



Memo

To: Honorable Mayor Armitage; City Council
From: Bryan Myrkle, Community Development Director
Date: May 13, 2022
Re: Shyft use of airport grounds for temporary storage

Background

For the past two years, the City of Charlotte has been working steadily with the Shyft Group to find storage solutions for finished vehicles produced at its facilities here in Charlotte. As City Councilmembers no doubt have noticed, the vehicles are being produced faster than the purchaser can take delivery of them. This has created an ongoing storage problem for Shyft. Shyft is the City of Charlotte's largest private sector employer.

We have been in regular contact with Shyft employees, freight brokers, real estate agents and property owners to help facilitate both short and long-term solutions to this problem.

Shyft is currently looking at several long-term solutions in and near Charlotte, but still have a pressing and immediate need for storage.

Shyft has submitted a Letter of Intent to the City for use of certain open space at Beach Airport that could serve as a short-term storage facility for them. (see attached) This should provide Shyft the time necessary to work out a longer term solution.

I have sought input from both Airport Manager Todd Cotter and our airport consultants at Prein & Newhoff regarding the terms of the proposal, and we are prepared to move forward with City Council approval.

If the City Council approves this LOI, a more formal agreement based on these terms will be drafted for your future review and approval; however it would be my intent to begin allowing this storage at the airport on Shyfts' preferred timeline.

Important aspects of this arrangement include a commitment to site restoration if the storage damages any of the grassy areas where the vehicles are parked; designated parking areas that will not interfere with regular use of the airfield and associated taxiways; and a fair-market rate paid for the storage (\$2,500 per month).

Should you have any questions about this proposal, please do not hesitate to contact me.

Recommendation

Consider accepting the LOI from Shyft and authorize staff to act on it.

Financial Impacts

This would have a positive financial impact for the City. It would provide additional revenue to the airport in the amount of \$2,500 per month, which has a direct effect on the City's general fund (although it has a separate account number, the airport is a general fund item).

Suggested Motion

City Council accepts the Letter of Intent from Shyft and authorizes staff to prepare and present a formal agreement based on these terms, and to facilitate the storage arrangements as outlined in the LOI and staff communication.