

LEBANON MUNICIPAL AIRPORT COMMISSION
MINUTES OF REGULAR MEETING
Thursday, February 4, 2021

The meeting was conducted electronically to protect the public health, safety, and welfare in light of the coronavirus (COVID-19).

Commissioners Present

Jeff Baines	J.D. Lowery
Deborah Baugh	Ralph Mallicoat
Fred Burton	Mike Russell
T.O. Cragwall	Paul Stumb
John Gentry	William Westmoreland

Others Present

R.T. Baldwin	Joseph Howes
Heather Bay	David Schilling
Steve DiLeo	Gary Soloway
Darren Duckworth	Andy Wright
Angela Fantom	

1) CALL TO ORDER – Chairman Ralph Mallicoat called the meeting to order at 4:00 p.m.

2) ROLL CALL – Ten of eleven Airport Commissioners were present during the roll call: Jeff Baines, Deborah Baugh, Fred Burton, T.O. Cragwall, John Gentry, J.D. Lowery, Ralph Mallicoat, Mike Russell, Paul Stumb, and William Westmoreland. (Not in attendance was Joey Carmack.)

Chairman Mallicoat introduced and thanked Deborah Baugh, who has replaced her husband, John, on the Airport Commission (Mr. Baugh’s term expired last month). Comm. Baugh is a pilot and served on the commission previously under Mayor Don Fox. She expressed her excitement about serving once again and helping the airport grow.

3) IDENTIFY VISITORS/OTHERS PRESENT – Gary Soloway identified himself. Commissioner Mike Russell advised that he had to step away from the meeting for a moment.

4) APPROVAL OF MINUTES – 1/7/21 Regular Meeting Minutes – A motion was made and seconded to approve the minutes. Motion carried.

5) COMMUNICATIONS FROM CITIZENS – None.

6) ENGINEERING REPORT – Special Projects Administrator R.T. Baldwin presented the report included in the agenda packet:

- A. REILs/PAPI Lights/Runway Lighting System Phase I** – Waiting on written warranties, final testing report, and final repairs from contractor. No update.
- B. West Side Partial Parallel Taxiway – Preliminary Design** – Preliminary design completed 2/6/20. Review of final deliverables 4/28/20. No update.
- C. ALP (Airport Layout Plan)** – Mayor’s signature received; plans have been delivered to TDOT Aeronautics for signatures. Waiting on signed ALP from TDOT Aeronautics. No update.
- D. East Side Taxilane Improvements – Construction** – Utilities have been relocated, storm sewer installed, base stone in place. Paving company to reopen mid-February.
- E. FAA Construction Form 7460-1 Status – West Side Hangar Site C** – Application submitted to FAA 10/22/19. Finally received FAA approval on 12/26/2020.
- F. 100LL Self-Serve Fuel Farm – Design/Location Discussion** – Continuing evaluation of site location.
Mr. Baldwin clarified to Commissioner T.O. Cragwall that the latest possible option is to use the current fuel farm on the east side; the existing tank would serve a dual purpose.
- G. Terminal Parking Lot Expansion** – Field surveying complete. Developing grading plan, have preliminary layout. Need cost estimate.

Mr. Baldwin will develop a cost estimate with Commissioner William Westmoreland. Comm. Russell advised of his return to the meeting.

7) OLD BUSINESS

A. T-Hangar Waiting List

1. New Additions – Three new applications were presented to the commission:

- A motion was made and seconded to add Daniel Miller (application dated 1/6/21) to the #120 position on the waiting list (following #119 Richard Moscardelli). Motion carried.
- A motion was made and seconded to add Preston Van Loon (application dated 1/12/21) to the #121 position on the waiting list. Motion carried.
- A motion was made and seconded to add Steve Bankston (application dated 1/20/21) to the #122 position on the waiting list. Motion carried.

2. Updated List – An updated list was included in the agenda packet. The order of the last three names should read as follows: #117 Matthew Loughney, #118 Mike Cisneros, and #119 Richard Moscardelli.

B. Row D Construction and C. Southeast Hangar Development (Steve DiLeo/Aeronautique, LLC)

1. Staff Update and 2. Owner Update – Mr. DiLeo reported that one Row D door was installed a couple of weeks ago and a second door jamb is being worked on. He anticipates the custom door installation to pick up now that details have been ironed out. Mr. DiLeo is ready to start sewer installation – equipment was supposed to move on site today, and a TN One Call has been made for underground utility locations.

Mr. DiLeo commented that he has provided Mr. Baldwin the necessary information for site plan approval of the Southeast Hangar Development phases 1 and 2. Mr. Baldwin advised that there are some details to work out regarding the stormwater sediment basin and sanitary sewer but the process is moving along.

