



# MEMORANDUM

**To:** Finance Committee  
**From:** Rich Olson, City Manager  
**Date:** October 23, 2013  
**Re:** Consideration - Aviation Park Interlocal Agreement

## **BACKGROUND:**

In December 2009, the City, Pasquotank County and the Airport Authority entered into a tri-party Interlocal Agreement, which dealt with several matters associated with the Aviation Park. Section 4 of the agreement deals with the distribution of funds in the City's Aviation Park account. All grant proceeds and revenue generated from lease payments made by DRS have been deposited into this account. The City has used this account to reimburse several agencies that provided funding based on certain job creation goals, which were established for the project. All private and state agencies have been paid with the exception of IDF. City staff and the City Attorney are in the process of determining the City's liability to IDF, which will not exceed \$130,000.

## **ANALYSIS:**

Attached you will find Schedule "C" of the Interlocal agreement, which delineates how much the City and County will receive from the Aviation Park account prior to the funds being turned over to the Airport Authority. The City presently has \$1,148,425.15 in the Aviation Park account. Included in Schedule "C" are two line items, which show that Pasquotank County would be entitled to \$142,226.29. In those same line items, the City would receive \$187,226.26.

Staff believes that we need to start distributing funds to both the City and County. However, we need to maintain an adequate balance in the account to insure the maintenance of the Airport and the Aviation Park.

## **STAFF RECOMMENDATION:**

Staff is recommending that a check be issued to Pasquotank County in the amount of \$142,226.29. In addition, staff recommends that the City reimburse itself out of the Aviation Park account. Since the intent of the City's original investment into the Aviation Park was economic development, staff is recommending that \$100,000 of the City's reimbursement be used to fund the proposed Downtown Improvement Grant Program. In addition, staff recommends that the remaining \$87,226.26 be earmarked to fund additional costs associated with the Middle School renovation project, if that project is able to go forward.

RCO/vdw

Exhibit "C"

Activity	Cost	City	County	Grant Funding Received	Parks	Hyman-Robey
Debt Service on Loan	124,010.76	124,010.76				
Dominion Est. Cost for Line Relocation on Consolidated Environmental Assessment (BRPH)	101,657.33	101,657.33				
Airport Matching Funds Year One	326,570.15	185,785.06	140,785.09	326,570.15		
Airport Matching Funds Year Two	55,000.00	55,000.00				
Airport Matching Funds Year Three	55,000.00	55,000.00				
Bryan Bray Fence	5,000.00	2,689.34			1,155.33	1,155.33
Party & Equipment Rentals-groundbreaking	1,217.78	1,217.78				
Party & Equipment Rentals-ribbon cutting	204.96	204.96				
Kenneth Bateman Produce Farms (crop damage)	2,882.43	1,441.20	1,441.20			
NCDENR (Fast Track Application)	480.00	480.00				
William H. Morgan, Jr., City Attorney	11,309.75	11,309.75				
The Virginian Pilot (Ads)	609.00	609.00				
The Daily Advance (Ads)	288.90	289.90				
The Virginian Pilot (Ads)	966.00	966.00				
NCDENR Express Stormwater	4,000.00	4,000.00				
NCDENR Erosion Control	4,875.00	4,875.00				
LGC Application	500.00	500.00				
Cox NC Publications (Ads)	523.60	523.60				
The Daily Advance (Ads)	1,832.11	1,832.11				
BB&T Underwriting Fee	2,100.00	2,100.00				
Elan Credit Card - Ribbon Cutting Ceremony	380.00	380.00				
Ken Weeden & Associates (DBE Program Updates)	1,600.00	1,600.00				
Steve Saunders Appraisals	16,500.00	16,500.00				
City Electric Department (specific to job)	239,172.24	239,172.24				
Grant Administration/Project Administration-City	100,000.00	100,000.00				
City Manager Travel - grant related	2,000.00	2,000.00				
Matching Funds Vision 100 Grant	40,000.00	40,000.00				
<b>Total</b>	<b>1,153,680.01</b>	<b>1,009,144.03</b>	<b>142,226.29</b>	<b>326,570.15</b>	<b>1,155.33</b>	<b>1,155.33</b>

## BUDGET AMENDMENT

BE IT ORDAINED by the City Council of the City of Elizabeth City that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2014.

SECTION I. That the Aviation Park Fund Balance Appropriated (633990.0000) be increased by \$329,452.55, the Pasquotank County Reimbursement (639008.9102) be increased by \$142,226.29, the Transfer to Middle School Renovation Project (639008.9103) be increased by \$87,226.26, and the Transfer to Downtown Improvement Grant Program (639008.9104) be increased by \$100,000.

(To record Aviation Park Reimbursement.)

SECTION II. That the Middle School Renovation Transfer from Aviation Park (643970.1000) and Middle School Renovations (649012.7300) be increased by \$87,276.26.

(To record transfer from Aviation Park.)

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Joseph W. Peel, Mayor

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Dianne S. Pierce-Tamplen, MMC, City Clerk