

PROPERTY MANAGEMENT COMMITTEE

April 25, 2013

5:30 p.m.

Courthouse

MINUTES:

MEMBERS PRESENT:

Commissioner Charlie Baum
Commissioner Adam Coggin
Commissioner Carol Cook
Commissioner Gary Farley
Commissioner Trey Gooch
Commissioner Allen McAdoo, C

OTHERS PRESENT:

Ernest Burgess	Lisa Nolen
John Black	Lois Vallance
Chantho Sourinho	Laura Bohling
Mike Woods	John Bratcher
Ben Parsley	Kirk Catron
Brock East	Becky Shelton

Chairman McAdoo presided and called the meeting to order at 5:30 p.m. with six members being present at that time.

MINUTES:

"Commissioner Farley moved, seconded by Commissioner Cook, to approve the minutes of the last meeting as mailed. This motion passed unanimously by acclamation."

SRCAA REQUEST:

Mayor Burgess, John Black and Mike Woods, Chairman of the SRCAA Board, addressed the Committee regarding Smyrna/Rutherford County Airport Authority. Mayor Burgess advised Rutherford County owns sixty percent of SRCAA with the Town of Smyrna owning 40%. The SRCAA Board is approved by the Commission and Smyrna Council. Mayor Burgess advised SRCAA has basically put in place an industrial park and has an opportunity to receive grants from the FAA to continue the project but needs additional funding and is requesting a loan from the County and Smyrna.

Mike Woods advised the County and Smyrna acquired the airport from Metropolitan Nashville Airport Authority in 1990 and has a five member governing board with two members from the County, two from Smyrna and one from LaVergne which is approved by the County and Smyrna. The airport contains approximately 1,700 acres mostly devoted to taxi ways and hangars. The airport is primarily self-supporting having a \$1,000,000 budget with revenue mostly from rent. To grow revenue, the airport needs more buildings to rent and has the opportunity to develop forty to fifty more acres to be site ready for hangars and office space. Mr. Woods advised the airport operates conservatively and it is a good time to build and the demand is there. Current facilities are 100% occupied and have been for the last two years. The Board feels half the cost of the new project can be funded through the FAA but SRCAA wants to know the additional money is available if it gets the grant. Mr. Black advised SRCAA currently has approximately thirty-five tenants and 700 to 800 people are employed on site daily. Regionally, SRCAA has about a \$70,000,000 impact on the region.

Mr. Woods advised more than likely a company would build its own building and rent the land. Mr. Black advised typically at the end of a lease SRCAA would own the building. Mr. Black reviewed projected revenues with the Committee. Finance Director Nolen reviewed proposals of 2%, 3% and 4% loans on \$2,832,302 to Rutherford County. Smyrna's portion would be \$2,036,673. The total project is estimated at \$9,300,000. Rutherford County would have to go to the bond market for its portion. Mr. Woods advised the FAA wants to know SRCAA has the local commitment. Mayor Burgess advised SRCAA has been prudent and has some monies available. Finance Director Nolen advised the last loan to SRCAA was at 6% and the last borrowing by Rutherford County was 2.42%.

Mr. Woods advised SRCAA did ask the IDB for \$1,000,000 and did not receive the request but he feels comfortable with the request and SRCAA being able to meet its obligation. Ms. Nolen advised if SRCAA does not repay the loan it would be the responsibility of the County.

"Commissioner Cook moved, seconded by Commissioner Farley, to recommend to the Budget Committee the concept of the SRCAA loan not to go over \$2,900,000 passing through the interest rate received at a twenty year amortization and fold the existing note in this borrowing. This motion passed unanimously by roll call vote."

NEW JUDICIAL BUILDING:

Laura Bohling and Mayor Burgess addressed the Committee restarting discussions from prior to 2002 regarding construction of a new Judicial Building and reviewed the history of the project including a facilities study from 2002 and acquisition of the property on Maple Street for location of the building projected to be between \$50,000,000 and \$60,000,000. Mayor Burgess advised the age of the current building and changes in society show the security and space inadequacies. There are no plans as to the Coin Building and old Bank Building but they would require \$500,000 to be able to continue to use the buildings.

The study from 2002 projected population in 2010 at 238,000 and 275,000 in 2020. The population in 2013 is 270,000 plus. The consensus from various studies was the building needs to stay in the downtown area. The Committee was provided updated scenarios, cost estimates and stacking plans.

Mayor Burgess advised if offices from the Goldstein's Building are moved to the current Judicial Building then the old Goldstein's Building should be torn down as it is wood frame construction. Mayor Burgess suggested leaving the Coin Building and old Bank Building locations as open space. Ms. Bohling confirmed there has been a 125% increase in case volume and 259,000 people went through the security device last year all through one door.

Clerk & Master John Bratcher advised he supported the need for a new building not only for space but for safety.

Ms. Nolen provided information on timing of funds needed advising there appears to be a window of opportunity to build before the next high school construction in the Fall of 2017. The Committee was also provided debt service projections with advice the County is paying down \$25,000,000 per year.

Chairman McAdoo advised if the County does not take the window of opportunity it may be after 17/18 before the project can be built and the County does have safety and security concerns and may be pushed to take this opportunity. Commissioner Farley advised the Commission cannot see the big picture yet of all the funds. Chairman McAdoo advised there is time for more discussion. Commissioner Gooch advised the Budget Committee needs information for planning. Mayor Burgess advised the project is not in the upcoming budget cycle and thereafter can be reviewed. Commissioner Cook advised if the County doesn't do something it can be shut down. Commissioner Coggin advised window or no, tax increase or no, the building is a necessity for the County but all Commissioners need to be on board. Following discussion,

"Commissioner Farley moved, seconded by Commissioner Cook, to confirm the need of a new Judicial Building and continue the process getting more information to make a better decision. The Mayor and Finance Director to present to the Budget Committee the five year

capital project plan. This motion passed unanimously by acclamation."

UPDATE ON MIDLAND-FOSTERVILLE FIRE DEPARTMENT BUILDING:

Mayor Burgess advised they have the temporary occupancy permit and are doing a change order to sprinkle the building and will bring it back. The claim has been resubmitted to insurance and it looks like the County will get \$50,000 from insurance so this should cover the sprinkling.

ELAM ROAD FIRE HALL:

Mayor Burgess advised he has given notice to proceed with the work. Drawings have been revised for the kitchen, bathroom and bedroom. There is a contingency of \$20,000 and Mayor Burgess thinks this will cover the changes.

There appearing to be no further business to come before the Committee, Chairman McAdoo declared the meeting adjourned at 6:58 p.m.

ALLEN McADOO, Chairman