

PEACHTREE CITY AIRPORT AUTHORITY MINUTES OF MEETING

January 8, 2003

The January meeting of the Peachtree City Airport Authority was held at the Aviation Center, Peachtree City-Falcon Field Airport, on January 8, 2003, at 7:00 p.m.

Those present were Chairman Catherine M. Nelmes; Members Jerry R. Cobb, Douglas A. Fisher, Matt M. Davis, and James E. Toombs; Airport Manager James H. Savage; Assistant Manager Andrew Bolton; and Authority Attorney Douglas B. Warner.

Mr. Davis was appointed by the City Council to fill the unexpired term of Mr. Mark H. Harris, who resigned from the Authority on November 16, 2002. Mr. Toombs was appointed to serve a new five year term, replacing Mr. H.E. Buffington who did not seek re-appointment.

I. ANNOUNCEMENTS

Chairman Nelmes welcomed the Authority's new members, Mr. Matt Davis and Mr. Jim Toombs, and acknowledged Mr. Vern Darley who has been appointed as an alternate should any current member of the Authority leave office during 2003.

Mr. Savage announced that the 6th Annual Chili Cook-off between the Authority and the Georgia Chapter of the Short Wing Piper Club, which was originally scheduled for January 11th, has been postponed until Saturday, February 8th. Times will be from approximately 10:00 a.m. until 2:00 p.m., or until they run out of chili.

II. APPROVAL OF MINUTES

Chairman Nelmes offered a correction to the minutes regarding the discussions of the through-the-fence fees with Jet Limo, Inc., which will be included in the published set.

A motion to approve the minutes of the regular meeting of December 11, 2002, as amended, was made by Mr. Cobb and seconded by Mr. Fisher.

The motion passed unanimously.

III. REPORTS

AIRPORT MANAGER'S REPORT

January 8, 2003

1. AIP 12 Project. On December 16, 2002, Wilbur Smith and Associates sent Mr. Ray Cline a Certified Letter requesting his compliance with the AIP 12 contract by January 15, 2003, or we would terminate his contract and return any unused portion of the grant to the FAA.

Specifically, he has been requested to provide his final DBE compliance certification, a Release-of-Lien from all sub-contractors and his certified weekly payroll information. As I prepare this report we still await his response.

2. Deposit refund. On December 23, 2002, we received a request from Leo Giles of Air Patch, Inc., asking that we terminate their lease agreement for Lot B-2, and return their deposit of \$7,932.15. Mr. Giles' letter is attached for your review. This is the second such request we have received from those who have leased land in Hangar Area "B".

As we stated last month, normally such a deposit would not be refundable, however due to the uncertainty of when access to the lot from Stallings Road was going to be available, an addendum was added to his lease agreement that permitted the Lessee to terminate the agreement prior to construction if road access was denied, or if building permits could not be obtained from the City until appropriate road access had been assured. Mr. Giles signed their lease agreement on April 16, 2002.

We issued a check for the above amount on December 31st, and sent it along with a cover letter in response, which is also attached. The only deposit we currently retain is for Lot B-1.

3. Santa's Copilot. The program to provide Christmas gifts for disadvantaged children, which was organized by one of our newest members of the Authority, Mr. Matt Davis, was held Saturday, December 14th, and was enjoyed by all.

Some nine aircraft were used to deliver Santa's gifts, with Santa himself arriving in the Commemorative Air Force's C-45. I'm not sure how many children were in attendance, but the lobby was full and there was very little food or beverage left after the event. Mr. Davis had indicated that some 20 children were invited, and when you add siblings, parents and well wishers, the crowd could have been well over one hundred. A "well done" and thanks should go to all that participated.

4. Aircraft Accident. An R -6A owned by Mr. Frank Eldridge of Waycross, Georgia, landed about 300 hundred feet short, and 75 feet left of the centerline, of Runway 31 at Falcon Field. The incident occurred on New Year's day at approximately 5:30 p.m. Mr. Eldridge, the only occupant, received only minor scalp lacerations as he exited the inverted aircraft after it came to rest in a thicket of briars.

