City of Peachtree City
SPECIAL CALLED MEETING
Minutes of Meeting
August 22, 2002
6:00 p.m.

The City Council of Peachtree City met in a special called meeting with the Peachtree City Airport Authority on Thursday, August 22, 6:05 p.m., in the City Hall Council Chambers. Council Members attending were: Mayor Steve Brown, Annie McMenamin, Steve Rapson, Dan Tennant, and Murray Weed.

Airport Authority members present were: Cathy Nelmes, Jerry Cobb, A.E. Buffington, and Doug Fisher. Mark Harris was unable to attend.

Staff members present were: City Manager Jim Basinger, City Attorney Rick Lindsey, Airport Manager Jim Savage, and Airport Authority Attorney Ed Long.

Tennant opened the meeting and thanked the members of the Airport and Development Authorities for attending the meeting at his request. He noted that everyone was very busy and their presence at the meeting spoke volumes about how everyone felt regarding working together. Tennant continued that Council wanted both authorities to be viable entities. He thanked the Authorities for their efforts to make the City what it was, but said Council was responsible to the voters. He encouraged everyone to work out their differences and move forward. He said they were not at the meeting to point fingers, but to do what was right and fair.

Brown noted the materials given out prior to the meeting by the Airport Authority and told the Authority members he wanted them to understand the Council's position. He said the City was facing budget problems. Impact fees were going away and Council was looking at the big picture.

Nelmes said she did not want to rehash the same things and agreed that, hopefully, they could put their differences behind them. She said the Authority had set aside $3,500 each month to help with the deficit and the Authority wanted to move forward. Nelmes continued the Authority wanted to share their vision of the airport for the next 20 years with Council. Currently, there were 165 aircraft based at Falcon Field and the Authority hoped to have 300. The first phase of build-out included the purchase of 24 acres of land. The Airport Authority was currently working on a grant for the land. Phase 2 of the plan included the installation of instrument approach and the build-out of Hangar Area C. Nelmes said they felt the plan would give airport customers what they wanted and deserved. The cost of Stage 1 included $15 million from the federal government, $400,000 from the state, and $1.6 million from the Airport Authority. Nelmes explained the hangars were a private investment and the Authority did not own or build hangars. Brown asked if the federal money had been secured. Nelmes answered that the federal money went on a case-by-case basis. The federal government looked at a plan and if it was appropriate to the airport a grant was given. Nelmes told Council the projects were all considered eligible, but the funds for the projects had not been put aside. She continued that the airport had good community support and that helped leverage the federal funds. Cobb added that the money for the 24-acre purchase was secured.

Rapson felt the next priority project was the paving of Stallings Road and he asked Nelmes to discuss the project. Nelmes said Stallings Road was in Phase 1 and the Airport Authority was ready to move forward. She pointed out Phase 1 and Phase 2 of the project on the map. The cost was $400,000 for Phase 1. She noted that Savage had worked with WASA and WASA would contribute about $50,000. Pathway Communities, a landowner in the area, would put in $100,000. The County offered to supply the labor and equipment, which as worth about $75,000, which left the Airport Authority responsible for about $125,000 of the cost. Nelmes added that Stallings Road would not be part of the LARP schedule. She continued that the Airport Authority had some requests of Council – one was for the City to accept Stallings Road as a gravel road so it could be paved since the Airport Authority could not request funds.

Nelmes explained that Stage 1 of the Stallings Road project was about half of the mile-long road. The funding for Stage 2 was projected at $500,000. Brown asked Nelmes if Stage 1 was a five-year span and Nelmes answered it was. Nelmes said they had not discussed funding for Stage 2 of Stallings Road yet. She pointed out the land was currently being marketed. The $400,000 for Stage 1 was just for getting to Hangar Area B, and Pathway, WASA, the County, and the Authority had agreed to just do Stage 1 at this point. Nelmes explained that FAA funding was determined by need and that Falcon Field was very competitive in the search for federal funds. Savage added that the airport had gotten over $12 million in federal funds and $1 million from the state. Savage discussed the ownership of Stallings Road and the legal ramifications. Nelmes added there were a lot of details involved with Stallings Road and paving the road was an urgent need. Nelmes estimated that six hangars built on Stallings Road would bring the Airport Authority $4,000 a month in revenue. Three of the hangars were leased, and one of the lessees wanted two more hangars once the road was built. There were people willing to build hangars for tenants who were losing tenants because of the road situation.

