



AIRPORT COMMISSION WORKSHOP
Monday, November 20, 2023, 4:30 pm
Murfreesboro Municipal Airport Business Center
1930 Memorial Blvd. Murfreesboro, TN 37129

Prayer and Pledge of Allegiance: Bill Shacklett

AGENDA

1. Call to order – Attendance
2. Period for public comment/questions regarding action items

ACTION ITEMS

3. Approve Airport Commission September 2023 Meeting Minutes
4. Approve proposed Land Lease Rate – Taxiway F Development Area
5. Name Member of Airport Commission to assist with sign selection for Memorial and Airport Road

PROJECT REPORTS

6. Hangar One Project update
7. ACIP and Approach Management Project update
8. Federal Contract Tower Application update
9. STEAM Festival update
10. Navigator update

OTHER BUSINESS

11. City Council Workshop -Thursday, Dec. 14th 11:00 am Airport Lobby
FAA Southern Region General Aviation Safety Award
12. TAA- Annual Tennessee Airports Conference March 5-6th, 2023 Franklin Cool Springs
Marriott
13. Other Business, comments, concerns, questions
14. Next scheduled Airport Commission meeting – December 18, 2023
15. Adjourn



AIRPORT COMMISSION MEETING
Monday, September 18, 2023, 4:30 pm
Murfreesboro Municipal Airport
Business Center
1930 Memorial Blvd. Murfreesboro, TN 37129

Attendees:

Steve Waldron, Airport Commission Chair
Cannon Loughry, Vice-Chair
Shelby Hunton, Area Resident
Drew Shelley
Valeska Starnes
Paul Myers
Dr. Chaminda Prelis, Ex-Officio MTSU Representative
Craig Tindal, City Manager

Also in attendance:

Katie Drive, City Staff Attorney
Chad Gehrke, Airport Director
Ryan Hulseley, Airport Manager
Kim Fann, Airport Account Clerk
Benson Hadley, Barge Design Solutions
Dave Byers, Quadrex Aviation, LLC (remotely)
Doug Palmer, MTSU
Dr. Bill Baker
Larry Williams
Michael Starnes

Prayer and Pledge of Allegiance: Cannon Loughry

- 1. Call to order – Attendance**
- 2. Period for public comment/questions**

No request for public comment. Katie Driver briefed the Airport Commission on the policy for roll call voting at the direction of City Council.

3. Approve Airport Commission July 2023 Meeting Minutes

Motion set by Drew Shelley and Seconded by Cannon Loughry. Motion carried.

| Commission Member | Yay | Nay |
|--------------------------|-------------------------------------|------------|
| Shelby Hunton | <input checked="" type="checkbox"/> | |
| Cannon Loughry | <input checked="" type="checkbox"/> | |
| Paul Myers | <input checked="" type="checkbox"/> | |
| Bill Shacklett | Absent | Absent |
| Drew Shelley | <input checked="" type="checkbox"/> | |
| Valeska Starnes | <input checked="" type="checkbox"/> | |
| Chair, Steve Waldron | <input checked="" type="checkbox"/> | |

4. Approve submitting Federal Contract Tower Application to FAA

Chad Gehrke introduced the topic to the Airport Commission by reviewing the public survey results. Steve Waldron opened a discussion on the benefits cost ratio review conducted by Dave Byers during his application study. Dave Byers began reviewing the study with the Members of the Airport Commission. [Remote Audio Technology Challenges] Dave explained that MBT does not fit a designated forecast style and how he developed a composite forecast for the application – making a presumption that there will always be some amount of MTSU traffic at MBT. Dave recommended going forward with submitting the application to the FAA and make changes as needed as the Airport and FAA go through the process. David explained that the lengthy process that goes into effect after the application is submitted has many opportunities for the City to modify their objectives.

Cannon Loughry expressed hopes for a remote tower and thinks it will be more cost effective. Paul Myers queried on the various costs associated with the process, the main concern being the financial obligations that the Airport could potentially be committing themselves to as the process proceeds – the conclusion being that the steps along the way (like the environmental impact study) does not obligate the Airport to construction of the tower nor investor reimbursement. Dave reinforced the point by informing the Airport Commission Members that the City will have 5 years to complete the process from application response to reach construction – starting construction being the point of commitment.