The FAA is conducting the investigation for the NTSB and preliminary reports indicate that the engine failed to produce power during final approach to the airport. The engine will be inspected for internal failures as well as for a working carburetor heat system.

Airport Manager's Report- Attachment:

December 31, 2002

Mr. Leo Giles
Air Patch, Inc.
205 Oakmount Drive
Peachtree City, GA 30269

Dear Mr. Giles:

Enclosed is our check for \$7,932.15, as a full refund for your deposit on Lot B2 at Peachtree City - Falcon Field Airport (FFC).

We fully understand your frustration with the delays that you have encountered in an attempt to build a hangar on the above mentioned lot, and appreciate your patience. We too share that frustration, but we want you to know that we have been working continuously to resolve the road access issue and indeed progress has been made.

We now own the 24 acres adjacent to Lots B1 through B6, including the right-of-way to Stallings Road, and an Intergovernmental Agreement between the City and the Airport Authority to pave Stallings Road is being finalized. A separate agreement between the City and Fayette County that provides for the County to supply the manpower and equipment to do the work is also pending. Precisely when these agreements will be completed and adopted by all three governmental entities is uncertain, but we are working to get them signed as soon as possible so the paving of the roadway can be scheduled for next summer.

A key provision in the agreement with the City will give the Airport Authority and its tenants unlimited access to the airport during the construction and paving of the roadway. Now that we own the property, we do not anticipate any difficulties obtaining that provision.

With the acceptance of the enclosed check, your lease agreement will be terminated and Lot B2 will be added to the others available on a first-come, first-served basis to anyone wishing to build a hangar. After the Intergovernmental Agreements have been executed, we hope you will reconsider building at FFC. We will drop you a note when that has occurred.

We appreciate your interest in FFC and wish you the best of luck in the future. If you have any questions, please do not hesitate to call, and thanks again for your patience.

Sincerely,

James H. Savage
Airport Manager

IV. FINANCIAL REVIEW

Mr. Savage gave a brief review of the financial information for December, highlighting that Jet -A and AvGas fuel sales were much better than expected, and even though there is no tenant in the Annex Hangar, gross profit for the month was still \$3,173 better than budget.

Expenses were held to \$581 less than budget, including a Holiday bonus to employees totaling \$1,300, but when combined with a hotel tax distribution of \$2,463 less than budget, and the lack of air show reimbursement (which was anticipated during December, but which actually came during November), Net Income for the period was a negative \$3,695, versus an expected positive income of \$737.

Because of the normal ebb and flow of Accounts Receivable, Accounts Payable and Inventory, the estimated cash flow for December was a positive \$12,115 compared to the original estimate of a negative \$6,763.

The Capital/Reserve Fund balance for December was \$125,091, and the Grant Fund account shows a balance of \$26,832.

V. OLD AGENDA ITEMS

02-12-02 Consider proposal from Peachtree Flight Center to lease Annex Hangar.

Chairman Nelmes opened the discussion on this item by stating that she had discussed the flight school's need for additional aircraft maintenance space with Mr. Dan Waters of Peachtree Flight Center (PFC), as well as her discussions with Mr. Karl Gardner of Gardner Aviation about leasing the Annex hangar. Mr. Waters indicated that he understood the Authority's desire to attract a business such as Gardner Aviation and that he was willing to discuss the possibility of expanding his space in the FBO hangar to meet his future needs.

Mr. Savage distributed a letter from Mr. Waters received the day of the meeting that outlines PFC's position on the issue and he stated that he and Mr. Waters had also discussed PFC's future needs and that when additional space was needed, Mr. Waters would request a specific square footage and any "incentives" he might need to assist with their business plan.

Chairman Nelmes hearing no objections to moving forward with considering Gardner Aviation's plan to lease the Annex hangar, considered this agenda item satisfied with no action necessary.

02-12-03 Consider approval of Intergovernmental Agreement with Fayette County and Peachtree City for the construction and paving of Stallings Road.

