

2023 FAHA March Social/Meeting

Flying Acres Homeowners Association

March 25, 2023

Envision a future where Crest Airpark/Norman Grier Field is preserved for use by all of us.

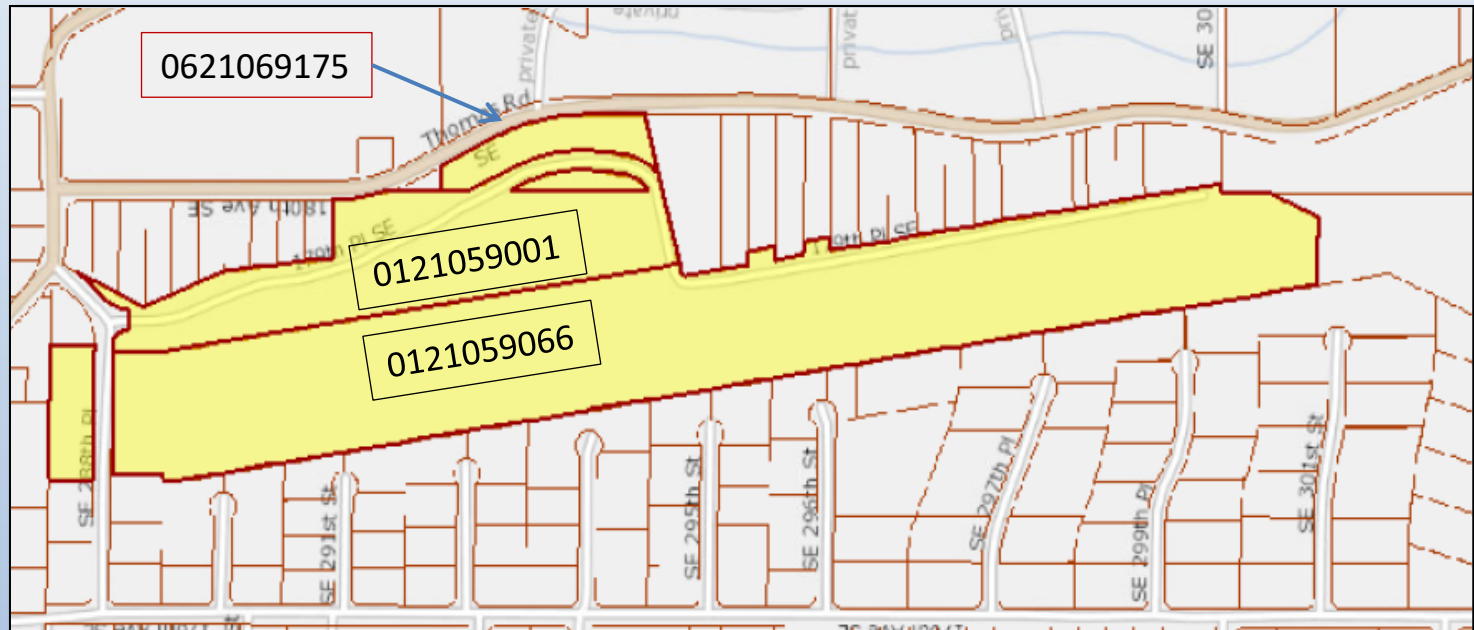
Agenda

- Welcome
- New Neighbors
- Changes at the Airport Office
- Introduction to Purchase Participation Memorandum
- Introduction to Association Agreement
- Identify Main Areas of Interest/Questions
- Discuss Issues
- Adjourn in time for Zags!



Airport Property Included in the 2010 Settlement

Must buy all airport parcels (runway, taxiway, office, fuel farm, tie downs and hangars)



King County assessed value increased from \$2.3 million in 2019 to \$3.0 million in 2023. This was accompanied by a \$15,000 increase in taxes.

Purchase Participation Memorandum

- What is it?
 - Based on the concept of disclosure memorandums used by the investment community
 - Comprehensive description of Crest Airpark/Norman Grier Field purchase
 - A vehicle for communicating plans
 - Commit to funding the purchase based on defined conditions
 - Commit to ongoing support of the airport
- What is in it?
 - How to Participate
 - Financial Information
 - Organization and Management
 - Risks
- What it is not?
 - Not a solicitation for an investment – no profit is expected



Transitional Management

- Responsible for making sure functions are executed
 - ❖ Either personally or through the effort of others (members, contractors, management companies, service bureaus, etc.).
- Only as long as necessary until more permanent structure in place