Brown said he liked the fact the master plan was broken into phases and felt that was how Council needed to look at the plan; however, Brown said he did not think Council was willing to commit to a 10-year agreement. Both Tennant and McMenamin said they thought that was to be discussed. Tennant said he needed some clarification about the Airport Authority's ability to borrow funds. He continued he understood there needed to be a steady flow of income, but asked how much inflow the Authority required to borrow the money that was needed. Tennant also asked if the plan was realistic or if it was "the best of all worlds." Nelmes said the plan was not "pie in the sky," but was a realistic accomplishment. She added that the part of the plan that was optimistic was the projected amount of federal funds for five years. She said the estimated cost of the master plan was $22 million over 17 years. The projects were the type favored by the government. Tennant asked Savage if it was practical to believe the airport would receive the needed funding from the federal government. Savage said the plan included some big-ticket items that were wrapped together. Some were safety issues and those were a "hot button" for the FAA. He felt the critical items would get the airport over the hump. Some of the items could wait longer than five years.

Tennant asked if the $1.6 million needed by the Authority for funding was independent of the federal and state funds. Nelmes explained the cost of the land was $1.2 million and the land dictated that the road be improved. The hangars and the taxiway were linked. The $150,000 and $400,000 were immediately needed. The airport had land that needed to be developed so the airport could expand. The plans for the aviation center expansion were not critical and were totally unrelated to state and federal grants. The plan to expand the aviation center included room for the flight school and a restaurant. Those were project-by-project.

Nelmes gave Council a financial snapshot of the airport and its master plan and said the Airport Authority was at a good place. The FBO (Fixed Base Operation) was good and revenues were up. The plan was to break even operationally in FY 2005. In FY 2003, $30,000 of the $120,000 received from the hotel/motel tax would be placed in the operating budget. In FY 2004, the amount would be $20,000 and $10,000 in FY 2005. By FY 2006, the Authority should break even. She continued that the airport was slowly generating funds from fuel sales and putting the funds into capital improvements. They were working on building the reserve account and had over $100,000 in reserves currently. Future revenues included $4,000 a month from leasing six hangars, as well as fuel sales. The 24-acre land purchase had not been master planned, but its development could generate another $11,000 per month in revenues once it was built out. The Airport Authority was being more proactive in reaching out to aviation businesses and was working with the Fayette County Development Authority to develop an aviation cluster. The hotel/motel tax money provided by the City was the only non-generated revenue the airport received. Over the next 10 years, the Authority hoped to receive $17 million in federal funds and $2 million in local funds. The airport's immediate needs were Stallings Road and the infrastructure for Hangar Area B for revenue generation. Nelmes told Council she tried to survey other airports to find out how they were funded and found it was difficult to do. They could not compare "apples to apples" and airports varied widely, but the benefit of a steady income source was apparent.

Tennant told Nelmes he understood the bulk of the money the Authority received from the City was used for operations. Nelmes said no. Except for about $30,000, the hotel/motel tax money was used for capital projects. Tennant noted the Griffin airport was funded year-to-year based on need. He asked if that was possible in here. Nelmes answered that Griffin's approach would not be as forward looking as the way the airport was currently funded. She continued that the current funding mechanism gave a continuity of planning and a smooth flow of planning.

Fisher told Council there were 18,000 airports in the country and only 18% had a master plan and Peachtree City-Falcon Field was one of them. There had to be a master plan to be eligible for federal funding. Falcon Field was part of a regional concept the FAA looked at for balance. The degree to which there was a plan and the operation followed it kept the Authority viable for FAA grants. The banks also liked seeing a plan that was being followed. He emphasized the Authority was trying to run an enterprise with long-range commitments. He said he knew of no airport in the U.S. that was self-sustaining, except for possibly Hartsfield.

Nelmes agreed and said the Authority was doing more research to find out at what point the Authority would be self-sustaining. She noted the Peachtree-DeKalb Airport was self-sustaining, but Falcon Field did not want to be PDK. Brown commented that the airport would be hard-pressed to reach the level of PDK. Nelmes said no, it only took money. It could be done, but would take some time.