D. West Side Hangar Sites A and B (Robert Craig/ArmourSales) – Ms. Heather Bay received an email from Mr. Craig this week – while he is unable to visit due to Australia's international travel ban, he is communicating with his legal team in the U.S. and hopes to see some activity on the airfield in the next few weeks. Commissioner J.D. Lowery, who is assisting Mr. Craig with this matter but is not lead counsel, added that the court system is completely jammed up due to COVID-19.

E. West Side Hangar Site F (Bruce Thomas/AV8RS) – Excavation started. – Mr. Baldwin reported that concrete has been poured and utilities have been installed.

F. West Side Hangar Site C (Corey Gerulis/S&C Management) – Update building codes issue. – Mr. Baldwin advised that Mr. Gerulis has submitted a letter to the Board of Adjustments and Appeals regarding the required floor drains that were not installed. It has not been confirmed that this item is on the agenda for the next board meeting on 3/18/21.

G. West Side Hangar Site G (Robert Gaines) – Excavation started. – Mr. Baldwin reported that concrete has been poured and utilities have been installed.

H. West Side Request – Lot 4 (Chris Rudd and Todd Wilson) – In Communications Regarding Lease, Fees, Etc. – Commissioner Jeff Baines advised that he has not heard from Mr. Rudd and Mr. Wilson since the commission voted to continue with negotiations for a Lot 4 hangar no smaller than 100'x100' and no larger than 110'x120' during the December 2020 meeting. The item has not been presented for City Council approval.

Ms. Bay and her staff's attempts to reach the gentlemen via email and phone have been unsuccessful, and there are several other parties interested in the lot. She and Chairman Mallicoat asked that a letter be sent, via both certified and regular mail, requesting a response from Mr. Rudd and Mr. Wilson.

I. **T-Hangar Lease Terms** – Since Rows A and B leases expire at the end of the year, Comm. Baines suggested tabling considering going from two-year leases to four or six-year leases until mid-summer.

J. **Proposed Ordinance to Amend Airport Overlay District to Require Sound Abatement for Certain Developments – Comments/Suggestions** – The draft ordinance was included in the agenda packet. It requires sound abatement to be reviewed and approved by the Planning Commission when within a certain range of the airport.

Comm. Baines advised that the draft provided by Planning staff is very vague; the commission needs to recommend more specific language.

Chairman Mallicoat questioned if it might be better to leave the language vague and have the Airport Commission consider each development/make a recommendation to the Planning Commission on a case-by-case basis. He explained that in the past, developers have been receptive to the Airport Commission’s feedback.

Comm. Baines replied that the Planning Commission would like the Airport Commission’s input regarding the range within which sound abatement should be required. He suggested contacting other airports in the area to review their regulations. Comm. Baines confirmed to Commissioner John Gentry that the Airport Commission would continue to make recommendations to the Planning Commission regarding development in the Airport Overlay District.

Comm. Lowery explained that the draft language is arbitrary and capricious and opens the City up to certain challenges. The ordinance deals with property rights and needs to be tied to more specificity and structure.

Comm. Westmoreland questioned if Atkins, the City’s consultant for airport services, could assist with establishing guidelines by researching other airports and their minimum building criteria related to sound abatement.

After a brief discussion, Atkins’ Darren Duckworth explained that specialized airport planners can put together a scope for a study using FAA guidelines to identify areas around the airport experiencing an elevated level of noise.

Comm. Baines advised that staff can further discuss the item with Mr. Duckworth and report back next month.

K. **Cracker Barrel Lease(s) Reconciliation – Comments/Suggestions** – Included in the agenda packet were documents recently provided by Cracker Barrel – a revised/redlined version of the Cracker Barrel lease and an initial draft of the fuel facilities lease. Also included was the following language drafted by City Attorney Andy Wright:

4. **RENEWALS.** *Tenant shall have three (3) separate options to renew and extend the Term (as hereinafter defined) for successive periods of ten (10) years each (each, an “Extension”) on the same terms and conditions as herein set forth except that the Rent (as hereinafter defined) shall be as provided in Section 5 hereof. Tenant shall give written notice to Landlord not less than ninety (90) days prior to the expiration of the current term of its intent to exercise its Extension option. Such Extension shall require the recommendation of the Lebanon Airport Commission and the approval of the Lebanon Council in order to be extended. As hereinafter used, all references to the “Term” of this Lease shall mean the initial term of this Lease and such additional Extension exercised as herein provided.*