Transitional Management Structure

One Idea

Board President

- Overall management and coordination
- Licenses and permits

Board Member 1 - Manage hangar rentals

- Rental agreements
- Rent collection
- Maintenance and repairs
- Evictions

Board Member 2 - Fuel farm management

- Fuel contract oversight
- Fuel orders
- Credit card processing and receipts

Board Member 3 - Maintenance

- Hangar repairs
- Runway lighting
- Asphalt
- Lighting
- Office
- Windsocks

Board Member 4 - Treasury

- Banking

Board Member 5 - Finance

- Accounting
- Bookkeeping
- Tax reporting
- Accounts payable and receivable

Board Member 6 - Technology

- Hardware & Software
 - Computers
 - Microsoft 365
 - QuickBooks
 - Website

Joining Later

- Yes, Including provisions for this
- Will Cost More (current provisions)
 - Board with community approval sets cost annually
 - Includes last two years of Special Assessments
- Intent to be fair to initial participants while not being so punitive as to prevent later participation
- Jeopardizes Community Success



Financials

➤ Purchasing Financials

- ❖ Greater Risk with Increase in King County Appraised Value
- ❖ From \$2.2 to \$3.0
- ❖ Good News, maybe??? Real Estate Values Declining

➤ Operating Financials

- ❖ Still Very Viable
- ❖ Biggest Expense Taxes
- ❖ Real Estate Taxes up \$15,000 in 2023
- ❖ Impacts making Improvements

Capital Plan Estimate

Based on Pre-2023 Financial Estimates

Source of Capital Funding	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Airpark Operations	\$69,000	\$69,000	\$69,000	\$69,000	\$69,000	\$345,000
Assessments	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$300,000
Total Funds Collected	\$129,000	\$129,000	\$129,000	\$129,000	\$129,000	\$645,000
Reserve Study	\$5,000					\$5,000
Repave Runway		\$256,000				\$40,000
Sealcoat Runway			\$49,000			
Repave Taxiway				\$185,000		
Sealcoat Taxiway					\$36,000	
Repave Access Road (partial)					\$119,000	\$600,000
Total Expended	\$0	\$256,000	\$49,000	\$185,000	\$155,000	\$645,000
Capital Fund Balance	\$129,000	\$2,000	\$82,000	\$26,000	\$0	\$0

Voting

Association Agreement

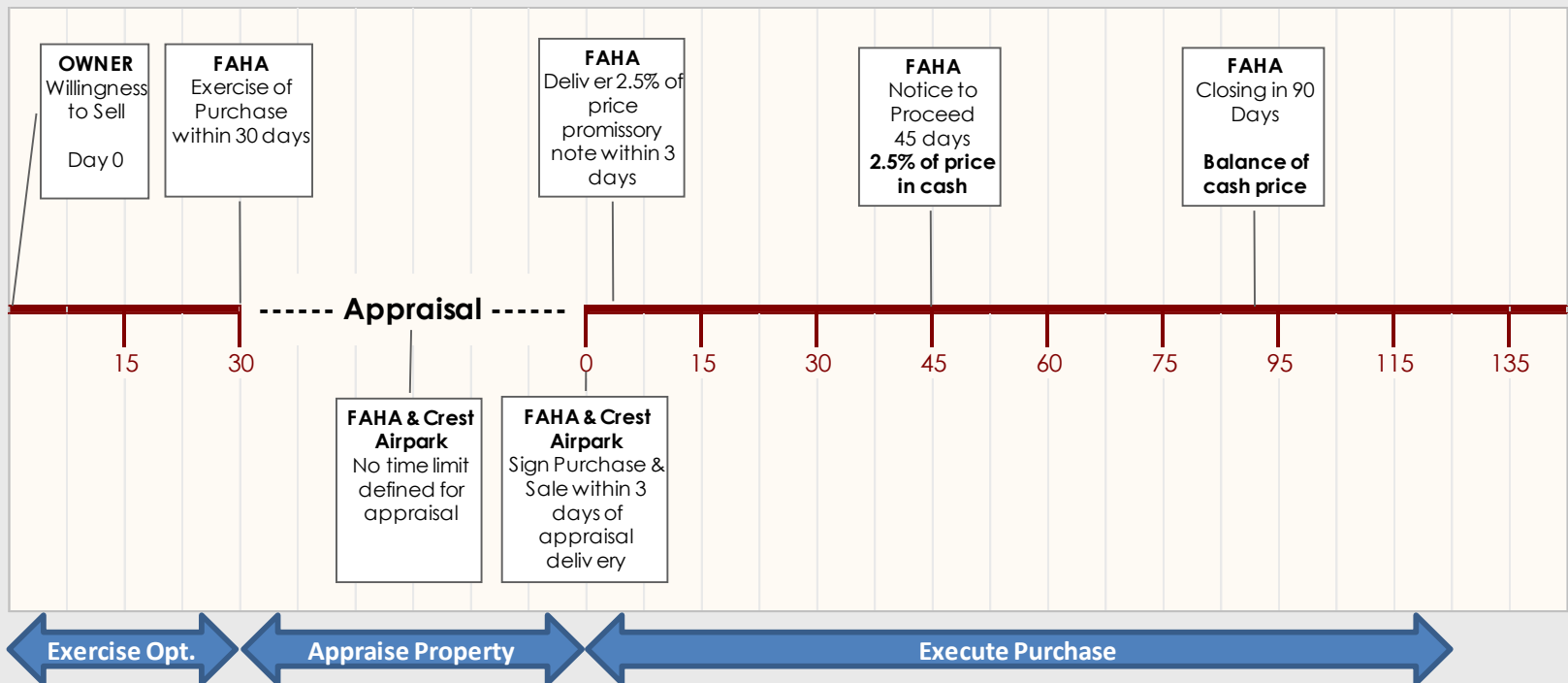
Sect.	Vote Topic	Threshold to Pass	Quorum Definition
5.2	Ratify budget. More than 50% of the members must reject the budget. Vote initiated by Members. See RCW 64.90.010: Definitions. (wa.gov) .	Majority	Members entitled to vote
5.3.2	Raise annual assessments more than 10% in one year	Majority	Members present or by proxy
5.3.3	Special Assessment for one year for improvements exceeding \$10,000	Majority	Members present or by proxy
6.1	Admit new member to the association	Majority	Voting Members
6.2	Sell airport properties	90%	Voting Members
6.4	Not extend Agreement for 10 years if Washington law limits length of agreement	75%	Members entitled to vote
6.5	Amend Agreement	67%	Members entitled to vote
7.7	Initiate litigation not related to assessments or in defense of the Association	67%	Members entitled to vote