Cobb wanted to know how the Council saw the airport. He continued the airport was a model and a wonderful front door to business and the community. He felt the community did not appreciate that. Brown asked if any of the other federally master-planned airports were self-sufficient. Nelmes answered only PDK in Georgia. Rapson compared Falcon Field to Charlie Brown airport. He felt Falcon Field was a hidden asset for the City.

Buffington said it was tough to say when the airport would break even. He said the best margins now were jet fuel sales, and the price steadily increased every month. The flight school was an asset and was doing a great job. The economics were tough to forecast, so they took their best guess and went with it.

Brown said the City pushed the envelope in a number of areas. He continued that the PIP had been torn to shreds and the problems with the economy could impact the Authorities as well. If the absolute need of the Airport Authority was $550,000 that was probably doable. He asked if the developers could pick up some costs in Hangar Area B, such as the City did with developers. Nelmes said the developers would probably help some. Nelmes pointed out that Falcon Field competed with other airports. She said the Authority spent $200,000 on infrastructure in the area such as driveways and drainage, but did not pave the aprons or the parking areas in front of the hangars.

Rapson looked at the numbers associated with Stallings Road. He said it would take $21,000 in debt service for $150,000 investment, which immediately brought in $36,000 in revenue the subsequent year. Rapson said he had no problem with the City taking on the debt service for those types of projects. He also looked at the Aviation Center expansion and noted that the City would take on about $48,000 in debt service for Phase 1, but would get back $62,000 in revenues. Rapson said he had no problem giving the airport $120,000 a year. He explained his issue was agreeing to 10 years and binding a future Council. Rapson said as long as he was on Council he would fight for the airport. They had a sound plan and approach. His concern was with signing a 10-year agreement that would bind the Councils that came behind him.

McMenamin said whether it was for five, 10, or 15 years, a contract took the politics out of the matter. This Council might be supportive, but every two years there was a new Council and the Airport Authority could not go to the bank every two years and renegotiate loans. She pointed out that Council bound future Councils all the time and had done so with the 54 West land purchase. Rapson said he had no problems with long-term commitment for debt service, but subsidizing the Authority beyond the debt service was a something he was unwilling to do. McMenamin felt a contract would take the politics out of the situation and she felt that was why authorities were set up.

Weed noted that until the Authorities were self-sufficient there would always be politics and as long as the Authorities came for public money there would be politics. Politicians were responsible to the people. He agreed with Rapson's plan, which resolved immediate needs. Weed said he gave a vote of support to the Airport Authority for its basic plan at the Council Retreat.

Rapson said leases would allow the Authority to generate debt service on its own so the Authority would not need to come to Council. He felt the master plan was aggressive.

Nelmes said she did not feel the master plan was aggressive, but saw it as realistic. Most of the plan was not tied to federal grants and could be done without federal grants except for Phase 3. Rapson said his philosophy was that the allocation of $120,000 to the Airport Authority was inappropriate. If the Authority wanted to take some of the funding and convert it to long-term debt service, the Authority could do that. Tennant asked Rapson his opinion about the Authority not being able to borrow money without a steady revenue stream. Rapson said there was some validity to that.

Buffington commented both entities seemed to getting on the same page. Everyone felt the master plan was good and doable. Whatever way it was done, $120,000 was going to debt service. He asked Council how long they would take care of the debt service. Rapson preferred the revenue projects be taken care of first.

McMenamin felt other airports were vying for the same tenants as Falcon Field, but had other services to offer. She did not think the City's airport was at that point yet to say it offered these services at this price. Rapson noted that Charlie Brown Airport had a good corporate base because of its location off Fulton Industrial. Nelmes said Falcon Field also had a good location. She asked Council what terms they would commit to. Rapson and Brown both said they would not commit another Council. Tennant hoped for a compromise and asked how headstrong they were about not committing to more than two years. Brown pointed out there was a new Council every two years and the needs were always met. Brown added that was why they wanted to take the immediate projects that could be handled internally through the City.

Rapson suggested, for example, the agreement could last for two years at $120,000 a year. He continued if the opportunity came up to modify the amount during the year, then it could be done. He added if the hotel/motel tax had a shortfall, then everyone would share in the shortfall. Buffington clarified that if Council budgeted $120,000 to the Authority and $20,000 was budgeted for debt service, then the Authority would have $100,000 for other expenses. Rapson said yes and added that once Council decided to pay $20,000 in debt service for 10 years, then Council was committed to that. If there was a surplus in the hotel/motel tax at the end of the year, then the Authority should also reap the benefits.

