

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – January 28, 1998 9:00 a.m. - NEW CENTURY, KS

Airport Commission

Present: Messrs. Heaven, Meyer, Nohe, Winn, Viets, Mss. Mullin, Thomen

Staff: Metcalfe, Ritter, Dunham, Hilgers, Howell, Perry

Others: Commissioner David Wysong, BoCC
Jerry Fogel, J.P. Fogel and Company
Dennis McGuire, Fire District #1
Nathan Anderson, J.P. Fogel and Company
Chuck Cottengim, Executive Beechcraft
Dave Hayden, Kings Aviation

Chairman Thomen called the meeting to order at 9:00 a.m.

(NOTE: Heading and paragraph numbers and letters correspond to Agenda numbers and letters. Items are listed in order of discussion.)

I. APPROVAL OF THE MINUTES:

MOVED BY MR. MEYER, SECONDED BY MR. HEAVEN, TO APPROVE THE MINUTES OF THE OCTOBER 22, 1997 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (5-0).

II. REPORT OF THE CHAIRMAN:

A. Special Events Committee for 25th Anniversary of New Century AirCenter.

Chairman Thomen appointed Mr. Nohe as Chairman of the Special Events Committee. Mr. Nohe reported that since there have been many stakeholder groups and involved parties in New Century AirCenter, he proposed one or two individuals from the following organizations be selected to assist in the organization the 25th Anniversary of New Century AirCenter:

Airport Commission	Pilots active at airport
Resident Businesses	Former Airport Commissioners
U.S. Navy and Federal Government	County Government
State of Kansas (Dept. of Commerce)	Airport staff

Mr. Nohe also suggested including the surrounding unified school districts, Johnson County Community College, University of Kansas and one or more of the health systems. It was further suggested that each of these entities be approached for both involvement and for financial assistance. Mr. Nohe requested that the Airport Commission's marketing firm, Corporate Communications Group, be retained for professional assistance.

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING

AGENDA

New Century AirCenter, Kansas

Wednesday, February 25, 1998 - 9:00 a.m.

TAB

A

I. **APPROVAL OF MINUTES** of January 28, 1998 meeting.

II. **REPORT OF THE CHAIRMAN:**

A. Special Events Committee for 25th Anniversary of New Century AirCenter.

B

III. **CONSENT AGENDA ITEMS:**

A. Consider approving the fourth revision to the New Century AirCenter Airport Layout Plan (ALP) for submittal to the Federal Aviation Administration (FAA).

C

IV. **EXECUTIVE SUMMARY:**

A. Review staff reports.

B. Summary of Financials.

C. Consider ratifying the January expenditures as presented.

D

V. **DISCUSSION ITEMS:**

A. Consider recommending to the BoCC to establish a capital project to construct new t-hangars at New Century AirCenter and defease the outstanding debt from the 1992 revenue bond issue.

B. Consider approving and declaring as surplus the double-wide mobile home currently used as temporary housing for the personnel manning the fire station at New Century AirCenter.

C. Consider approving a proposal submitted by the Southwest Johnson County E.D.C. to provide marketing services for New Century AirCenter.

D. Report from President, Southwest Johnson County E.D.C.

E. Report from J.P. Fogel.

VI. **BUSINESS FROM THE FLOOR**

VII. **ADJOURNMENT**

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING

AGENDA

New Century AirCenter, Kansas
Wednesday, March 25, 1998 - 9:00 a.m.

TAB

A

I. **APPROVAL OF MINUTES** of February 25, 1998 meeting.

II. **REPORT OF THE CHAIRMAN:**

A. Special Events Committee for 25th Anniversary of New Century AirCenter.

B

III. **CONSENT AGENDA ITEMS:**

C

IV. **EXECUTIVE SUMMARY:**

A. Review staff reports.

B. Summary of Financials.

C. Consider ratifying the February expenditures as presented.

D

V. **DISCUSSION ITEMS:**

A. Consider recommending to the BoCC to establish a capital project to construct new t-hangars at New Century AirCenter and defease the outstanding debt from the 1992 revenue bond issue.

B. Consider approving submission to the BoCC of the Capital Improvement Program for the years 1999 – 2003.

C. Recommend to the BoCC approval of a resolution of intent to issue \$3.6 million in tax-exempt private activity bonds to refund the remaining balance of an \$8 million original issue for Shade Foods, Inc.

D. Report from President, Southwest Johnson County E.D.C.

E. Report from J.P. Fogel.

VI. **BUSINESS FROM THE FLOOR**

VII. **EXECUTIVE SESSION:**

Executive Director's performance evaluation

VIII. **ADJOURNMENT**

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING

AGENDA

New Century AirCenter, Kansas

Wednesday, April 22, 1998 - 9:00 a.m.

TAB

A

I. APPROVAL OF MINUTES of March 25, 1998 meeting.

II. REPORT OF THE CHAIRMAN:

A. Special Events Committee for 25th Anniversary of New Century AirCenter.

B

III. CONSENT AGENDA ITEMS:

C

IV. EXECUTIVE SUMMARY:

A. Review staff reports.

B. Summary of Financials.

C. Consider ratifying the March expenditures as presented.

D

V. DISCUSSION ITEMS:

A.

B.

C. Report from President, Southwest Johnson County E.D.C.

D. Report from J.P. Fogel.

VI. BUSINESS FROM THE FLOOR

VII. EXECUTIVE SESSION:

?

