

REQUEST FOR BOARD ACTION

HENDERSON COUNTY BOARD OF COMMISSIONERS

MEETING DATE: April 4, 2005

SUBJECT: Asheville Airport Response

ATTACHMENTS:

1. January 3, 2005 – Memo from County Manager
2. January 5, 2005 - Letter to Airport
3. January 18, 2005 – Letter from Town of Fletcher
4. March 15, 2005 – Letter from Airport Director

SUMMARY OF REQUEST:

At the Board of Commissioners' meeting of January 3, 2005, the Board heard a request from the Asheville Regional Airport to allow their purchase of property in Henderson County. The Board indicated that they would like to seek a payment in lieu of taxes on this property as well as the properties previously purchased without Henderson County's consent. The Board also requested that Henderson County receive membership on the Airport Authority Board.

Attached is the response from the Airport Authority's Director to Henderson County's requests. They have indicated within their letter that they will not support a payment in lieu of taxes and that a change in their Board membership would take approval from the City of Asheville and Buncombe County.

COUNTY MANAGER'S RECOMMENDATION/BOARD ACTION REQUIRED:

I recommend that the Board continue to support a payment in lieu of taxes on these properties. In the case of the current proposed purchase, this is a prime piece of commercial property. The Airport Authority recently paid the City of Asheville 1.19 million dollars for the neighboring piece of property. This purchase, with a proposed price of \$795,000, clearly shows that this property has commercial value. The value of the payment in lieu would be insignificant compared with the value to lease this property of a vendor that serves the airport.

I cannot recommend that the Board accept their offer of an invited guest. However, they do correctly state that the agreement would have to be changed by the City of Asheville and Buncombe County to allow for a change in their membership. I would also recommend that the Board formally contact the Asheville City Council and the Buncombe County Board of Commissioners directly with our proposal for Board membership.



HENDERSON COUNTY
OFFICE OF THE COUNTY MANAGER

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MEMO

TO: Board of Commissioners

FROM: David E. Nicholson
County Manager

DATE: January 3, 2005

SUBJECT: City of Asheville/Asheville Regional Airport Properties

I am writing to provide the Board with my recommendation concerning the request from the Asheville Regional Airport for the Board's consent to purchase 1.5 acres of commercial property in Henderson County. I cannot recommend to the Board that you approve this request without resolving the other properties that were purchased by the City of Asheville for airport uses. Several years ago, Henderson County was added to a local bill which requires municipalities from other counties to seek approval from the Board before purchasing property in Henderson County. There are three other properties that were purchased without having receiving approval from the Board of Commissioners.

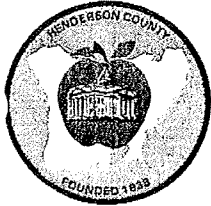
I recommend that the Board consent to this land purchase by Asheville Regional Airport based on an agreement that requires the City of Asheville or the Asheville Regional Airport to provide on a yearly basis a payment in lieu of taxes based on Henderson County's assessed valuation and annual countywide tax rate. Henderson County already receives some payment in lieu of taxes from the US Government and the Hendersonville Housing Authority. These payments are for property that has been removed from our tax base by these government agencies. These properties and the annual payment in lieu are as follows.

	Property Description	Valuation	Payment in lieu *
1.	54.58 acres purchased in July 1991	\$ 95,500	\$453.63
2.	25.11 acres purchased in August 1993	\$109,900	\$522.03
3.	24.95 acres purchased in October 1993	\$116,700	\$554.33
4.	1.5 new acres	\$**	\$

* This amount based on the current assessed valuation and tax rate. I would recommend that this amount be calculated annually based on updated valuations and adjustments to the tax rate.

** This property would have to be assessed by the County Assessor's office since they are purchasing a current parcel and a portion of another parcel.

Should the Board support my recommendation, I would suggest that a letter be written to the City of Asheville and the Airport Authority concerning this offer.



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Avalina Merrill
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January 5, 2005

Mr. Dave Edwards, Executive Director
Asheville Regional Airport
P. O. Box 817
Fletcher, NC 28732

Dear Dave:

Thank you for attending the Board of Commissioners' meeting this week. We were all glad to hear that it is your goal to improve the relationship between the Airport Authority and Henderson County. As was stated at the meeting, our Board believes that the Airport is a valuable asset to our community.

I presented to the Board of Commissioners your current request for our consent to purchase property within Henderson County. However, I proposed that we also deal with the three properties purchased by the Airport Authority and held by the City of Asheville in the early 1990s without having approval of Henderson County. I proposed to the Board that they grant your request with the provision that Henderson County receive a payment in lieu of taxes for the property that you are currently proposing to purchase and those three parcels which were previously purchased. Although the Board did not take any action on my proposal, they seemed to accept its basic premise. Since the property that you are currently considering purchasing is within the Town of Fletcher, I am also to contact the Town to seek their thoughts about this matter. I feel sure that they will also want a payment in lieu of taxes. The other properties are outside a municipality boundary.

