



Newnan-Coweta County Airport Authority

37 Perry Street,
Newnan GA 30263
www.coweta.ga.us

Regular Session

Minutes

Shannon Zerangue
Fran Collins
770.254.2601

June 21, 2024

9:00 AM

Commission Chambers

Newnan-Coweta County Airport Authority

Roll Call

Attendee Name	Title	Status
Joe Rutkiewicz	Chairman	Present
Hank Moody	Vice Chairman	Present
Lee Moody	Secretary	Present
Edward Davidson	Authority Member	Present
James Amey	Authority Member	Present
Calvin Walker	Airport Manager	Present
Nate Schattner	Assistant Airport Manager	Present
Nathan Lee	Attorney	Present
Carlene Blount	Office Manager	Present
Fran Collins	Deputy County Clerk	Present

The Newnan-Coweta County Airport Authority met in Regular Meeting Session on Friday, June 21, 2024.

Meeting Called to Order

Chairman Rutkiewicz called the meeting to order at 9:00 a.m.

Notification of Location of Rules

Chairman Rutkiewicz explained that the rules governing the meeting could be found on the County's website as well as on the table located in the lobby outside the meeting room.

Regular Session

Consent Agenda

1. Confirm a Name Change from Avion GA, LLC to Newnan Airport Hangar Association, LLC for Land Leases Located at 12 Dale Pepper Drive and 55 Nation Drive

Motion To: **Confirm**

The Authority voted to confirm execution of updated lease agreements with Newnan Airport Hangar Association, LLC for properties located at 12 Dale Pepper Way and 55 Nation Drive.

RESULT: Passed (UNANIMOUS)

MOVER: Hank Moody

SECONDER: Edward Davidson

AYES: Joe Rutkiewicz, Hank Moody, Lee Moody, Edward Davidson, James Amey

Approval of Minutes

2. Request Approval of the Minutes from the Regular Meeting Session Held on May 17, 2024

Motion To: **Approve**

The Authority voted to approve the minutes from the Regular Meeting Session held on May 17, 2024 at 9:00 a.m.

RESULT: Passed (UNANIMOUS)

MOVER: Edward Davidson

SECONDER: Hank Moody

AYES: Joe Rutkiewicz, Hank Moody, Lee Moody, Edward Davidson, James Amey

Supplemental Agenda

Motion To: **Approve**

The Authority voted to approve the addition of one (1) Supplemental item for discussion as presented by staff.

RESULT: Passed (UNANIMOUS)

MOVER: Edward Davidson

SECONDER: Hank Moody

AYES: Joe Rutkiewicz, Hank Moody, Lee Moody, Edward Davidson, James Amey

Public Comment (Items on the Agenda)

Chairman Rutkiewicz called for comments regarding any items on the agenda. There were none.

New Business

3. Request Approval to Increase Airport Authority Monthly T-Hangar Rental Rates

Chairman Rutkiewicz explained that the Airport Authority T-Hangar rental rates have not increased since July 2014. Because of recent inflationary pressures, rising maintenance costs, and market demand, the Authority is proposing a 15% increase to monthly rental rates for T-Hangars owned by the Authority. In addition, the Authority is working on a plan to address deficiencies by refurbishing those hangars. When the plan is implemented within the next year or so, rates will again be adjusted accordingly. Per the FAA Airport Grant Assurances, the Airport shall maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible. Section 3B of the Lease Agreement for T-Hangar Storage allows the lessor to adjust lease payments at any time with thirty (30) days written notice to the lessee. If approved by the Authority, the new rates will become effective on August 1, 2024.

Member Lee Moody requested that the increased revenue be utilized to refurbish the hangars because of their current condition.

Chairman Rutkiewicz explained that he would discuss Member Lee Moody's request with County Administrator Michael Fouts.

Motion To: **Approve**

The Authority voted to approve a 15% increase in monthly rental rates for T-Hangars owned by the Authority to become effective August 1, 2024.