City of Peachtree City
SPECIAL CALLED MEETING
Minutes of Meeting
August 22, 2002
7:45 p.m.

The City Council of Peachtree City met in a special called meeting with the Peachtree City Development Authority on Thursday, August 22, 7:45 p.m., in the City Hall Council Chambers. Council Members attending were: Mayor Steve Brown, Annie McMenamin, Steve Rapson, Dan Tennant, and Murray Weed.

Development Authority members present were: Tate Godfrey, Brian Palmitessa, Scott Bradshaw, Belinda Sward, and Doug Warner. Bob Brooks was unable to attend.

Staff members present were: City Manager Jim Basinger, City Attorney Rick Lindsey, and Development Authority Attorney Mark Oldenburg.

Tennant opened the meeting and thanked the members of the Airport and Development Authorities for attending the meeting at his request. He noted that everyone was very busy and their presence at the meeting spoke volumes about how everyone felt regarding working together. Tennant continued that Council wanted both authorities to be viable entities. He thanked the Authorities for their efforts to make the City what it was, but said Council was responsible to the voters. He encouraged everyone to work out their differences and move forward. He said they were not at the meeting to point fingers, but to do what was right and fair.

Brown told those at the meeting that the City was facing a situation where it was having a change in direction in terms of revenue generation. The budget picture was one of the roughest in a long time. He said one recurrent theme he heard was that Council wanted to fire Virgil Christian. His philosophy was he wanted the Authority to work within its budget, especially the Tennis Center. The Amphitheater was doing great, however, the current model for the Tennis Center was not working from a break-even standpoint. Brown continued that only a few changes were needed and he would like to see a shift toward trying to re-direct the model and work within the limited capacity the Center had in terms of the overhead generated. Brown added that might mean changes in programming or reorganizing staff. Brown continued that was probably why the Christian issue came up, but he had no problem with Christian's salary as long as it worked with the budget. Bradshaw asked Brown if he had any problems with the Amphitheater. Brown replied that the Amphitheater seemed to have a recipe for success and was running smoothly.

Godfrey thanked Tennant for his efforts and agreed it was time to restore trust and reduce tension. The Authority supported that effort. He continued the Authority's message from day one had been that the members wanted to work with Council and do all they could to be cooperative. He noted that this meeting was called on short notice and

Christian was out of town and Brooks had another commitment. Godfrey pointed out the Development Authority was in a different situation from the Airport Authority. The Airport Authority was looking to the future, whereas the Development Authority was in the last throes of a nine-year plan for both venues. No large capital projects or long-term debt was looming. The Authority's business model was based on providing information to the City and following the plans. In July 2001, Council approved Phase 3 of the Tennis Center. In doing so, there was a commitment to provide consistent funds over a period of time. In the Authority's mind, there was a 15-year commitment from Council to reduce and pay-off the debt. Godfrey said there had been discussions about the funding lasting for 50 years, but he said he never saw that as an issue. The Development Authority had about $1 million in short-term debt, in addition to the $2.3 million Tennis Center expansion. The loans were made from a financial institution, which based the loans on a steady income stream, along with the business plan. The subsidy was vital to the Authority and the Authority was asking Council to help pay for what had already been done. Godfrey said the Authority had been funded by the hotel/motel tax since the day it started and the subsidy itself was the issue. The Amphitheater provided entertainment at a low cost and was a subsidized venue. Thousands of dollars had been spent to improve it. The Tennis Center offered programming for children and teens and the average citizen could walk in and play without being a member of the facility. The Center was still at heart a recreation facility and received a subsidy from the City like any other recreation program. Godfrey continued that obviously Council's philosophy had changed, but the operations could not stop on a dime. The commitments were made and the Authority had reacted accordingly. The Authority had done its job and pulling the subsidy jeopardized what was already there. These were City commitments made in good faith. Godfrey said the Authority was not prepared to make any commitment at the meeting, but wanted to discuss any options with the full board and the executive director. They wanted to hear Council's philosophy.

Brown assured the Authority members that Council was committed to the Authority's debt and those funds would not be considered part of the discussion. He said the Tennis Center debt was guaranteed. Bradshaw noted there was $1 million in loans and most of it was for the Amphitheater. There were at least two banks involved. Brown said that debt was not a problem.