Motion set by Pauly Myers and Seconded by Drew Shelley. Motion carried.

| Commission Member | Yay | Nay |
|--------------------------|-------------------------------------|-------------------------------------|
| Shelby Hunton | <input checked="" type="checkbox"/> | |
| Cannon Loughry | | <input checked="" type="checkbox"/> |
| Paul Myers | <input checked="" type="checkbox"/> | |
| Bill Shacklett | Absent | Absent |
| Drew Shelley | <input checked="" type="checkbox"/> | |
| Valeska Starnes | | <input checked="" type="checkbox"/> |
| Chair, Steve Waldron | <input checked="" type="checkbox"/> | |

5. Approve BIL Airport Pavement Maintenance and Rehabilitation Grant

Chad reviewed the grant breakdown with the Airport Commission and pending amendments to cover additional work needed.

Motion set by Cannon Loughry. Motion Carried.

| Commission Member | Yay | Nay |
|--------------------------|-------------------------------------|------------|
| Shelby Hunton | <input checked="" type="checkbox"/> | |
| Cannon Loughry | <input checked="" type="checkbox"/> | |
| Paul Myers | <input checked="" type="checkbox"/> | |
| Bill Shacklett | Absent | Absent |
| Drew Shelley | Absent | Absent |
| Valeska Starnes | <input checked="" type="checkbox"/> | |
| Chair, Steve Waldron | <input checked="" type="checkbox"/> | |

6. Update Regarding the Airport Pavement Maintenance and Rehabilitation Project

Chad Gehrke presented the remaining items left of the ongoing project. Chad informed the Members of the Airport Commission of work that will be conducted in the safety areas as well as asphalt seal coat. Final painting will be the last task conducted.

TDOT Aeronautics conducted their annual state inspection, and the Airport received their full license -thanks to the runway 36 displacement. MBT is now getting the maximum number of points in the new grant disbursement calculations.

Chad informed the Members of the Airport Commission on some issues with the airfield lighting system that is actively being resolved. Banson Hadley, with Barge Design Solutions, updated the Airport Commission on the timeline and process of the Runway 36 approach publication updates.

7. Approve Volunteer Murfreesboro Airport Navigator Program

Chad Gehrke reviewed the framework and purpose of a new volunteer program to increase the customer service level at the airport. The “Navigator” will be a volunteer greeter and help patrons find their way around the Terminal and ensure their needs are being met, example: rental car, restrooms, pilot lounge, courtesy vehicles, directions, etc.

Motion set by Shelby Hunton and Seconded by Cannon Loughry. Motion Carried.

| Commission Member | Yay | Nay |
|--------------------------|-------------------------------------|------------|
| Shelby Hunton | <input checked="" type="checkbox"/> | |
| Cannon Loughry | <input checked="" type="checkbox"/> | |
| Paul Myers | <input checked="" type="checkbox"/> | |
| Bill Shacklett | Absent | Absent |
| Drew Shelley | Absent | Absent |
| Valeska Starnes | <input checked="" type="checkbox"/> | |
| Chair, Steve Waldron | <input checked="" type="checkbox"/> | |

8. Update on the Hangar One Project

Scott Elliot (not in attendance) provided a list of the final items that need to be addresses as part of the Hangar One construction project. The City is holding the construction bonds to ensure these repairs are conducted effectively.

Chad Gehrke discussed the biggest item for repair is the hangar bay doors that are retraining water. The architects have provided a new design to allow for water to drain off the doors more effectively. Morgan intends to implement these changes on one of the doors to monitor and determine its effectiveness.

The City Legal Department is involved to communicate with Morgan Construction on expectations.

9. Update of the State ACIP and City CIP list of Pojects

Chad Gehrke presented a list of projects and their phases that MBT has proposed within its ACIP with TDOT Aeronautics and the City from 2024 – 20230. Chad discussed the funding shortages with TDOT Aeronautics and the need for the City to lobby state representatives for additional funding on specific projects.

10.Update on the STEAM Festival Saturday, October 21st, 9am – 1pm

Ryan Hulseley updated the Airport Commission on the status of the STEAM Festival, sharing the names of the list of sponsors who have come on board to support the event as well as a list of exhibitors.

11.Other Business, comments, concerns, questions

12.Next scheduled Airport Commission meeting - October 16, 2023

13.Adjourn

Justification for Land Lease Rates:

Objective:

1. Establish a fair and equitable land lease rate that offers customers the opportunity to build hangars at MBT and puts the airport in a financial position sufficient to cover maintenance and improvement costs.
2. Create opportunities and services at the Airport that benefit the flying and non-flying community.
3. Comply with all FAA Grant Assurances.

