

Rutherford County Airport Authority Closed Session Minutes
April 9, 2013

Present: Chairman Bob Howard
Vice Chairman Keith Hunter
Bob Ralph
Jamie Lou Padgett

6:16 P.M.

Also included in the meeting were Airport Authority Attorney, Beth Miller; James Luther, WK Dickson; and Brooke Watson.

Bob H. turned the meeting over to James Luther.

Mr. Luther opened discussion on the status of the negotiations for the purchase of the Julius and Wanda Owens property, also known as "Owens tract 1", located at 154 Goshen Rd., Rutherfordton, NC. Mr. Luther advised the Board that Terri Jenkins, contracted real estate broker for WK Dickson had offered the appraised value for the subject property in the amount of \$165,500. Mr. and Mrs. Owens rejected the offer and countered at \$300,000. Terri Jenkins, on behalf of the Airport Authority countered at \$225,000.00 which was also rejected. Mr. Luther further advised the Board that Dion Viventi with the Department of Aviation had requested written correspondence from the Airport Authority outlining the circumstances and basis for exceeding the appraised value for the subject property.

Discussion ensued regarding the proposed letter to Dion Viventi including the importance of clearing the obstructions from the RPZ, the priority that this matter had been given by the Department of Aviation, the potential impact on future grant funding and the estimated expense of moving the runway threshold. A copy of the letter to be sent to Dion Viventi is attached hereto as Exhibit A.

The consensus of the Board was to forward the letter to the Department of Aviation outlining the reasons for continued negotiations and a request for approval of the purchase price not to exceed \$300,000.

A motion was made by Bob Howard to return to regular session. There was a unanimous vote of approval.

Return to Open Session - 7:00

Rutherford County Airport Authority

Bob Howard, *Chair*
Keith Hunter, *Vice Chairman*

Members
Rob Bole
Bob Ralph
Jamie Lou Padgett

April 09, 2013

Mr. Dion Viventi, PE
NC Department of Transportation Division of Aviation
1560 Mail Service Center
Raleigh, NC 27699-1560

Re: Rutherford County Airport, Marchman Field

Dear Mr. Viventi:

The Rutherford Airport Authority is currently negotiating for the purchase of the real property owned by Julius R. Owens, and wife, Wanda D. Owens, 154 Goshen Road, Rutherfordton, NC 28139, which lies north of Runway 19. As you are aware the need to purchase this property has been in discussion numerous times over the past several years. There are numerous trees located on the property that have been identified as obstructions to the current and proposed approach surfaces to Runway 19. The FAA has developed improved approach minimums but cannot implement them because of the obstructions which exist on the Owens property. The purchase of the property by the Airport Authority will allow the Airport Authority to eliminate the obstruction issue.

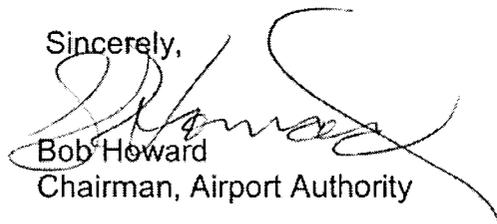
Without the purchase of this property the Authority may be forced to relocate the Runway 19 threshold approximately 650 feet south as a means of mitigating the obstructions. There are negative aspects to this option. The Airport Authority has been advised by WK Dickson, that the anticipated cost to implement the relocation including markings, lighting and NAVAID repositioning is +/- \$121,000.00. In addition, the airport will lose valuable runway length. Relocation of the runway threshold would have a significant long term negative impact to our airport by eliminating the use by some aircraft thus reducing potential vital revenue sources. In addition, the trees will remain and continue to grow to probable future obstruction heights.

Pursuant to Department of Aviation, guidelines, the Airport Authority made a fair market value offer based on appraisals for the fee simple purchase of the property in the amount of \$168,500.00 and received a counteroffer of \$300,000 from Mr. and Mrs. Owens. Subsequently, the Airport Authority submitted a counteroffer in the amount of \$225,000.00 and it too was declined. Recognizing that we are at an impasse with the

negotiations and considering the expense and potential negative impacts of relocating the runway threshold as described above, the Airport Authority has determined that it is in the best interest of the airport to continue to negotiate with Mr. and Mrs. Owens to be able to purchase this real property. Therefore the Authority intends to continue negotiations up to a maximum of \$300,000.00. The Authority hereby requests that you confirm in writing that in the event that the purchase price of \$300,000.00 is agreed upon that the Department of Aviation will reimburse Rutherford County for the eligible associated costs. In addition, please confirm that the Department of Aviation has placed a priority on the obstruction removal for the Rutherford Airport and that additional grant funding will not be made available for other projects until this issue has been resolved, including funding for the current water line construction project along Airport Road from Oscar Justice Road. We are anxious to have this issue behind us so that we may focus on planned improvements and needs.

The Authority and the County wish to thank the DOA for your continued support and partnering initiatives, we look forward to working together for the further development of our airport.

Sincerely,



Bob Howard
Chairman, Airport Authority

cc: Carl Classen, Rutherford County Manager
Paula Roach, Rutherford County Finance Dept.