Bradshaw said there were two pools of money, one pool was for economic development and the other pool was to subsidize the Amphitheater and Tennis Center. Tennant stated that Council wanted the Development Authority to succeed. It had been a viable entity for a long time and was responsible for the City's two big jewels. He was grateful for their efforts and pointed out it was not in Council's best interests to pull the rug out from under the Authority.

Brown said there was a great interest in making sure both facilities were viable projects. He did have questions regarding efficiency. Palmitessa asked Brown to be more specific about problems at the Tennis Center. Brown noted the Tennis Center ran on private memberships and the public could get in at certain times to play. Palmitessa said a lot of the revenue came from league fees, such as ALTA who paid to play at the Tennis Center. Brown continued there would soon be two for-profit entities at the venue, the restaurant and the pro shop, and he wanted to know how much revenue they would bring. Palmitessa said the covered courts would bring in revenue. Revenue was lost when it rained and with the indoor courts the Tennis Center would not lose that revenue when it rained. Bradshaw said the expansion also allowed the Tennis Center to increase memberships, offer more lessons, and more availability for league play.

Godfrey said those additions created value to encourage a family to pay to join the Tennis Center. He said the Authority had to be creative to come up with what it meant to be a member of the Tennis Center. Part of that value was the restaurant, which would add value to the Center and serve as a focal point for activities. The restaurant might not be profitable the first year, but the management would pay rent. As the restaurant's business improved, the rent would increase. Godfrey said the situation was the same with the pro shop. He pointed out the pro shop lost money five of the seven years it had been in operation. The pro shop added value to the Center and to the value of being a member. The pro shop would pay rent in the new Pavilion and was a value-added amenity for the members. Bradshaw pointed out the customer base for the pro shop was small and included just the Center's members and those who attended tournaments, as opposed to a store in a shopping center. All of the Tennis Center employees would own the pro shop and would pay rent. Brown pointed out that membership in a facility with the stature of the Tennis Center came at price.

Tennant told the Authority members he did not play tennis, but was a big proponent of the restaurant. He said the restaurant would be a nice addition. Tennant noted there was the issue of Christian's pay. He said he liked Christian and he was a very competent manager. He recognized the risk Christian took when he came to Peachtree City. Bradshaw said Christian's base salary was $30,000 and the rest was at risk. Tennant did not begrudge Christian his paycheck, but did not want the taxpayers to subsidize Christian's salary. Tennant said he felt both facilities were reasonably close becoming self-sufficient or breaking even. He asked the Authority members to comment on that possibility.

Godfrey said he was not prepared to answer that question. The Authority had never been asked to make the facilities self-sufficient. The previous years' Council understood the need for the subsidy. There would need to be a lot of homework to determine when the facilities would be self-sufficient.

Palmitessa said with the Tennis Center expansion, the restaurant, and the space downstairs, the Authority could for the first time see real revenue opportunities. The facility would get there, but the Authority had never been asked to get there before. Brown disagreed. He said it had been in the minutes several times over the years. He continued that Council had to cut $1.8 million out of the budget and more would have to be cut next year and revenue sources were going down. They needed to tighten up.

Warner pointed out the Development Authority was running a large business with a $3 million annual budget and 35 employees. The facilities had grown since the City turned them over to the Authority. He continued the Tennis Center would save $35,000 in annual rental fees when the offices moved to the Center. Warner said ticket prices at the Amphitheater could be raised, as well as fees at the Tennis Center. He pointed out that to some extent Council had to agree the Authority was serving a recreational need for the City. The City spent $750,000 a year on Kedron Fieldhouse out of the citizens' tax pocket. Warner said none of the subsidy came out of the residents' pockets, but out of visitors' pocket. He said the facilities could break even, but would have to charge the residents more to use the facilities.

Brown asked when the next rate increase was scheduled. Bradshaw said that had not been determined and the Authority would act on the budget in October. He continued that increasing ticket prices $3 or $4 would put the Amphitheater on an even keel, but questioned if raising prices would hurt ticket sales.

Godfrey said if Council wanted a statement of what it would take to be completely self-sufficient, then the Authority was willing to do that. The Authority did not micromanage the facilities, but set policy. Christian did an outstanding job and the Authority defended and supported its executive director 100%.

