

TRIANGLE NORTH EXECUTIVE AIRPORT COMMISSION

Tuesday, May 8, 2012

Minutes

The Triangle North Executive Airport Commission was called to order at 5:10 p.m. by Chairman John Allers on May 8, 2012 in the conference room of the Triangle North Executive Airport.

In attendance were Commissioners: John Allers, Taylor Bartholomew, Herman Dickens, Phillip Stover, Shane Mitchell and Don Lancaster. Also, in attendance were Steve Merritt (Airport Manager), Brigid Williams (Michael Baker Engineering) and Pete Tomlinson (Davis, Sturges & Tomlinson). Absent from the meeting was Commissioner Guy Martin.

The second item on the agenda was review and approval of the minutes from the March 13, 2012 meeting. Commissioner Stover motioned that the minutes be approved as read, with Commissioner Lancaster seconding. The motion passed unanimously.

The third agenda item was public comments. Chairman Allers called for comments from the public. There were no public comments at this time.

The fourth item on the agenda was an update on airport operations by Steve Merritt. Mr. Merritt said all the hangars are full. The big hangar is split in half and both tenants want the other one to move out. Mr. Merritt said we were forced to take a 55 cents per gallon increase on our fuel order. Mr. Merritt said the new part-time employee, Ronnie Martin, started about a month ago and is doing well.

The fifth item on the agenda was the budget update by Steve Merritt. Mr. Merritt said we are doing very well on the budget, and are approximately \$25,000 to the positive for our net operating results. Last year at this time, we were approximately \$16,000 in the negative. We have a 102 planes based at the airport.

The sixth item on the agenda was status of land acquisition by Steve Merritt. Mr. Merritt said the land acquisition is nearing completion and we have one more item to clear up before it can be closed on. Anne Gordon has a couple of deeds of trust that haven't been cancelled yet, and this has to be taken care of first.

The seventh item on the agenda was discussion of hangar development by Steve Merritt. Mr. Merritt said we have someone interested in building a duplex hangar and leasing part of it to someone else. Also, he has been talking with Rampart Aviation about the possibility of them building a hangar here, but they have got to get their funds straight first. They want to be able to move out of where they are located at now.

Mr. Merritt said he had a private investor interested in building four (4) hangars next to Commissioner Stover's hangar, but that individual has now decided he is not interested in doing this. Mr. Merritt would like to propose that he, as an individual, would be interested in doing this.

He would borrow \$275,000, build the hangars and then lease them. He realizes this may raise some concerns, although he won't have any operational authority over the hangars. Mr. Merritt said he estimates the revenue from the hangars would be approximately \$35,000 per year. This would include ad valorem tax, county taxes paid by the tenant(s) and estimated fuel purchased would be approximately 10,000 gallons per year. Commissioner Bartholomew asked Mr. Merritt if he would recuse himself, so the Commission could discuss this matter.

Commissioner Stover said if this were a private investor who wanted to build and lease the hangars, we would allow this, so why not allow Mr. Merritt to do the same. Commissioner Lancaster said this is not the same as allowing a private investor to do this, and he feels this would be a conflict of interest because Mr. Merritt is a County employee.

Mr. Merritt returned to the meeting. Chairman Allers said the consensus of the Commission is that this would not be a good idea because of the conflict of interest, as well as the perception from the public. Mr. Merritt said he would continue to work on finding a private entity to build the hangars.

The eighth item on the agenda was an update on "High Flight". Commissioner Stover said the Pilots Association is discussing the possibility of having an open house at the airport in the fall and inviting the area industries, and then have "High Flight" sometime next spring. The open house would be way of highlighting the airport, with the possibility of having some of the industries to sponsor "High Flight" sometime in the future. Commissioner Stover said the Pilots Association is looking into hiring a professional organizer for the event. Also, we are exploring the possibility of opening an EAA chapter at the airport, with the hopes that this would draw more interest in the airport.

Commissioner Stover said the airport in St. Petersburg, FL is located in the middle of the city and at one time, developers wanted to tear it down. To keep this from happening, the airport was made into what is similar to a park, with a restaurant on the top floor, which is opened to the public. Commissioner Stover said maybe there is some grant money available for developing parks such as this or maybe we could tie this into the Triangle North Franklin industrial park. We could possibly get the Chamber and the Committee of 100 involved. Commissioner Mitchell suggested RTRP being involved, as well. This would promote both the airport and Triangle North Franklin.

Steve Merritt said he would like to discuss an item, which is not on the agenda. He recently spoke with Tim Baldwin of Rampart Aviation about contract fuel for Rampart. Contract price for Jet A fuel would be 35 cents per gallon above the weekly market price, plus NC sales tax of 6.75%, which would be about 50 cents per gallon total. The price would be adjusted every Monday when the weekly price is posted at Eastern Aviation Fuels. The assumed volume of purchases will not be less than 72,000 gallons per year, and the agreement can be terminated upon written notice with 30 days notice. Mr. Merritt says he sees this as an "economic development olive leaf", so we can get Rampart to locate here and eventually build new hangars here. The revenue would be about \$25,000 per year. Chairman Allers asked what does the airport stand to lose. Mr. Merritt said he doesn't feel we would lose any cash, and it would not require more staff to pump the fuel. He feels this would be the incentive that would get Rampart to move from where they are now and locate here. Commissioner Mitchell said his concern is that we'd offer contract fuel to them, but they would never move their operations to the airport. He feels the contract should have terms in it, which state how much gas will be bought each month and if they don't buy a certain amount,

then there will be some kind of penalty. Commissioner Lancaster said he doesn't like contracts such as this, but if we did a trial run for 30 days, he wanted to see all records, staff comments, etc. Commissioner Stover motioned that the airport offer contract fuel to Rampart Aviation for a 30-day trial period, with Commissioner Bartholomew seconding. The motion passed 5-1, with Commissioner Lancaster voting "NO".

In other business:

- The next meeting will be June 12th at 5:00 p.m.

With no further business, the meeting was adjourned at 6:15 pm.