

MINUTES OF JOINT WORKSHOP
City of Griffin Board of Commissioners
Spalding County Board of Commissioners
Griffin Spalding Airport Authority
Spalding County Annex
119 East Solomon Street
9:00 A.M.

Those present:

City - Chairperson Ryan McLemore, Commissioners Cora Flowers, Cynthia Reid Ward, Doug Hollberg, Dick Morrow, Rodney McCord, Director of Public Works & Utilities Brant D. Keller, City Attorney Drew Whalen

County – Chairman Samuel Gardner, Commissioners Rita Johnson, Bart Miller, Raymond Ray, Gwen Flowers Taylor, County Manager William Wilson, County Attorney Jim Fortune

Airport Authority – Ron Alexander, Larry Johnson, Bart Miller, Dick Morrow, Carl Pruett, Raymond Ray, Airport Director Robert Mohl

Chairman Gardner called the meeting to order for Spalding County. Chairman McLemore called the meeting to order for the City of Griffin. Chairman Morrow called the meeting to order for the Airport Authority.

The invocation was led by Chairman Samuel Gardner.

The Pledge to the Flag was led by Raymond Ray.

The Agenda was to discuss funding options for construction of a new Griffin-Spalding County Airport and consideration of an agreement outlining those options.

Commissioner Morrow opened the discussion by stating his delight that the three boards have come together to talk in an open forum. Due to the miscommunication surrounding the airport he welcomed the opportunity to correct some of the circulating untruths.

Mr. Wilson said he attended a Workshop at the City of Griffin last Tuesday morning regarding alternative financing for the new airport. He and Commissioner Raymond Ray were invited to attend a meeting later that afternoon with Kenny Smith, Robert Mohl, Drew Whalen, Commissioners Ryan McLemore and Dick Morrow to discuss financing alternatives. The group came up with three possible options for consideration.

Option 1: The County opts out of the Airport entirely, transfers its interest in the current airport to the City. No further sharing in operating deficits or excess revenues. No representation on the Airport Authority.

Option 2: The County proceeds with a General Obligation Bond referendum and everything continues as a 50/50 split with the Airport Authority running the airport.

Mr. Wilson advised that if we are unable to come to an agreement on the options, the County Commission is prepared to vote on the General Obligation Bond.

Option 3: The City and County agree to transfer current airport property to the Airport Authority and allow them to dispose of non-essential property and begin marketing the old airport property

once the first parcels of property for the new airport are acquired. The Airport Authority issues revenue bonds based on contracts with the City and County for providing aviation services in Spalding County.

The bonds will call for interest only payments for the first 3 years with principle repayments beginning in year four. The contracts with the City and County call for no contribution from the County for the first 3 years and an annual amount equal to interest only for the first 3 years the City of Griffin will pay. In the remaining years of the contract, the County payments would “make up” for 50% of the interest only payments that the City made for the first 3 years in the remaining terms of those bonds.

This agreement would let the airport project start upon the issuance of the revenue bonds, and would give the county three years to improve their cash flow and tax digest. The County’s payments would start in year 4. The Airport Authority would agree to enter into a lease-purchase agreement with Spalding County for the Airport Road Park and Sheriff’s Hangar properties, whereby the annual lease amounts, currently approximately \$125,000.00, would be applied toward the purchase of those parcels at an FAA approved appraisal of Fair Market Value.

Commissioner Rita Johnson asked for clarification of the repayment terms in Option 3. Mr. Wilson advised that in year four the County would start making debt service payments along with the City, and would make annual payments to the City over the remaining term of the bonds, reimbursing them for 50% of the interest paid during the first three years. By the end of the bond period, the City and County would have paid equal amounts on those bonds to the Airport Authority for aviation services.

Commissioner Ray said things have changed significantly since the Commission voted in April for a General Obligation Bond. We now have one international company who is making Griffin their national headquarters, and a second international company announced their relocation to our community. Both of these companies would probably utilize a new airport. Commissioner Ray advised the Board was made aware in May of this year of the cost to bring the old airport into compliance. Long term, with capital outlay costs and operational costs, it would be less expensive to build and maintain a new airport. He said the decision made today regarding the new airport would be monumental.

Chairperson McLemore advised he would like to see the 50/50 split of airport operations continue. The relationship has been a good one over the years and Option 3 would give the County time needed to free up some cash flow. He stated he believes in the airport and what it would ultimately mean to the community in the future.

Commissioner Morrow agreed the partnership over the years has been valuable. He stated going forward with the new airport has potential for a positive cash flow that would benefit the City and the County. Commissioner Morrow said that Option 3 would ultimately move the County forward.

Carl Pruett said the developing Industrial Park with a new airport would definitely open the door for progress and a good future for the younger residents of Spalding County. The decisions being made today are going to have a huge impact twenty to 30 years from now.

Commissioner Cynthia Ward stated the City's intention has always been to move forward and no matter what is decided today, we will continue to do so. She advised her first choice would be Option 1 but she would go with the consensus of the City Board. If Option 3 is chosen, she said she would have to see it in writing, as presented. Commissioner Ward reiterated the City is moving forward and it's up to the County to determine their direction.