Mr. Savage outlined his efforts since the last meeting to prepare a document that would be acceptable to Fayette County as well as the City regarding this item.

In subsequent conversations with Mr. Bill McNalley, County Attorney, it was learned that the county would prefer that two documents be prepared. The first would be between the Authority and City that would contain the issues that are specific to those two parties, such as funding, design, project coordination, etc., and a second between the City and the County that would be similar to the standard form that is used with the LARP program paving projects, that outlines the services to be provided by the County.

A draft two-way agreement was prepared by Mr. Savage, Mr. Warner and Ms. Stacey Collins that was based on the original three-way agreement, which was then sent to the City for review. After a review by City Staff and members of the City Council, several comments were received which were been incorporated into the document to be considered by the Authority.

After a general discussion by the Authority, during which it was noted that two of the three lease holders in Hangar Area "B" have withdrawn their deposits due to the lack of progress on the Stallings Road issue, it was agreed that the document should be approved by the Authority at this meeting so the City Council can consider it at their meeting on January 16th.

A motion was made by Mr. Fisher and seconded by Mr. Cobb to approve the Intergovernmental Agreement for Improvements to Stallings Road, as revised on January 3, 2003, and authorize the Chairman to sign same and present it to the City Council for their consideration and approval.

The motion passed unanimously.

VI. NEW AGENDA ITEMS

03-01-01 Election of Officers.

Chairman Nelmes reviewed the annual need to elect officers for the Authority, and the need to authorize certain individuals to sign checks for the Authority.

A motion was made by Mr. Fisher and seconded by Mr. Davis nominating Ms. Nelmes as Chairman and Mr. Cobb as Secretary/Treasurer, for calendar year 2003. Hearing no other nominations, Chairman Nelmes called for a vote, which was five voting in the affirmative and none opposed. The motion carried.

Following a review and a discussion of the check signing policy, which states that checks issued on the General Fund of \$5,000 or less, or for normally budgeted items for amounts

greater than \$5,000, only one authorized signature is required. For all checks issued on the Grant Fund or Capital/Reserve Fund, two authorized signatures are required.

A motion was made by Mr. Davis which was seconded by Mr. Fisher that authorizes the following persons to sign checks on all bank accounts:

Catherine M. Nelmes, Chairman
Jerry R. Cobb, Secretary/Treasurer
James E. Toombs, Member
James H. Savage, Airport Manager

The motion passed unanimously.

03-01-02 Consider proposal from Peachtree Flight Center to add sidewalks and landscaping to FBO Hangar office area.

Mr. Savage reviewed three documents that showed Mr. Water's request to improve the frontal appearance of the office area attached to the FBO hangar, a sketch that Mr. Savage prepared that delineates those improvements, and a memo to the Authority regarding the estimated costs.

If all of the improvements listed on the memo were implemented at their estimated cost, the total price would be:

2 - quarter barrel shaped awnings	\$2,794
60 - feet of 12 inch matching skirt for main entrance awning	475
80 - one quart "Nandinas"	560
40 - bales pine straw	100
4 - sets screening materials to hide air conditioning units	400
181 - feet of three foot wide concrete sidewalk	1,100
181 - feet of two foot, by 6 inch, concrete curb and gutter	<u>1,750</u>
Total	\$7,179

After considerable discussion, which included the general consensus that most of the improvements requested were needed to improve the overall appearance of the building, a motion was made by Mr. Cobb and seconded by Chairman Nelmes to approve making the improvements as outlined, except for curb and gutter, provided that the tenants contribute 50% of the cost of those improvements, amortized over a five year period, which would be added to their monthly rent.

After additional discussions, it was agreed that the issue of the tenants contributing to the costs should be discussed with them prior to making a decision on what improvements should be made, so with the approval of the second, Mr. Cobb withdrew his motion.

A motion to table action on the item to allow Mr. Savage time to discuss the proposal with the tenants was made by Mr. Fisher, which was seconded by Mr. Toombs, and was passed unanimously.

03-01-03 Consider option to lease Annex Hangar from Gardner Aviation.

