

TRIANGLE NORTH EXECUTIVE AIRPORT COMMISSION

Tuesday, September 11, 2012

Minutes

The Triangle North Executive Airport Commission was called to order at 5:07 p.m. by Chairman John Allers on September 11, 2012 in the conference room of the Triangle North Executive Airport.

In attendance were Commissioners: John Allers, Herman Dickens, and Don Lancaster. Also, in attendance were Steve Merritt (Airport Manager), Pete Tomlinson (Attorney-Davis, Sturges & Tomlinson), Jim Farthing (Michael Baker Engineering), Brigid Williams (Michael Baker Engineering), Gene Braswell (LHZ Pilots Association), David Phillips (Phillips Enterprises), Paul Fayard (Fayard Enterprises), Nancy Fayard (Fayard Enterprises) and Carey Johnson (The Franklin Times). Absent from the meeting were Commissioners Guy Martin, Shane Mitchell, Taylor Bartholomew and Phillip Stover.

The second item on the agenda was deferred until the next meeting because a quorum was not present.

The third agenda item was public comments. Chairman Allers called for comments from the public. David Phillips of Phillips Enterprises said he has a few ideas in reference to the Anne Gordon property, which was recently purchased by the County, specifically the reduction of the hill that needs to be leveled and graded, and possibly constructing a hangar there for long-term usage. Mr. Phillips said he would construct the hangar, as deemed by the County, and at the end of the lease, ownership would revert to the County. During that time, the County would receive proceeds from any rent. Pete Tomlinson said the County would need some type of outline and/or amortization schedule and would need to decide on how long the lease term would be.

Paul Fayard of Fayard Enterprises said that he was interested in building a 100' x 120' hangar at the airport.

Chairman Allers said he would like to deviate from the agenda and discuss agenda item six at this time, which is hangar Development – lease terms for new, privately owned hangars. Steve Merritt said the Commission needs to come up with a consensus on lease terms for the Fayards, who would like to build a 12,000 sq. ft. hangar at the airport. The building itself would be taxable real property and the Fayards would pay some ground rent based on the square footage. Then, the airport would receive the benefits of having aircraft come through here and fuel purchased, as well. Mr. Merritt said that some are put off by a 40-year lease term, but over the last few years, the FAA has changed their position on long-term leases and the concept of a 40-year term is not as foreign as some may think. Mr. Merritt said it is up to the Commission to decide what makes sense and what is in the best interest of the County. The difference in this lease and the one we had with Carlina is there is no operating agreement with this one, so there won't be the type of conflict that came from Carlina's lease. Mr. Merritt feels this would be beneficial to the airport because we would have a partnership with someone else who would construct the building.

Pete Tomlinson said the County Commissioners need some guidance from the Airport Commission on this and wants to have pre-approval of the concept. Mr. Merritt asked how much detail do the County Commissioners want. Pete Tomlinson said he feels a pretty detailed outline of the arrangements for the lease would be necessary, specifically the terms, and the terms of the lease should be in line with the investment made. There is no need for Mr. Fayard to say he needs a 40-year lease and the Board says we'll do a 20-year lease. We have two (2) potential builders here that are anxious to present something to the Board.

Paul Fayard said his investment would be approximately \$1 million and we're within days of the plans going to the engineer for drawings, and he wants to have the hangar built before the winter. Mr. Fayard said to please take into consideration that he owns about \$20 million in aircraft. Although not all are based here, come January 1st, there could be some of those aircraft here if the hangar is built. Commissioner Dickens asked what would be the value of the aircraft based here, but Mr. Fayard was unsure of that number. Mr. Fayard said he needs a 40-year lease and he's going to build a hangar somewhere and he would like it to be here.

Mr. Merritt said he if the Commission agreed, he could put together a presentation to present to the County Commissioners. The consensus was that Mr. Merritt is to meet with Mr. Fayard and Mr. Phillips to come up with the proposal for their hangars and present this information to the County Commissioners.

Returning to agenda item four, Steve Merritt gave the airport operations update. Mr. Merritt said the south gate is working intermittently and we are pursuing replacing the gates. The doors are 18 years old and are used so much, and the technology is old, as well. All of the hangars are full and we have nine people on the waiting list. Fuel prices continue to rise.

Mr. Merritt said the acquisition of the Gordon property at the north end of the airport is complete. The first reimbursement payment for \$432,000 was processed by NCDOT on September 10th. We have been approved for reimbursement for the first of three installments of \$100,779. This request has been sent to the NCDOT.

Mr. Merritt said Triangle Skydiving is booked solid until the middle of October, and things are going very well.

The fifth item on the agenda was the budget update by Steve Merritt. Mr. Merritt said we are showing a surplus in the fuel purchases account, with one single purchase being \$39,000. We have had no major equipment to fix and we're showing a positive for the first two months. Sales in August were \$75,000 versus \$68,000 last year.

The sixth item on the agenda was status of land acquisition. This item was previously discussed under agenda item four.

The next item on the agenda was an update on High Flight. Gene Braswell said the Pilots Association held a "business day" activity on 9/7 at the airport. We reached out to approximately 50 businesses and we had about a 20% turnout. Steve Merritt gave a presentation to the attendees on the economic impact of the airport and we took them to see the businesses that are located at the airport. Mr. Braswell said one thing we just found out about was that in late October, the sheriff's department and EMS are trying to put together a community day at the airport, and maybe we can participate in that, as well.

The ninth item on the agenda was TIP discussion. Brigid Williams passed out copies of last year's TIP information. Jim Farthing said the NCDOT-Division of Aviation has changed to an online format for the TIP. Basically, what they've done is take the information on these sheets and input that into their system. Steve Merritt has the authority to go in and approve what is there and the Division of Aviation looks at it and approves it, as well. Mr. Farthing said this gives you a great deal of leeway and as circumstances change at the airport, you can change and move things around. Brigid Williams said one major thing to note is that if you want a project funded, you need to put in an estimate for that, if it's not already on there.

Mr. Merritt said we have some utilities to relocate if the Fayard's build a hangar here and that is in the TIP already. Another project to consider is that we need to remove and level some of the hill on the land the County just purchased. Mr. Merritt spoke with Chastity Clark (Division of Aviation) today and yesterday and she said they had some discretionary money, so we needed to ask for that, which is what we've done in the past. Mr. Merritt said the idea is to come up with a grant request, so we can ask the state for a discretionary grant to do site prep on that property. Jim Farthing said Ms. Williams has been talking with Ms. Clark as well, and we need to get a cost to them for the site prep by Friday. Mr. Farthing said if Mr. Merritt is allowed to get estimates for the site prep, based on Baker's hourly agreement, then we'd like to proceed with this. The consensus of the Commission was that Mr. Merritt is to move forward with obtaining estimates for the site prep. Chairman Allers said he and Mr. Merritt would meet with Mr. Farthing and Ms. Williams to go over the TIP and make any changes, if necessary.

In other business:

- The next meeting will be October 9th at 5:00 p.m.

With no further business, the meeting was adjourned at 6:00 pm.