Mr. Wilson distributed a copy of a draft intergovernmental agreement to the group. He said the agreement says everything that Option 3 states and it is a binding agreement between the three entities.

Commissioner Gwen Flowers-Taylor stated the only circumstance that is different today than three months ago is that we have a commitment from the FAA. Having two new companies relocating operations to Spalding County doesn't significantly change the variables. She said her vision for Spalding County has never changed. Commissioner Flowers-Taylor requested that she wanted something include in the Intergovernmental Agreement stating that a percentage of the work performed on the new airport would be by local businesses.

Commissioner Morrow said the FAA has a list of approved contractors that may be used for the project. Until we get to that point, we cannot make promises that local contractors or even a percentage of local contractors would be used for the project. However, we could negotiate with them to use local contractors. There are only certain contractors that can meet bonding requirements for federal regulations placed on a project. The FAA is waiting on us to move forward with this project.

City Attorney, Drew Whalen, stated this would be a federally funded project so by law a certain percentage of contractors and subcontractors have to be qualified minority business enterprises. Federal guidelines must be followed for competitive bidding and the Airport Authority's hands are tied in that regard.

Commissioner Morrow stated further that he agreed with Commissioner Flowers-Taylor that we need local content, but when you have a local contractor who bids for the job and wins it, you can work with that contractor for local content. Local vendors would certainly have the cost advantage and would most likely be competitive with their bidding.

Mr. Wilson said something could be added to the Intergovernmental Agreement stating that the Airport Authority shall make every effort to insure that local contractors are involved in the construction.

Mr. Whalen reiterated that you would be governed by federal standards and you can't deviate from that. Making your best effort to ensure that local contractors are informed and involved in the bidding process and have equal opportunity to participate would be as far as you could go.

Chairperson McLemore asked Mr. Wilson to review the proposed agreement in its entirety. Mr. Wilson went through the document paragraph by paragraph.

Commissioner Morrow said one of the issues for him had been the continuing lease payments by the county for the hangar and the airport walking park. The land has been declared non-essential under

the new survey so we can move forward with converting the property to a lease purchase. By FAA rules, the land now must be appraised and a lease payment arrangement formalized.

Commissioner Flowers-Taylor asked what the anticipated annual debt service would be for the first three years of the bond.

Commissioner Morrow said the annual debt service for the first three years of the revenue bonds is estimated to be \$200,000 per year for a total of \$600,000, based on the current bond market. In year four, the principal would also be due and the payment are anticipated at \$575,000, to be split two ways. So, the county would be paying their half of the debt service and a portion of the \$300,000 for the remainder of the term of the bond.

Mr. Hollberg said, depending on what the appraisal is for the 13.94 acre walking park and the 2.68 acre Sheriff's Department hangar compound, the property could be paid off in a few years with the current annual lease payment being applied toward a lease purchase.

Larry Johnson, Airport Authority member, asked at what point the land at the current airport could be marketed for sale.

Commissioner Morrow advised that once we have purchased the land for the new airport and get some sort of a time table together, we can start marketing the current airport property. The Authority would be responsible for selling the old airport and putting the money into the new one.

Carl Pruett, Airport Authority member, said the new airport would potentially be a lure to a new industry due to its location just a few miles from I-75. And, if the old airport is marketed correctly, it could possibly create more jobs.

Commissioner Cora Flowers stated that Option 3 is not her first preference; however, if it is the consensus of the group that Option 3 is the one then she will agree with it. She advised she didn't want to vote on an Intergovernmental Agreement until everyone agrees on the exact location.

On motion by Commissioner Flowers-Taylor, seconded by Commissioner Johnson, approval of Option #3 and authorize the attorneys to prepare a final draft to be presented at the Regular Meeting of the Spalding County Board of Commissioners on August 4, 2014. The motion was rescinded.

On motion by Commissioner Flowers-Taylor, seconded by Commissioner Johnson to authorize the City and County attorneys to draft an Intergovernmental Agreement as outlined in Option #3 to be considered by the City, County and Airport Authority boards at a future meeting. Motion Carried 3-2 (Miller, Gardner voted "no").

On motion by Commissioner Morrow, seconded by Commissioner Hollberg and unanimously passed, approval to authorize the City and County attorneys to draft an Intergovernmental Agreement as outlined in Option #3 to be considered by the City, County and Airport Authority boards at a future meeting.

On motion by Commissioner Dick Morrow, seconded by Carl Pruett to authorize the City and County attorneys to draft an Intergovernmental Agreement as outlined in Option #3 to be considered

by the City, County and Airport Authority boards at a future meeting. Motion carried 5-1 (Miller voted “no”).

On motion by Commissioner Johnson, seconded by Commissioner Flowers-Taylor and unanimously passed, approval to adjourn.

On motion by Commissioner Morrow, seconded by Commissioner Hollberg and unanimously passed, approval to adjourn at 10:09 AM.

On motion by Commissioner Morrow, seconded by Carl Pruett and unanimously passed to adjourn the meeting of the Airport Authority.

Respectfully submitted,

Kenny Smith, Secretary

Accepted:

Ryan McLemore, Chairman