Chairman Nelmes reviewed her discussions with Mr. Karl Gardner of Gardner Aviation for the possible lease of the Annex Hangar for the operation of an avionics shop. Mr. Gardner, currently located in Griffin, Georgia, has expressed a desire to add shop and office space adjacent to the hangar of some 6,000 square feet. Precisely how that space would be built and financed, including the possibility that Mr. Gardner would build the space himself, will be considered during the option period.

Chairman Nelmes presented an "Option to Lease Annex Hangar" signed by Mr. Gardner, along with a check for \$2,640.00 for consideration by the Authority. After considerable discussion, centered on the general consensus that having an avionics shop on the field would be very positive addition to the airport, a motion was made by Mr. Cobb and seconded by Mr. Fisher to authorize the Chairman to sign the option with Gardner Aviation as presented.

The motion passed unanimously.

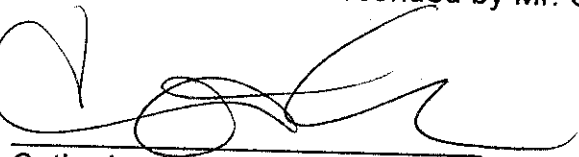
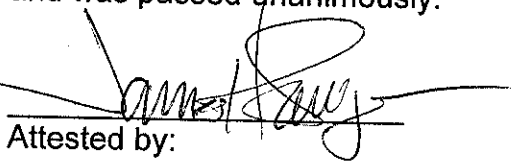
A copy of the "Option to Lease Annex Hangar " is attached and made a part of these minutes.

VII. EXECUTIVE SESSION

None.

At 8:35 p.m., Chairman Nelmes hearing of no further business for consideration, called for a motion to adjourn. A motion to adjourn was made by Mr. Fisher and seconded by Mr. Cobb and was passed unanimously.

Attested by:



Catherine M. Nelmes, Chairman

OPTION TO LEASE ANNEX HANGAR

Whereas, the Peachtree City Airport Authority ("Authority") owns and operates a facility known as the Annex Hangar on Peachtree City-Falcon Field Airport, which is more fully described on the attached Exhibit "A"; and,

Whereas, the Authority wishes to lease said facility to Gardner Aviation ("Gardner"), along with other adjacent properties described hereinbelow: and,

Whereas, Gardner has expressed a desire to lease said facility but wishing to have ample time to negotiate and reach an equitable lease agreement, desires to place a deposit on and execute an "option to lease" for said facility, so that the property will remain available to Gardner until such a lease can be concluded;

Therefore, in exchange for a cash deposit of \$2,640.00, the receipt thereof is hereby acknowledged by the execution of this agreement hereinbelow, Authority hereby grants Gardner a sixty (60) day exclusive option to lease said facility and adjacent properties, which shall begin on January 15, 2003, and which shall end on March 15, 2003, ("Option Period").

This option is granted in the contemplation that the Authority and Gardner will negotiate and execute a multi-year lease agreement for: (1) the Annex Hangar; (2) apron space adjacent to the Annex Hangar for the outside storage of aircraft; (3) sufficient space to construct approximately 6,000 square feet of office, rest room, shop and storage areas; (4) sufficient space for customer and employee auto parking. The aggregate areas to be known as the "Premises".

If during the Option Period, the parties reach and execute an agreement as contemplated above, said deposit shall be credited towards the first month's rent due under the lease agreement.

If following the Option Period, the parties have failed to reach and execute an agreement as contemplated above, the deposit shall be forfeited by Gardner and it shall remain with the Authority as consideration for the option granted hereby and not as a penalty.

During this Option Period, Authority agrees not to lease the Premises to a third party, except on a temporary basis for the storage and maintenance of aircraft, or other temporary uses it may deem appropriate, provided however, that such temporary uses shall terminate upon the execution of a multi-year lease agreement between the Authority and Gardner for the Premises.

Signed this _____ day of _____, 2003.

GARDNER AVIATION

Karl H. Gardner, President

Witness

PEACHTREE CITY AIRPORT AUTHORITY

Catherine M. Nelmes, Chairman

Witness