Weed told Godfrey he was defending Christian needlessly. If Christian was an issue for the Mayor, then that was the Mayor's problem. Christian was not a problem for Weed. Brown said that was a recurring theme. He continued the Tennis Center was a first class, top-notch facility and did not need to be run the way it was. From a City standard, the Tennis Center had an incredibly high employee ratio. Palmitessa pointed out if staff was cut, then revenues would be cut since staff brought in the revenue. Palmitessa said they got what they paid for and good people would bring in more revenue.

Godfrey said if Council was looking for a plan for self-sufficiency then the Authority could have one, but did not know what it would take to become self-sufficient at this meeting. Brown said if the facilities were self-sufficient then a lot of Council's problems with the Authority would be solved and more money would be available for economic development. Brown noted that the City had a decline in ad valorem taxes in the industrial sector for the first time in the budgetary history. There were some unique situations and the City needed to find some niche markets for the empty buildings in the Industrial Park.

Tennant said personally the urgency to get to self-sufficiency was not critical, but would be nice. He continued that the Amphitheater tickets appeared to be under priced. He was not a believer in micromanaging, but there needed to be an element of trust. He was willing to do that. Economic development was important, but he felt the Amphitheater and Tennis Center could get there without the Development Authority.

Godfrey committed to getting together with the Authority members and coming back to tell Council how their plan could be shifted to get to self-sufficiency. Brown said it was not an "all or nothing" proposal. Council would not take all of the Authority's funding away. He noted the Tennis Center was unique with private and public composition. Brown said he wanted the Authority to start working on the problems in the industrial area. Bradshaw said the Authority would like to own a spec building that could be sold at a discount to a favorable company that wanted to move here. Bradshaw asked Council what time frame it was looking at for the Authority's facilities to break even, excluding the debt service. He said the Authority needed feedback so they would know how to discuss the matter.

Brown said he was not looking at it in those terms. He said they needed to look at the numbers and determine what was needed to break even and forecast the numbers out. Tennant said he thought five years to try and attain self-sufficiency was reasonable. Brown said sometimes you had to push a little bit. He asked what happened to the comfort level if there was more fallout in the industrial area. Sward said she thought it made sense to look at what it would take to become self-sufficient in one year and determine if it was realistic or not. She continued then other scenarios should be looked at, including an increase in ticket prices and memberships. She said she could do a demand analysis and look at how the demand would be impacted.

Warner said he was still concerned. He continued that the facilities could break even, but philosophically Warner asked if the Council should ask that. As a business, it was possible the first thing cut to break even would be some of the tennis programs. He said they did not want to cut the City's great recreation programs. Peachtree City had the only Development Authority in the state that managed an amphitheater and tennis center, which gave the Authority a synergy for good economic development. He felt the Authority could do the job better with the venues. The Authority addressed the issues that concerned the Council, such as existing industries and working with the FCDA, at Retreat.

Brown said his concern was whether the Authority could do two things very well. His answer was most of the time that could not be done and that was why he wanted to subdivide and have one group responsible for economic development. He said the City was running into real obstacles and had its work cut out in the economic development area. He suggested including a line item in the recreation budget for youth programs at the Tennis Center.

McMenamin said her philosophy was different. Under the Development Authority's leadership, great things had happened. The state decided it wanted one voice from the County concerning economic development and it would be the Fayette County Development Authority (FCDA). She felt it was wrong to charge the Development Authority with the total economic development responsibility of the industrial park. It would be contradictory to the FCDA. She continued that the FCDA was responsive to the industrial area and had a full-time employee to take care of the responsibility.

McMenamin said to blame the empty buildings in the City on the Development Authority was inappropriate. Not everyone swam or played basketball, but the City subsidized Kedron Fieldhouse and Council thought it was a great asset to the City. The Amphitheater and the Tennis Center were just an extension of a benefit for the City. McMenamin pointed out the hotel/motel tax was not a general fund item and had to be used for specific things. The hotel/motel tax money could not be used to build up Council coffers and it was being used appropriately.

Brown said he was not blaming anything on the Development Authority. The Authority had worked within the parameters it had been given, but Council had a situation it had to deal with. He said Chris Clark could do a lot in working with the state officials, but there were things that could be done on a local level. There was opportunity for the local Authority to work in some niche areas peculiar to Peachtree City. The hotel/motel tax could go to various uses. He said he would like to see the venues break even, but even so Council could use the funds specifically for what they were intended for in the state code.