RESULT: Passed (UNANIMOUS)

MOVER: Hank Moody

SECONDER: Edward Davidson

AYES: Joe Rutkiewicz, Hank Moody, Lee Moody, Edward Davidson, James Amey

4. Request Approval to Implement a Credit Card Convenience Fee on Airport Rental Transactions

Airport Manager Walker explained that at the May 17, 2024 meeting, staff discussed the impact of credit card fees on the Airport's budget. At that time, the Airport had accrued approximately \$26,000 in credit card fees. In order to recoup the expenses associated with credit card fees, staff is proposing that the Airport Authority implement a 3.25% credit card convenience fee on all Airport rental transactions (e.g., land lease, t-hangar, tie-downs, and office space). Tenants will still be able to pay rent by check or Automate Clearing House (ACH) payment with no additional fees.

In response to questions from the Authority, Airport Manager Walker explained that there are still a few tenants that pay with a credit card. However, Airport Office Manager, Carlene Blount, has worked with most tenants to make rental payments via ACH. The credit card convenience fee will be utilized by the Airport to offset the loss in credit card fees. Fuel payments made by credit card are exempt.

Motion To: **Approve**

The Authority voted to implement a 3.25% credit card convenience fee on all Airport rental transactions paid by credit card to become effective August 1, 2024.

RESULT: Passed (UNANIMOUS)

MOVER: Hank Moody

SECONDER: Edward Davidson

AYES: Joe Rutkiewicz, Hank Moody, Lee Moody, Edward Davidson, James Amey

5. Request Approval to Implement a Reversion Deferral Fee

Chairman Rutkiewicz explained that over the past four (4) years the Authority and staff have evaluated methods to ensure compliance with the Federal Aviation Administration's (FAA) Grant Assurances. In order to maintain compliance, the Authority is proposing implementation of a one-time three-percent (3%) reversion deferral fee on standard land leases. The Airport Authority's standard land lease includes a reversionary clause per the FAA which defines that any and all tenant improvements accrue to the airport and revert to the ownership of the airport sponsor at the end of an agreement term. Because hangars on airport ground leases are often sold before the end of the lease's term, the buyer often requests a new land lease rather than assuming the existing lease because of the expense of purchasing the asset as well as wanting a "clean slate." Lastly, the proposed reversion deferral fee will be calculated by using either the current assessed value as determined by the Coweta County Tax Assessor or the sale price of the hangar, whichever is higher.

Member Davidson explained that he understood that the proposed reversion fee would be based on either the current assessed value as determined by the Coweta County Tax Assessor or the sale price of the hangar, but not the greater of the two (2).

Chairman Rutkiewicz explained that giving the Authority discretion to make the decision had been discussed; however, the simpler method is to use whichever one (assessed value or sale price) has the greater value.

Member Davidson recommended a few requirements including use of the greater of the assessed value or sale price, obtaining an appraisal by an independent licensed appraiser paid for by the purchaser in consideration of receiving a new lease, and tasking the County

Administrator with selection of an appraiser should the potential purchaser and the Airport Authority be unable to agree on an appraiser.

Airport Authority Attorney Lee explained that generally, the hangars are valued at fair market value by the Coweta County Tax Assessor, who is separate and independent of the Airport Authority. As a government agency, the Tax Assessor staff cannot be tasked with performing an appraisal at the request of the Airport Authority, but the Authority can obtain their own appraisal if they so choose. The Tax Assessor is tasked by law to determine the property's fair market value every year and there is an appeals process if property owners do not agree with it. The State and the FAA also perform audits on the County's assessed value.

Member Davidson explained that if he were a purchaser he would not agree that the County's assessed value is completely unbiased and objective. In addition, the County only assesses property once a year, may not capture changes in the market that have occurred in the last eight to ten months, and the Authority may not receive adequate value for the taxpayer.

Member Lee Moody explained that only one (1) or two (2) potential sales would occur each year. The hangars have already been appraised by the County Tax Assessor, and he suggests using the Tax Assessor's assessed value. If someone wishes to appeal the assessed value, that issue would be between the owner and the County Tax Assessor.