Bylaws

Sect.	Vote Topic	Threshold to Pass	Quorum Definition
3.9	Conduct of business	Majority	Members in good standing
4.2.1	Board present records to members	Majority in writing	Members in good standing
4.3	Number of directors	67%	Members in good standing
4.4.3	Elect director	Majority	Members voting
4.5	Remove director	Majority	Members in good standing
4.12	Conduct of Board business	Majority	Majority of board members
5.3	Remove officer	At least 5/Majority	Majority of board members
5.2	Election of officers	Undefined	Undefined
9.1	Amend bylaws	Majority	Members in good standing

Purchase Timeline Illustration

Airport Purchase Option Timeline

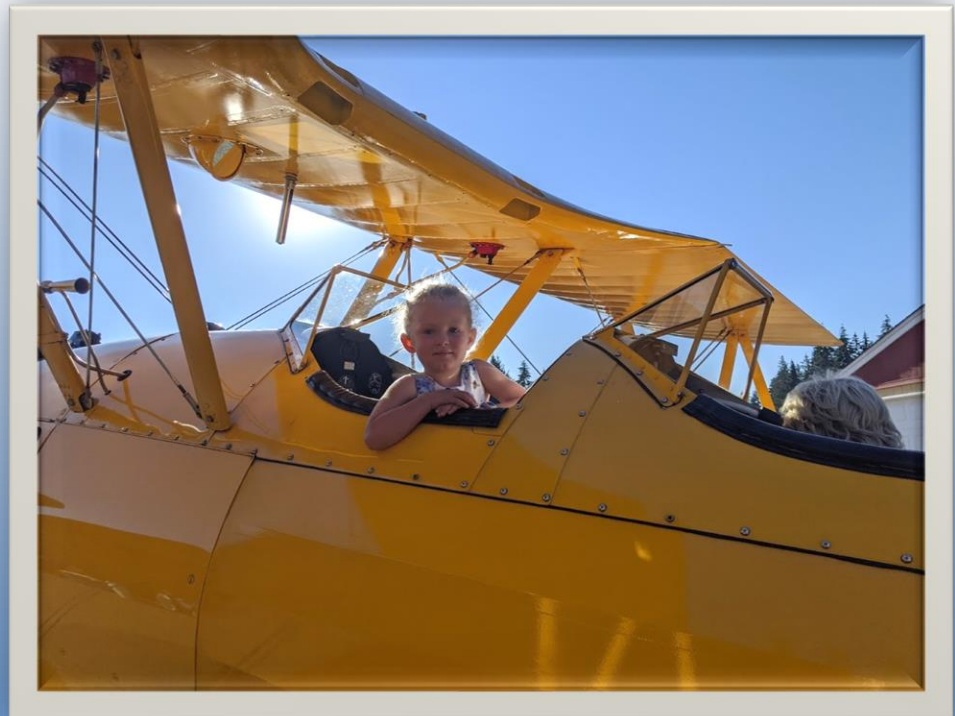


An appraisal taking 60 days could result in purchase taking 180 days to complete. That is a maximum and is likely to be much shorter.

Non-participants Using for Free

Possibilities considered so far:

- Peer Pressure
- Civil Trespass Complaint
- Take airport private—bolsters trespass
- Charge Landing Fee
- Physical Barriers to Access
- Other Ideas?



Characteristics of Our Purchase Contract

- Initiated by the Grier family
- The contract defines the when and how of the sale
- Agreement is one sided
 - Grier family must sell to us
 - We MAY buy if all conditions are met
- What are those conditions?
 - FAHA has enough people sign association agreement to make the purchase
 - We accept the appraised price within limits of the agreement