Godfrey pointed out the Authority had a successful economic program and was the envy of the state. Atlanta had been hit harder by the recession than any other city in the country. The economy was coming back and the vacant buildings would fill up. There had been a 17-20% vacancy in office space at Westpark and it was now down to two or three percent (2% or 3%). Godfrey agreed that perhaps the Authority could do more, but pointed out it was patently wrong to say the Authority had been unsuccessful in economic development because it had been focused on the Amphitheater and Tennis Center. Brown said that was not what he said. Godfrey continued the issues were discussed at Retreat and the Mayor had agreed with the issues and actions. Some of the focus had changed because of issues Brown felt were important. Brown said the issues were important to the City, not to him. Godfrey said a study done last year projected the Tennis Center and Amphitheater would generate over $7 million in economic impact in the community in 2002. The projects had always been run as economic development projects.

Bradshaw also said he did not want Council to have the idea the Authority did not do economic development. The Authority worked hand-in-hand with the FCDA. Godfrey was a member of the FCDA board. The Authority was involved in visits for prospects and every aspect of the County's operation. The Authority, and all of the cities, was very involved in the developing the FCDA's strategic plan, which set the stage for the next 10 years.

Brown said Council knew economic development was a brand new ball game. The governor was giving incentives to rural areas and Fayette County had to fight harder to bring in industry. Industry was forced to go into other areas because the incentives were too good to turn down. It would behoove the City to put in more effort. He continued that a 40,000 square foot building was below what was needed for start-up industries these days.

Warner noted the Authority did not take issue with those matters. He said he heard from Council they did not want to micromanage the Tennis Center, but he kept hearing that the Authority needed to re-direct the model for the Tennis Center. The Authority was ready and willing to take constructive criticism and wanted ideas. He said the members did not want to leave the meeting without knowing what Council needed. The generalities were hurting communication. They needed specific ideas. The Authority and Christian were open. The Tennis Center had been voted the number one public facility in the nation. Warner asked if the Authority could do better.

Brown said Sward's idea was a perfect start and said to model it and see where it came out. Tennant pointed out the members were volunteers and spent time and energy that Council did not know about. Tennant said he bought into the synergy created with the Tennis Center and Amphitheater and it made sense to capitalize on the City's crown jewels. He said he was not being critical and would not change things dramatically, but $250,000 would help the cart path system, which was part of tourism. Tennant continued that he would like to see something happen with the Siemens building, such as turning it into a children's museum. He said did not want to alienate the Authority, but wanted to partner with the members.

Brown commented that a whole array of variables had been discussed and were available to be worked with. He would like to see the Authority take Sward's idea, put in the variables, and see how they worked out. In a few years, more money could be going specifically to economic development.

Godfrey said the Authority needed to go back and study what was discussed and then come back with a recommendation. He asked for a month.

Weed said he hoped for another contract. He wanted a contract with Authority and always had. Weed continued that he knew the Authority would need a subsidy, but wanted the facilities to work towards self-sufficiency. At the end of the day, Weed wanted to know what kind of contract and what kind of funding the Authority could live with. He always believed the Authority would need a subsidy and did not see that changing in the foreseeable future, however, the ultimate goal was self-sufficiency and any contract should be based on that goal.

Bradshaw noted that the Airport Authority, the Development Authority, and Council all had legal counsel who advised the agreement was legal. Council had to bring in a special counsel from outside the County who said the agreements were invalid. Bradshaw continued that in his view the contract was valid and the members were attending the meeting to resolve concerns and do what was best for the City. Weed agreed and said if Council did not want to do that a lawsuit would have already been filed. Warner said he thought Council and the Authority could reach an agreement and work things out.

Brown said the Authority had a good thing going, but the Authority had to work with some numbers on the one facility's operation, which was a really good facility. If they could get it to break even, there would be more money available for economic development and the Authority could work on the unique problems in the City.

Tennant noted the Airport Authority had agreed to a smaller group to work on an agreement and bring it back to the respective group. He suggested that a couple of representatives from the Council and the Development Authority also work on an agreement. Brown said he would like to work with the group and was willing to expound upon what he was saying. Tennant said he was not talking about going behind closed doors. Godfrey asked Council for the opportunity for the Authority to go back and discuss the matter. He pointed out they had discussed changing the direction of the company and needed time to come back with a plan.