5. **RENT.** (a) *Tenant agrees to pay Landlord rent (“Rent”) in equal monthly installments in advance beginning on the Commencement Date and thenceforth on the first day of each and every calendar month during the Term, as follows:*

	<u>Annual</u>	<u>Monthly</u>
Term:	\$15,000.00	\$1,250.00

(b) *In the event Tenant exercises any of the Extensions, the Rent for such Extension shall be negotiated in good faith by the parties at the time Tenant gives Landlord written notice of its intent to exercise its Extension option. Such new Rent amount shall be reflected on an Addendum to this Agreement, which shall be incorporated as a part of this Agreement. Such Addendum shall require the recommendation of the Lebanon Airport Commission and the approval of the Lebanon Council for such new*

Rent amount to go into effect.

Chairman Mallicoat expressed that the City needs an opportunity to set the rental rate instead of having a rate locked in for forty years. Comm. Cragwall agreed.

Referring to the future replacement of the hangar's thirty-year-old roof, Comm. Russell advised that he is not in favor of any option he has seen so far regarding rental rates, as the City would not break even. Comm. Westmoreland agreed and inquired about the rental rates for comparable hangars at neighboring airports. Comm. Russell noted that airport tenant VOLAR currently pays a monthly rate of \$2,000; the rate increases to \$2,500 in June.

Ms. Bay reported that rental rates for similar hangars at neighboring airports range from \$5,000 to \$20,000 per month. She added that the airport no longer has State funds; she was just told that \$5 million is available between 74 general aviation airfields.

Comm. Cragwall advised that while the hangar has always belonged to the City, Cracker Barrel initially contributed \$25,000 towards startup and also paid for the hangar's lean-to.

Comm. Baines reminded the commission that the lease reconciliation was requested by Cracker Barrel, as the original 1989 lease has been amended a few times. The current lease, which expires in 2029, states a monthly rental rate of \$1,250.

Comm. Lowery suggested the possibility of shifting maintenance costs to Cracker Barrel during the lease cleanup. He stated the need to be fair to both the City and Cracker Barrel. Comm. Russell and Chairman Mallicoat expressed their support of the suggestion.

Comm. Cragwall suggested developing a participation clause regarding roof replacement.

Comm. Gentry questioned why a rental rate increase was not included in the current lease.

Comm. Baines and Mr. Wright agreed that they believe Cracker Barrel would not be in favor of funding the roof replacement.

Comm. Russell stated the need to advise City Council of and start budgeting for the roof replacement.

Comm. Baines asked if staff should advise Cracker Barrel that the City is open to a new lease but with a modified rental rate if the City is responsible for the roof replacement.

Chairman Mallicoat commented that the current rental rate is locked in until 2029 and stated the need to include language requiring the negotiation of the rental rate in the event Cracker Barrel exercises an extension.

Comm. Gentry advised that he must leave for another meeting.

Comm. Russell commented that there is no point in discussing a change in the current rental rate unless there is a deeper discussion of other things. He suggested focusing on the next eight years and the condition of the hangar roof.

Chairman Mallicoat advised that the item can be discussed further and considered next month after Comm. Baines and Mr. Wright work with Cracker Barrel to develop a draft that is acceptable to both parties.

Regarding the draft fuel facilities lease, Chairman Mallicoat reported that the ten-year lease would run the same term as the hangar lease. Comm. Baines advised Comm. Cragwall that the annual rent remains unchanged; the lease states that the amount is *equal to 5% of the total cost of the fuel purchased by the tenant at the property for the prior calendar year (or partial year, as applicable)*. Comm. Lowery confirmed that B.F. "Jack" Lowery should still be named on the lease, as he retained his rights on the fuel farm after moving.

- L. West Side Hangar Site D (PNJ Venture Partners) Lease** – Comm. Baines confirmed that the ordinance authorizing the lease agreement passed first reading by City Council Tuesday night. (Second and final reading will take place 2/16/21.)

- M. Other** – None.

8) NEW BUSINESS

- A. Planning Commission Items – 2/23/21** – Mr. Baldwin advised that he needs to double-check the agenda; he will email the commission about any items located in the airport overlay.

B. Board of Zoning Appeals Items – 2/22/21 – Mr. Baldwin advised that he needs to double-check the agenda; he will email the commission about any items located in the airport overlay.

