized to let an RFQ. Perry advised the Board had been advised several months back that the Airport had been reclassified, however he used information from Virtower plus other data to have the FAA reclassify the Airport back to Regional. This reclassification will bring more grant funds to the Airport. Fuel sales were down in jet fuel this month, but Avgas was up a little.

In the Maintenance Report Perry advised the fuel farm did not pass the state inspection so Rebel Services came out and recalibrated the system to bring us into compliance prior to the deadline. Other items covered included regular vehicle maintenance, completing the mowing season, repairing a part of the Fire Hall septic and a temporary fix for the EAA man door. The terminal has been decorated for fall and a new Operations Tech's desk was replaced with a more up-to-date version.

Member Fayard questioned how the fuel prices were set and Perry advised he uses a mixture of the margin and our surrounding areas. There was some discussion on the fuel prices.

Financial Reports were provided to members in their Agenda packet and included the year-end numbers. With no further questions or discussion, Member Fayard made a motion to accept all reports, Member Cazort seconded, and the motion carried unanimously by oral vote.

## **Old Business:**

**Carrick Property Update:** Director Perry advised the Carrick property which is adjacent to the Airport and was discussed at the Special Called Meeting of August 22<sup>nd</sup> had been purchased by the City and the closing has taken place. He advised there are two houses located on the property, one, the main residence, which Attorney Shoffner advised the Carricks maintained a life-estate in and the other is a rental home located beside the feed store. According to the closing documents the people in the rental home have 90 days from closing to vacate the property. Attorney Shofner advised the closing was on September 30<sup>th</sup> and the renters have reached out immediately after the closing requesting additional time, but the Mayor told them that was premature and if they were still having a problem finding somewhere to go at the end of November to reach back out. Perry advised the property would have to be annexed into the City Limits and he reviewed some of the problems with the utility requirements to get that done. After some discussion on the availability of and options to bring sewer to this property, **Member Fayard made a motion to proceed with the annexation process for the new property acquired, Member Larson seconded, and the motion carried unanimously by oral vote.**

**Mack Air, LLC – Lease Update:** Director Perry advised initial there was to be a second LLC involved in the process of leasing Hangar 8, Hangar 6, and potential the North Hangar however it will now be separate leases for each hangar all with Mack Air, LLC. There is no action required on this item today, this was just on the Agenda for an update.

**Azure Lease Update:** Attorney Shofner reminded at the September meeting a copy of a Lease was provided from Azure's attorney, which she has reviewed and would like to go over with the Board. She noted that most provisions are basic stuff, however there were a few items that required discussion. Shofner advised this is a Lease with Azure for temporary facilities for MTSU. She further noted there is also a Lease being prepared between MTSU and the City for a part of the former Carrick property and a more permanent facility. Director Perry advised there would be two Leases with MTSU, one landside and one airside. Perry then covered the new plan layout for MTSU (Attachment A). Allen Howell with Azure stated they are working with MTSU because they can move faster than the school and get them settled in on a temporary basis. Member Fayard questioned if the front lot of the property would be needed by MTSU as he understood it could be sold for a commercial use to help recoup a portion of the purchase price for the City. Perry stated there is acquisition that has been discussed with MTSU that when the value reached where it needed to be MTSU would purchase the property from the City. Shofner began the review noting for Article 1 – Definitions Member Larson had suggested if this stays all definitions should be located in one place. Article 2 – Term, she advised normally the City does not enter into anything more that 40 years, so she recommended that the term be nothing over 40. Article 3 concerns the rent which will clearly require the Boards discussion. Article 4 – Tenant Improvements is really in line with the normal process except for the residual value amount to be paid at the end of the term, which the Board will need to talk about. Article 5 – Survey is fine and Article 6 – Use of Parcel terms are as expected except for Item 3 which talks about fuel sales and would need to be addressed by the Board. Article 7 – Access is fine. Article 8 – Repairs & Maintenance is mostly in line with the standard however they do have the City taking care of Landscaping. Additionally, paragraph c addresses utilities. Articles 9, 10, 11 and 12 are all good. Article 13 again talks about utilities which Director Perry advised for this temporary spot with Azure would be covered under the current sewer project. Article 14 – Indemnifications falls in line with what we currently use except for paragraph c and MTSU as a State agency would not be subject to that. Article 15 – Insurance is mostly standard however subsection D is not something in our normal Lease Agreement. Article 16 – Damage and Destruction again MTSU would not apply to paragraph C as a State Agency. Article 17 – Condemnation addresses what would happen if the property were condemned and the language in this section is fine. Article 18 -Assignment & Subletting this is a little different than would the Airport normally has but

Shofner advised she is good with the language. Articles 19, 20, 21, 22, 23, 24, 26, 27, 28 and 29 all seem to be in line with standard language. She noted Article 30 – Mortgage of Leasehold is not something that is normally in our Leases, so she suggests the Board pay close attention to that. Article 31 is Signage, there is a little more in our standard leases for this so the Board may want to include that. Articles 32, 33, 34 and 35 are all standard. Finally, there has been added Easements section under Article 36.

Discussion then began with Member Fayard questioning if this Azure Lease should be considered prior to the MTSU Lease. It was advised that each lease is stand alone and this area was discussed before MTSU was coming and could be reverted and still would be pertinent to their development. Member Fayard asked if there had been a lease payment analysis and Perry advised the Airport Board has established .35 a square foot annually. With this figure rent would be approximately \$6,400 monthly. Attorney Shofner needed to leave the meeting, so she requested the Board forward any questions to her by email after they have had an opportunity to review.

### **New Business**

**Airport Classification:** Director Perry advised earlier this year the classification for the Airport was dropped and no one could give a reason why. Therefore, Perry worked with the State and provided information to change the classification back to regional. As he noted this will help receive more funds under Grant opportunities. Perry noted he had resubmitted for the remodel of the terminal building with the increase back to regional.

**Utility Project:** Perry advised as part of the new classification we now have money we did not plan on, and he would like to use the money to make build ready sites with utilities for future hangar development. He stated \$40,000 had been allocated in the FY23 Capital budget to start this project but these grant funds would allow much more with the full intent for the 10 acres to all be build ready. **Member Wilson made a motion to approve the use of these funds for utility project, Member Larson seconded, and the motion carried by unanimous oral vote.**

**Other Business:** Director Perry noted Aviation Day was a success. Everyone involved seemed to do well with around 2,000 people who came through. The Fly-in Santa event has not been scheduled for this year at this time.

**Citizen Comments: None**

**Adjourn: Member Fayard made a motion to adjourn, and Member Cazort seconded. The meeting adjourned at 1:56 PM.**

Approved:



Chairwoman, Helene Wharton

Attest:



City Recorder, Lisa Smith