

Special Called Airport Authority Meeting Minutes

Regular Meeting: October 14, 2021

Place: Shelbyville Municipal Airport, Board Room, Shelbyville, TN

Call to Order: The meeting called to Order by Chairman Wayne Hitchcock at 12:07 PM

Roll Call: A sign-in sheet was passed around for Roll Call and the following were present: Member Eric Cazort, Member David McGee, II, Member Erick Larson, Chairman Wayne Hitchcock, City Councilmember Rick Overcast and Member Helene Wharton. Also, present were City Recorder Lisa Smith, Airport Director Paul Perry, Lacey Cartwright, and City Manager Josh Ray. A quorum was declared and the meeting open for business.

Consideration of a motion to approve the Agenda: Member Wharton made a motion to approve the Agenda as submitted, Member Cazort seconded, and the motion carried unanimously upon oral vote.

NEW BUSINESS:

Ground Lease Rates: Member Cazort reported the appointed committee had called around to other Airports to see what their current ground lease rates are but did not have a very good response. He then noted he found a report from 2019 on TDOT's website that listed ground lease rates in the surrounding area. He selected the ten (10) closest to us and the rates ranged from \$.08 a square foot in Jasper to \$.38 a square foot at John Tune in Smyrna with the average being \$.24 a square foot. Member McGee noted that we cannot just compare to other Airport because the services are not the same. He further noted the rate is to encourage growth while enabling the Airport to get to the self-sustaining obligation set out by TDOT. Member Cazort did note that the numbers he gave are from a 2019 report and Smyrna has confirmed they are now charging \$.45 a square foot. Member McGee stated the Board voted to give Bill Stewart a Construction Rate of \$.30 a square foot and he does not believe it should be any lower than that. Member Larson advised a Construction Rate is a temporary one and the standard rate should be more. Chairman Hitchcock questioned setting a standard rate with an automatic escalation clause. There was some discussion on the terms of the lease and if an escalation clause could be added. Chairman Hitchcock stated he does not want to over price ourselves and thinks \$.24 a square foot with an escalation clause is a good place to start. Member Larson stated we must think about what kind of Airport we want to be in the future. Hitchcock noted we cannot forget we need to promote General Aviation and we still have a lot of that on this field. Larson stated at this meeting he feels he must think of the City's best interest as a member of this Board. Member McGee then suggested \$.38 a square foot. After further discussion Member McGee made a motion to leave the Construction Rate at \$.30 a square foot and set the permanent ground lease rate at \$.35 a square foot with a built-in escalation clause of 3% annually and the terms to be 20 years with a 5-year renewal and five 1-year renewals, Member Larson seconded, and the motion carried by unanimous oral vote.

Adjourn: Member McGee made a motion to adjourn, and Member Cazort seconded. The meeting adjourned at 12:42 PM.

Approved:


Chairman Wayne Hitchcock

Attest:



City Recorder, Lisa Smith