Attorney Lee explained that if someone wants to appeal their assessed value, they would be asked to defend their opinion, which could be supported by obtaining an independent fee appraisal. If the Authority hires an appraiser, at some point, appraisal costs will be more than the money obtained from fees.

Member Hank Moody explained that the assessed value is already public information, the purchaser would know what the assessed value is, how much they are planning to pay for the hangar, and would understand the amount of the 3% reversion deferral fee.

Chairman Rutkiewicz explained that he wishes to stay in compliance and to keep the process simple.

Member Davidson stated that he would not be agreeable to using the County's assessed fair market value.

Member Hank Moody explained that the Authority would receive 3%, even if the value of the property increased 10% since the last appraisal by the County, the amount is so small it is de minimus to force another appraisal. He recommended utilizing the County's current assessed value as the most reliable and expeditious process.

In response to a question from Member Hank Moody, Attorney Lee explained that the FAA's clause on reversion deferral fees is vague (if it even exists) and the FAA does not provide any guidance. The safer practice is to assume the FAA requires a reversion deferral fee and hope it is adequate in the FAA's eyes.

Member Hank Moody explained that utilizing the higher of either County's assessed value or the purchase price would keep the process simple and timely.

To: **Approve**

The Authority voted to implement a one-time three-percent (3%) reversion deferral fee on standard land leases. The fee shall be calculated based on the County's assessed value or the sale price of the hangar, whichever is greater.

RESULT: Passed (UNANIMOUS)

MOVER: Joe Rutkiewicz

SECONDER: Edward Davidson

AYES: Joe Rutkiewicz, Hank Moody, Lee Moody, Edward Davidson, James Amey

Updates for the Authority

6. Update from the Airport Manager

Airport Manager Walker provided updates regarding the following:

- Monthly financials
- Runway closure to remove vegetation and perform crack seal
- Fuel sales

In response to a question from Member Hank Moody, Airport Manager Walker explained that the crack seal on the runway was performed by County staff.

7. Update from the Airport Sponsor

There were no updates provided from the Airport Sponsor.

8. Update from the Airport Engineer

Airport Engineer Phil Eberly provided updates regarding the following:

- Tentative allocation (TA) letters
- Appraisals for land acquisition
- Delineation of the new Environmental Assessment (EA)

In response to a question from Member Hank Moody, Mr. Eberly explained that the application for funding for the Runway Overlay project was part of the Capital Improvement Project (CIP) submitted in November 2023. TA letters are typically received in June, but are currently delayed. In addition, an updated estimate from the engineer was requested to include correcting the direct access taxiways (an FAA priority), which added \$900,000 to the request. The amount allocated will determine the next steps in the project.

Supplemental Items

Chairman Rutkiewicz explained that Mr. White from Prop Stop Hangar 108, LLC is requesting to assume the existing lease held by Prop Stop Hangar, LLC for a box hangar located on the west side of the Airport. When the sale is finalized, Mr. White will request a new lease agreement.

Motion To: **Approve**

The Authority voted to approve the assumption of an existing lease held by Prop Stop Hangar, LLC for a box hangar located on the west side of the Airport by Prop Stop Hangar 108, LLC.

RESULT: Passed (UNANIMOUS)

MOVER: Edward Davidson

SECONDER: Hank Moody

AYES: Joe Rutkiewicz, Hank Moody, Lee Moody, Edward Davidson, James Amey

Public Comment (Items Not on the Agenda)

Chairman Rutkiewicz called for comments regarding items not on the agenda. There were none.

Executive Session - In accordance with O.C.G.A. 50-14-4

There were no issues to be discussed in Executive Session.

Regular Session

Affidavit

Adjournment

Motion To: **Adjourn**

The Authority voted to adjourn the meeting.

RESULT: Passed (UNANIMOUS)

MOVER: Hank Moody

SECONDER: Edward Davidson

AYES: Joe Rutkiewicz, Hank Moody, Lee Moody, Edward Davidson, James Amey