C. Citizen Noise Concern – Chairman Mallicoat informed the commission of the concern reported to a city councilor and Mayor Bell by citizen Bill McDowell on 1/29/21; Mr. McDowell, who lives off S. Hartmann Dr. near Wilson County Hyundai, stated, *“The airport noise pollution is becoming intolerable. I understand they must take off over town, when there is strong wind from the North, but it would really help if they would always take off to the South, when the wind is calm or coming from the other three points of the compass.”*

Ms. Bay called and had a nice and informative conversation with Mr. McDowell, who has lived at his current residence for years and witnessed the growth of the City and the increase in airport traffic, including that of flight schools. Ms. Bay explained to Mr. McDowell that such operations cannot simply be tweaked and advised him of the efforts to have the FAA label Runway 19 as the “calm wind” runway, which might alter the amount of traffic flying over Mr. McDowell’s house. Mr. McDowell will follow up with Ms. Bay after 2/28 to see if the FAA will publish the runway information as requested.

Ms. Bay confirmed to Chairman Mallicoat that the AWOS currently advertises the “calm wind” runway request.

D. Other – None.

9) FINANCIAL REPORT – Included in the agenda packet were the Airport Maintenance Expenditures Report dated 2/1/21 and the Airport Operations Fund Balance Sheet dated 2/3/21. There was no discussion about the report.

10) FBO REPORT – Ms. Bay commented that most items in the report have been discussed already.

- She informed the commission of one urgent matter: the avgas fuel truck is down, and a NOTAM had to be issued a couple of weeks ago. Ms. Bay has been working with the City Garage as well as the fuel truck service provider for months trying to repair the truck. While it is semi-operational, it does not provide quality service; recently, it took over one hour for a Navion to be fueled. Ms. Bay emphasized that as a business, the FBO must have an operational avgas truck. Ms. Bay and Garage Supervisor Darrell Edwards have been unsuccessfully searching for a truck to purchase. Shell Aviation leases trucks to purchase but only to the fuel customer, not the City of Lebanon; Shell is willing to lease a truck for approximately \$650/month to Direct Flight Solutions through September of 2022 when the City’s FBO agreement with DFS expires. As requested by Chairman Mallicoat, Ms. Bay can ask Shell if a truck can be leased for three or four months until the City can find a replacement.

Comm. Baines advised that while it is the City’s obligation to provide a truck, he believes the FBO agreement can be amended to allow DFS to lease a truck until the existing truck is repaired or a replacement is purchased.

After a brief discussion, a motion was made and seconded to recommend the City obtain a lease through September of 2022 to allow time to research and purchase a truck if needed. Ms. Bay advised Chairman Mallicoat that DFS can get a lease with Shell and have a truck delivered in about two weeks. Comm. Baines added that the action can be declared an emergency. Motion carried.

- The jet fuel farm pump is down for the third time in three or four months, and City Maintenance is trying to secure a new pump. Ms. Bay explained that the issue does not affect the customer but the process of taking fuel from the farm to the trucks.
- Fuel sales for the month of January – 4776.1 gallons of avgas, 6570 gallons of jet fuel. Being a CAA-Preferred FBO is attracting jet fuel customers, but the profit margin is minimum. The airport will see an increase in jet traffic when Nashville Superspeedway events commence in June.

- Ms. Bay congratulated everyone, as TDOT Aeronautics just recently announced findings from its TN Aviation System Plan and Aviation Economic Impact Study. In total, the economic contribution provided by airports in TN is \$40 billion, which represents 11% of the overall state gross domestic product (GDP). The airport's individual economic impact findings included the following:



Ms. Bay advised that the findings have put the airport on TDOT's map as a regional airfield and one of the top four general aviation airports in the state.

- The Kiwanis Club will be meeting elsewhere temporarily due to COVID-19 restrictions.

11) UPCOMING EVENTS (Tentative due to COVID-19)

- EAA 5th Saturday Breakfast – Saturday, 5/29/21
- Sattler Foundation Summer Camps – June 2021
- EAA Fall Classic Fly-In – October 2021

Comm. Baugh noted that the EAA chapter is working to host an EAA Tri-Motor Tour stop in May. She will let Ms. Bay know when a date is secured.

12) INFORMATION ONLY ITEMS

- PAPI Lights – (1) Temporary repair/parts availability (2) Engineering to survey and verify tree(s) to trim or remove. Make arrangements with property owner to trim or remove. Advise FBO and/or FAA. – No New Info**
- Soccer Field Update – Mayor plans to meet with Sports and Recreation Complex Committee.**
- Supplemental Signage – Runway Hold Positions Taxiway A1 – No New Info**
- Need to receive executed ingress/egress easement from Savage and record. – No New Info**
- T-Hangar Rows A and B Insurance Renewals Update – No New Info**
- Row E T-Hangar Leases – Follow up on insurance certificates.**

13) ADJOURNMENT – The meeting was adjourned at 5:33 p.m.