Weed said he was willing to give the Authority time since they had been given the new direction about self-sufficiency. After that, Weed continued that two members of the Authority and two members of Council should meet and come up with an agreement both entities could live with. Weed added they were under a time constraint. Godfrey said a month might not be enough time. Weed suggested a month for the plan, then a month for the agreement. Bradshaw noted that the next Authority meeting was September 18, and then the members would attend the GEDA meeting in Savannah. The GEDA meeting was a time for the members to entertain, court, and get to know those involved in economic development and tourism. Bradshaw added he was not sure the Authority could have anything ready a week later. Weed said he was prepared for the process to take two months, but not three months. He said the matter needed to be a priority for both entities.

Tennant said there was a sense of urgency for Council and suggested a deadline of October 15 to sign the agreement. Godfrey said he would like to bring the plan back to Council by October 15. Weed accepted that and suggested a subcommittee be formed at that time to work out an agreement by October 30. Brown said to set a goal of October 30 and the deadline could be extended if an agreement looked promising at that point. Weed said he would not support an extension and did not want to continue forever. Tennant supported October 30 as the deadline for a signed agreement. Brown accepted the October 30 deadline for at least an agreement in raw form.

Godfrey told Council the Authority believed there was an agreement in place. If Council was pressing the matter, then the Authority was willing to go to litigation. Council asked the Authority to change the philosophy of two projects and to work out a new agreement. The Authority would not sign a new agreement without even looking at the numbers. Tennant said Council felt as firmly that there was not an agreement. Brown said to try and get something done and to see how it went. He wanted to try to have the agreement ready by October 30. Warner said a lot of micromanaging of the Tennis Center would slow things down. Weed said he did not want to run the Tennis Center, but he did want an agreement the majority of Council and the Development Authority could live with.

Weed continued that both sides wanted to resolve the issues and come to a long-term agreement that satisfied everybody. If both sides were not willing to do that, there would be more than saber rattling.

Rapson noted he had abstained from any discussion involving the Development Authority.

There being no other business to discuss, the meeting with the Development Authority adjourned at 9:10 p.m.

Jane Miller, City Clerk

Stephen D. Brown, Mayor

Pamela Dufresne, Recording Secretary

Nelmes said she would rather have just $120,000. She said she did not want a ton of money, just stability. She continued the Authority wanted a 10-year agreement and Council wanted a two-year agreement. She asked if there was a compromise. She said she would rather have full finding for a specific period of time and did not know when the Authority would be able to step down the funding at this point.

Brown commented the Authority had an aggressive plan and he was committed to the two revenue-generating projects and would do what he could to help with funding. Weed said he was nervous about a long-term commitment and pointed out that the majority of Council would be serving for another three and one-half years. He said he would be willing to make an initial commitment for three and one-half years and that would take care of the Phase 1 needs. Rapson said the Authority could best leverage the dollars for those projects through Council.

Cobb asked what would happen if the City did not back the Authority. McMenamin noted that Council's priorities might shift from year to year. Tennant felt it was in Council's best interests to have the airport. Rapson said a one-year contract would be perpetual unless Council or the Authority wanted to look at it. He said there was mechanism to do that at Retreat.

Nelmes agreed with Cobb that there were things that could be deferred, but the federal funds were jeopardized if there were no infrastructure improvements Cobb added the Authority made an obligation for federal dollars, then the Authority had to have confidence it could negotiate with the City.

Tennant suggested two members of Council and two Authority members form a sub-committee to work on an intergovernmental agreement and hammer it out by September 30. Rapson asked why the agreement could not be ready by September 19. McMenamin felt the agreement would need more attention and a special meeting might be needed. Tennant said the goal could be September 19. Cobb said the end of September would be much better since the next month would be very busy with preparation for the airshow. Tennant suggested Rapson and McMenamin serve as the Council representatives. McMenamin suggested the Airport Authority contact the City Manager after the members chose two representatives.

There being no other business to discuss, the meeting with the Airport Authority adjourned at 7:30 p.m.

Jane Miller

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Stephen D. Brown, Mayor

Pamela Dufresne

Pamela Dufresne, Recording Secretary