

**Peachtree City Airport Authority (PCAA)**  
**Thursday, February 4, 2021**  
**6:00 p.m.**  
**In Person & via Zoom Conference Call**  
**Special Called Minutes**

**Members Present:** Max Braun – Chairman, Greg Garmon – Vice Chairman, Allen Morrison – Secretary/Treasurer, Tom Lacy – Member, Gary Zarlengo – Member, Nathan Lee – Airport Attorney, and Hope Macaluso, A.A.E. – Airport Manager.

**I. CALL THE MEETING TO ORDER**

Max Braun called the meeting to order at 7:00 pm.

Before discussing the new agenda item, Max thanked the audience for coming to the meeting. He said that this meeting will not be open for public comment, but that if anyone in the audience would like to speak, they will have a chance to do so at the next regular meeting.

**II. NEW AGENDA ITEMS**

**21-02-01 Tenant Group Presentation to PCAA for End of Ground Lease Options**

Max recognized John Poulter, Jay Herrin, Tommy Turner, and Jeff Arinder and gave them the floor. Jay spoke first. He thanked Max and Hope Macaluso for having two meetings this month and for the opportunity to voice their concerns. He congratulated Max for becoming Chairman and Greg Garmon for becoming Vice Chairman. He mentioned that Gary Zarlengo is Peachtree City Airport Authority's (PCAA) newest member, and that Gary was only an alternate for a couple of weeks. Jay introduced his tenant group. He said that John is a key part of the RV Squadron and is in Hangar D30. Jeff Arinder is in Hangar B1. Tommy Turner is a long-term tenant and has two hangars on the airport. He is a go-to guy for maintenance around the airport. Jay thanked the tenant group and the rest of the tenants who helped create the presentation.

Jay said that the purpose of the meeting is to spend time with PCAA in a workshop type setting to consider challenges and find a way to work together. He said that the presentation is only a glimpse into their research. They tried not to get too detailed and to keep it surface level. Jay said that the PowerPoint will be split into three sections, which includes tenant involvement on the airport, lease requirements and end of lease options, and a summary and some recommendations. The authority was given a copy of the PowerPoint and the audience could see it on a screen. *The presentation will be attached to these minutes as reference.*

Jay said that their goal is to continue fostering a strong relationship with PCAA and the surrounding communities. Jay pointed out a picture on the PowerPoint of a heart that the RV squadron made in the sky out of smoke over hospitals around the Atlanta area. Jay said that the strong history of partnership between the tenant group and airport authority has always benefited our airport while providing generous support above and beyond the economic impact of fuel sales and long-term hangar leases. He spoke about how the tenants have contributed to that effort. He reiterated that these are just the highlights. He mentioned that some of it would be old news and some it would be educational. He told Hope that if she had anything to add or object, she was welcome to.

Jay highlighted some tenant involvement. He spoke about Charity and Youth Events, Infrastructure Projects, and Airport Promotions. He said that the tenant group and airport management are aligned in their goal to develop a safe, well-maintained, and self-sustaining airport. He stated that the tenant group is very concerned that end of lease options might somehow severely threaten the future growth and development of the airport. Jay then turned the floor over to Tommy Turner.

Tommy spoke about reversion clauses and how the tenant group believes that they will undermine airport development goals. He referenced the presentation slide outlining that aircraft storage businesses typically lose money. Gary asked what size hangar Tommy was referring to. Tommy said 4,400 square feet. This would hold approximately 4-5 aircraft. Gary asked if Tommy would build a 4,400 square foot hangar for himself as a single aircraft hangar and if so, what would the fair rent for that hangar be? Tommy said that the FBO charges \$375/month for a single engine aircraft. He used 5% as the cost of money (interest). He said that if single hangars were built, that it would limit the number of aircraft on the airport because of the hangar's large footprint. Gary said that stand alone, owning a hangar is a poor investment. He said that nobody would ever look at this as commercially viable. Tommy said that most people who build hangars on this airport did not do it for investment purposes. They just want a hangar to store their airplane and maybe some extra airplanes to collect a rental fee to cover the cost of the hangar.

Jeff Arinder took over the next portion of the presentation and said as Tommy has shown, it is not a great financial decision to be in the hangar ownership business. He said that they do it for other reasons. They hope that when they are finished with the hangar that they can pass it on and recoup some of their money. Jeff spoke about how a reversion clause is not mandatory by the FAA. He said that many airports provide land leases without reversion clauses. He believes that the current lease language is already in compliance with FAA guidelines and Grant Assurance #5. He said that our current leases contain "Right to Amend" clauses that provide full control to the airport authority. He recommends that the airport authority use the GDOT lease without the reversion as a model for the new airport leases, while also retaining current end of lease options.

Allen Morrison asked Jeff what it costs to maintain his hangar. Jeff said it costs about 1-3% of the initial hangar cost, per year.

Gary asked Hope if we are required to purchase a hangar when the lease is terminated. Hope said that no, we are not. Gary said that it is clear that these are not good stand-alone investments. Jeff said that the benefit is that the tenants like them and hope to pass them along. Gary asked Jeff, if the authority does not renew the lease, does it seem fair that he will have put \$200,000 into a hangar that he has to pick up and move? Jeff said that it is a good way to make both sides reasonable at the negotiating table. Neither side wants to move a hangar, but that is a risk that the tenant group is willing to take. Gary said that the same loss is present in either case. Either the airport authority uses it for their own needs, or the tenant has to pick it up and leave. The loss to the tenant is still there in either scenario. Gary wanted to make sure that everyone was on the same page and understood this. Allen said that because of this, he believes that the airport still maintains control.

Gary said that it is unknown who will be on the board in 5-10 years and for all he knows, it could be 5 developers who want to bulldoze the airport to put in a highway. Tommy said "We do have some control. The city council appoints you [the authority] and we have their ear."

Gary said that he just wants to make sure that everyone is on the same wavelength. Max said that Tommy makes a good point and agrees with putting the power in the hands of the people that have to make the decision down the road. He thanked the tenant group for their work with putting together the detailed PowerPoint. Gary thanked everyone for the answers to his questions. John Poulter explained to Gary that airport land is for aviation use only because it was granted to the airport by the federal government. Developers cannot come bulldoze the hangars to put in a strip mall. There is a risk when building a hangar that airport development plans could change in the future, but most likely the hangars will stay because they are in short supply.

### **III. EXECUTIVE SESSION**

Max made a motion to enter into executive session for real estate matters, seconded by Greg Garmon.

Motion carried 5/0

### **IV. ADJOURNMENT**

At 8:09 pm Max Braun made a motion to adjourn the meeting, seconded by Allen Morrison.

Motion carried 5/0

---

Attest

---

Max Braun, Chairman