Appraisal:

An appraisal of the 22.16 acres, the main portion of the McKnight Soccer Field complex was conducted by Gregory Peck under a contract with the City of Murfreesboro. The appraisal for the 6 acres that was included in the 6F conversion was conducted separately as at that time. That portion of the property was going to be sold for commercial businesses to be constructed there along the road that parallel's Memorial Boulevard behind the various restaurants and stores.

The 22.16 acres appraised at \$4.86 a square foot. The six acres appraised at \$10.00 a square foot.

Assumptions:

Assumption 1: Since over 5 of the six acres in the 6F conversion were converted to the Airport and not deemed available for development with some degree of access to Memorial Boulevard my assumption is to include the portion of the 6F property converted to the Airport with the other 22.16 acres and use the \$4.86 a square foot rate. Another justification for including all 27 ± acres in the \$4.86 rate is that it appears to be competitive and within a reasonable range for airport land leases compared to other airports.

Assumption 2: Since the appraisal was completed in 2019 and there have been many changes whether to have a new appraisal conducted, an update to the appraisal done (if possible), or to justify through proven economic measures what the property would appraise for in 2024. It was agreed that economic measures would be used to justify the appraised value of the property today.

According to the U. S. Bureau of Labor Statistics from April 2019 to September 2023 the Consumer Price Index – Southern Urban Region increased 21.4%. (April 2019 246.847, September 2023 299.657). Given the significant increase in value of the real estate in the Murfreesboro, Metro Nashville area this 21% increase seems to reflect appropriately the market at this time. Applying this adjustment based on the CPI-SU data the new appraised rate would be \$5.88 per square foot.

Assumption 3: According to developers in the area and other information found in researching land lease rate justification, a standard land lease rate is 8% to 12% of the appraised value. This is the formula that we have used on other land lease rates recently, including for the MTSU Transient Use Parking Lot. In the past we have used 10% as our rate of return for justification of the land lease rate. Using that formula, the land lease rate based on \$5.88 per square foot the land lease rate would be \$0.59 per square foot.

Application:

One acre area: Sufficient for a large 100' X 100' hangar with 30' X 100' office area. Airside a 50' foot wide area in front of and along side the hangar for aircraft parking and towing in and out of the hangar. Landside, there is also a 45-foot-wide area on two sides of the hangar for auto parking. The land lease for one acre, 43,560 square feet would be \$25,700 annual rent or \$2,142 a month.

Half acre area: Sufficient for a three-unit corporate box hangar. Each unit being 65' wide X 60' deep. The land lease includes a 50 foot area in front of the hangars for aircraft parking and area to tow aircraft in and out of the hangar. This does not include any specific area for auto parking as these units will be out in the ramp area. Parking of automobiles will have to be inside the hangar or along side the hangar for temporary period of time. A half-acre area (21,780 square feet) would lease for \$12,850 annually or \$1,071 per month.

Each Land Lease Agreement will include a survey of the actual land lease area. The annual rental rate will be based on the square footage identified in that survey.

Market Analysis:

Cleveland Regional Jetport: \$0.60 - \$0.65 per square foot

John C. Tune Airport: \$1.29 per square foot

Smyrna Airport: \$0.20-\$0.30 per square foot * estimate (2019)

Shelbyville Municipal Airport: \$0.15 per square foot \$3,000 for the year (2019 TASP)

Crossville Municipal Airport: \$35,000 per year (2019)

Sevierville Municipal Airport: \$0.52 per square foot (2019)

Proposed Murfreesboro Municipal Airport Land Lease Rate: \$0.59 per square foot

Other Factors:

The Airport Commission acknowledges that a prospective tenant may provide improvements to the airport that exceed the requirements of the land lease agreement. The value of such improvements could be factored into the Land Lease Agreement and be included in the determination of the annual rent. Such improvements may be extending a taxiway or ramp beyond the lease area or extending utilities beyond the lease area.

Summary:

The proposed land lease rate for the Murfreesboro Municipal Airport of \$0.59 per square foot is justified based on the 2019 appraisal with a market adjustment based on the CPI-SU. The proposed land lease rate is appropriate based on a market comparison of other General Aviation airports in Tennessee. The proposed land lease rate also represents a rate justified on the fact that the Murfreesboro Airport Commission acknowledges that there is limited land identified on the current Airport Layout Plan for hangar development. The areas identified are a mix of hangars that will be used for aircraft storage and possibly commercial operations. The proposed land lease rate does not discriminate the type of uses or users that might enter into a land lease agreement.