

TRIANGLE NORTH EXECUTIVE AIRPORT COMMISSION

Tuesday, August 8, 2017

Minutes

The Triangle North Executive Airport Commission was called to order at 5:30 p.m. by Chairman John Allers on August 8, 2017 in the conference room of the Triangle North Executive Airport.

In attendance were Commissioners: John Allers, Phillip Stover, Tom Bregger, David Bunn, and Taylor Bartholomew. Also, in attendance were Steve Merritt (Airport Manager), Pete Tomlinson (Davis, Sturges & Tomlinson), Jim Farthing (Michael Baker Engineering), Michael Schriver (County Commissioner) and Carey Johnson (Franklin Times). Absent from the meeting: Commissioners Shelley Dickerson and Herman Dickens

The second agenda item was review and approval of minutes from the June 13, 2017 meeting. Commissioner Stover motioned that the minutes be approved as read, with Commissioner Bregger seconding. The motion passed unanimously.

The third item on the agenda 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 the airport operations update by Steve Merritt. At the last meeting, Chairman Allers said he wanted to make sure that sewer allocation wouldn't hinder any future development at the airport. Mr. Merritt said per Richie Duncan, the Utilities Advisory Committee met on August 1st, and it was unanimously agreed that the Triangle North Executive Airport would be granted sewer allocation from the amount reserved for the Triangle North Franklin business park. It was also explained that the usage at the Triangle North Executive Airport was part of Economic Development, and thus protected under the amount provided to the Triangle North Franklin business park allocation. The allocated amount is 130,000 gallons per day, and the airport's estimated usage is about 5,000 gallons per day.

Mr. Merritt said we had our annual airfield audit recently. There were about 10-12 runway lights that were out, but nothing else major was noted. Lightning hit the controller on the north gate, again. In the past, we had been offered a \$10,000 grounding process option, but there is no guarantee it would prevent lightning damage. We are going to try another approach by grounding the box to another box outside. Mr. Merritt said fuel prices are steady. Mr. Merritt said at the last meeting, he reported that the AWOS has become unreliable when the wind is from the west, and has been NOTAMed. Once we have the trees cut down and remove most of the obstructions, the AWOS will be relocated in the runway extension project. Mr. Merritt said the electric vehicle charging station is operational. Several have used it, and are very happy with it.

The fifth item on the agenda was the budget update by Steve Merritt. Mr. Merritt said these are the end of the year figures, and July is always understated until the Finance office closes out the fiscal year. The end of year net operating results was approximately \$32,000, with approximately \$132,000 generated in property taxes. Mr. Merritt said the budgeted numbers for the 2017-18 budget will be about the same as they were for 2016-17.

The sixth item on the agenda was industrial development area update by Steve Merritt. Mr. Merritt said we've been working with a new, prospective tenant. Due to confidentiality, he can't disclose the name at this time, but an announcement should be made sometime next month. This will be an operational shop, and we've been working on the water, sewer and electric.

The seventh item on the agenda was the runway extension project update by Steve Merritt. Mr. Merritt said the announcement should be made by the end of the month for the \$10,980,000 we were awarded from CAMPO. They were going to announce it back in June, but they discovered they had some more money, so they added more projects to the state plan. We will receive \$500,000 in 2019 and \$3.5 million for the following three years. The \$500,000 will be for prep work, and then we will actually start moving dirt and begin construction in 2020. Mr. Merritt said he is very excited about extending the runway, which will give the airport about 20 more acres to work with. Also, we have about five acres, which is a sewer field, that we will be able to cover up and pave.

The eighth item on the agenda was dedication of terminal building for Billy Lumpkin by Steve Merritt. Mr. Merritt said he's been talking with Billy Lumpkin's son, Chris, about the dedication, and the plaque is already up. The dedication is planned for September 9th.

In other business:

- Mr. Merritt said he would like to continue discussion about lease negotiations, which was brought up at our last meeting. He took the lease to the county staff, and they are hesitant about it, and wanted to talk more about it. Also, they wanted to see what other airports do in terms of leases. Mr. Merritt said he talked with five different airports, and none of them have anything about a minimum tax value in their leases. Mr. Merritt said he would like to discuss how can we resolve this issue. Pete Tomlinson said his concern is that we are treating tenants differently. Commissioner Stover said, but these are different types of tenants – private and business. Mr. Tomlinson said, but it's taxpayer's money, and the County has put a lot of money into this airport. You can't treat taxpayers differently, whether it's a business or a hobby, the airport is a governmental entity. Mr. Merritt said in reference to the Fayard's lease, our agreement was they pay ground lease rent, which is roughly \$4,500 a year, and then Paul Fayard agreed to list all his property in his hangar in Franklin County. Then, we had a clause in the lease, which said if the total of the ground rent and property tax collected was less than \$15,000, Mr. Fayard would owe the difference. Mr. Merritt said it has performed better than we thought it would. Last year, Mr. Fayard paid the \$4,500 ground rent. The building is listed at \$800,000, and other contents at \$1.4 million. Mr. Merritt would like to send Mr. Fayard a letter saying that we will remove the clause, which references the \$15,000, from his lease. Right now, Mr. Fayard's is the only lease that has that clause in it. Mr. Merritt said he doesn't feel we will lose money by removing that clause, and then we can write future leases that way, as well. Commissioner Bregger said by putting minimums on these hangars, we are seen as a "rich boys playground", and that we don't anything else to work with the aviation community. Lin Oakley will take his money and his business and go elsewhere. I don't want to create these perceptions, and I don't want to see this man walk away. Michael Schriver said this item needs to be placed on the agenda for the County Commissioners to review and vote on. Commissioner Stover motioned that the requirement for a default minimum payment be removed from the Fayard lease, as well as any future hangar leases. Commissioner Bartholomew seconded, and the motion passed unanimously. Mr. Merritt will get this

placed on the County Commissioners' agenda as soon as possible for their review.

- The next meeting is October 10, 2017 at 5:30 p.m.

With no further business, the meeting was adjourned at 6:30 p.m.