As I indicated earlier, the Board of Commissioners understands the importance of the Asheville Regional Airport to the entire region. It is our desire to partner with the Airport in a much stronger way than we have in the past. The Commissioners are requesting that Henderson County be given a seat on the Airport Authority Board. We believe that our formal involvement would be an important step in protecting the areas that surround three sides of the Airport. I am not sure of the process that would be necessary to provide for a board seat appointed by Henderson County. We would request that the Authority Board consider and establish a board membership for Henderson County.

We look forward to hearing from you and the Authority Board concerning our proposals.

Sincerely,

A handwritten signature in black ink, appearing to read "David E. Nicholson".

David E. Nicholson
Henderson County Manager

DEN/abm

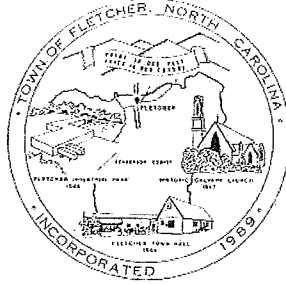
Cc: Members, Henderson County Board of Commissioners
James L. Westbrook, Jr., Asheville City Manager
Wanda Greene, Buncombe County Manager
Craig Honeycutt, Town of Fletcher Manager
Russ Burrell, Assistant County Attorney

TOWN OF FLETCHER

'PRIDE IN OUR PAST, FAITH IN OUR FUTURE'

WILLIAM B. MOORE
MAYOR

EDDIE HENDERSON
MAYOR PRO-TEM



COUNCIL MEMBERS:
MILTON BYRD
JIM CLAYTON
HUGH CLARK

TOWN MANAGER:
CRAIG F. HONEYCUTT

January 18, 2005

David Nicholson
Henderson County Manager
100 North King Street
Hendersonville, NC

Dear David:

On behalf of the Fletcher Town Council, we would like to reiterate our position on the sale of property in Henderson County to the City of Asheville for future Airport expansion. We believe that payment in lieu of taxes is a minimum that must occur for approval to both the County and Town.

The sale of 1 acre at \$795,000 is incredible for this piece of commercial property. Just the sale of the property represents \$2,146.50 annually to the Town of Fletcher. For example, if the property is developed and leased to a car rental agency, the City will profit greatly from the lease. Why should the City of Asheville profit and the Town of Fletcher lose tax revenue?

We appreciate you listening to our concerns, and appreciate your support with this request. Thanks again.

Sincerely,

A handwritten signature in black ink, appearing to read 'Craig F. Honeycutt', is written over a faint, larger version of the same signature.

Craig F. Honeycutt
Town Manager

4005 Hendersonville Road, Fletcher, NC 28732
(828) 687-3985 (828) 687-7133 fax
www.town-of-fletcher-nc.com



March 15, 2005

David Nicholson
Henderson County Manager
Henderson County
100 North King Street
Hendersonville, NC 28792

Re: Proposed Property Acquisition by the Asheville Regional Airport Authority

Dear David:

I appreciate you, and the Chairman and Vice-Chairman of the Henderson County Board of Commissioners meeting with us yesterday to discuss the Airport Authority's proposed property acquisition and Henderson County's future involvement with the Asheville Regional Airport Authority through a seat on the Airport Authority Board.

As we discussed, the Airport Authority respectfully requests that Henderson County approve the purchase of the Murphy-Wilson property residing in Henderson County and the property previously acquired by the Airport Authority in the early 1990s without a requirement for a payment in lieu of taxes. I believe that both Henderson County and the Airport Authority recognize that the Asheville Regional Airport is a regional asset. As such, Henderson County is an important partner in the future success of the airport, and the airport is a critical component to the future growth and development of Henderson County. It is extremely important that both entities work together if we are to fulfill the expectations of the citizens of Western North Carolina.

The Airport Authority is committed to work towards providing Henderson County with official representation on the Airport Authority Board. This will take some time as the agreement between the City of Asheville and Buncombe County that created the Airport Authority will need to be amended. We may also need to continue our discussion on whether or not Henderson County would be willing to make a financial contribution to the airport for such representation. Furthermore, there are several other provisions of the agreement that the Airport



Authority needs to have dialogue with both the City of Asheville and Buncombe County, and the Airport Authority desires to address all of the items at one time.

In addition, it would appear that an appropriate time to transition a change in the make-up of the Authority Board would be upon the expiration of one of our current Board Member's term, which is July 2006. As I indicated in the January 3, 2005, County Commission meeting, the final decision on an Airport Authority Board seat rests with City of Asheville and Buncombe County. However, the Airport Authority is willing to lead the discussion and support such a change. In the interim period, the Airport Authority would like to extend an offer to Henderson County to have a recognized liaison position with the Airport Authority. This would be a non-voting position, but it would begin the process of providing Henderson County with representation with the Airport Authority.

I look forward to working with you and the County Commission in the future, please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Edwards", written in a cursive style.

David N. Edwards, Jr., A.A.E.
Airport Director

Cc: Members of the Airport Authority
Members of the Henderson County Board of Commissioners
James L. Westbrook, Jr., City of Asheville
Wanda Greene, Buncombe County
Craig Honeycutt, Town of Fletcher
Vic Buchanan, Airport Authority Legal Counsel