VIII. ADJOURNMENT

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
REVISED AGENDA
New Century AirCenter, Kansas
Wednesday, May 27, 1998 - 9:00 a.m.

TAB

A

I. **APPROVAL OF MINUTES** of April 22, 1998 meeting.

II. **REPORT OF THE CHAIRMAN:**

B

III. **CONSENT AGENDA ITEMS:**

C

IV. **EXECUTIVE SUMMARY:**

A. Review staff reports.

B. Summary of Financials.

C. Consider ratifying the April expenditures as presented.

D

V. **DISCUSSION ITEMS:**

A. Discuss audit report findings.

B. Consider approving a ground lease for K.C.R., L.L.C., third-party developer for a build-to-suit facility for Heartland Precision Fasteners, Inc.

C. Consider approving the proposed 1999 Airport Fund operating budget.

D. Review and approve proposed uses of carried-over funds from the 1997 budget.

E. Consider approving the Fifth Lease Modification Agreement for Crow-Spaulding #7 Limited Partnership to add 7.07 acres to the Crow-Spaulding leasehold for the expansion of the Sprint North Supply Warehouse.

F. Report of the Chairman of the Development Committee-CCRs.

G. Report from President, Southwest Johnson County E.D.C.

H. Report from J.P. Fogel.

VI. **BUSINESS FROM THE FLOOR**

VII. **EXECUTIVE SESSION:**

Consultation with legal counsel regarding potential litigation.

VIII. **ADJOURNMENT**

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING

AGENDA

New Century AirCenter, Kansas

Wednesday, June 24, 1998 - 9:00 a.m.

TAB

A

I. **APPROVAL OF MINUTES** of May 27, 1998 meeting.

II. **REPORT OF THE CHAIRMAN:**

A. Presentation to Robert Hilgers, Project Coordinator.

B

III. **CONSENT AGENDA ITEMS:**

C

IV. **EXECUTIVE SUMMARY:**

A. Review staff reports.

B. Summary of Financials.

C. Consider ratifying the May expenditures as presented.

D

V. **DISCUSSION ITEMS:**

A. Review current T-hangar rates at both Executive and New Century and determine if a rate adjustment is supported at this time.

B. Consider approving a ground lease for the Confederate Air Force for the construction of an 8,000 sq. ft. aircraft hangar.

C. Discuss status of Leawood Drive Associates L.L.C. (Fishman) transaction.

D. Consider approving the third and final extension to the real estate brokerage contract with J.P. Fogel and Company.

E. Report of the Chairman of the Development Committee-CCRs.

F. Report from President, Southwest Johnson County E.D.C.

G. Report from J.P. Fogel.

VI. **BUSINESS FROM THE FLOOR**

VII. **EXECUTIVE SESSION**

VIII. **ADJOURNMENT**

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING AGENDA

Johnson County Fire District #1 Fire Station
New Century AirCenter
490 New Century Parkway
New Century, Kansas

 **PLEASE
NOTE MEETING
LOCATION**

Wednesday, August 26, 1998

Immediately following the 9:00 a.m. Fire Station Ribbon Cutting Ceremony

TAB

A

I. APPROVAL OF MINUTES of July 22, 1998 meeting.

II. REPORT OF THE CHAIRMAN:

A. Election of Officers.

B

III. CONSENT AGENDA ITEMS:

C

IV. EXECUTIVE SUMMARY:

A. Review staff reports.

B. Summary of Financials.

C. Consider ratifying the July expenditures as presented.

D

V. DISCUSSION ITEMS:

A. Consider approving an estoppel certificate and assignment of lease for Leawood Drive Associates, L.L.C.

B. Consider authorizing the expenditure of approximately \$50,000 to extend a sanitary sewer lateral under New Century Parkway and eastward along Leawood Drive to provide sewer service and a water lateral under Leawood Drive to provide water service to the Gonzales Communications site and 35 acres of development land north and east of the North Supply warehouse.

C. Consider approving an easement for the Army Reserve for a new driveway at the former Naval Reserve Center fronting on New Century Parkway.

D. Report from President, Southwest Johnson County E.D.C.

E. Report from J.P. Fogel.

VI. BUSINESS FROM THE FLOOR

VII. ADJOURNMENT

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING

REVISED AGENDA

New Century AirCenter, Kansas

Wednesday, September 23, 1998 - 9:00 a.m.

TAB

A

I. **APPROVAL OF MINUTES** of August 26, 1998 meeting.

II. **REPORT OF THE CHAIRMAN:**

B

III. **CONSENT AGENDA ITEMS:**

C

IV. **EXECUTIVE SUMMARY:**

A. Review staff reports.

B. Summary of Financials.

C. Consider ratifying the August expenditures as presented.

D

V. **DISCUSSION ITEMS:**

A. Review options for construction of new t-hangars at Executive Airport and New Century AirCenter.

B. Review current t-hangar rates at both Executive Airport and New Century AirCenter and determine if a rate adjustment is supported at this time.

C. Consider approval of the final form of the Gonzales Communications ground lease transaction.

D. Consider *conceptual* approval of a ground lease with L&M Partnership, proposed developer of a 5.5 acre commercial/retail center at the northeast corner of Moonlight Road and U.S. Highway 56/175th St./Main St.

E. Consider approving for Crow-Spaulding No. 7 Limited Partnership the following: corrected legal description, corrected 5th lease amendment, assignment of ground lease and a ground lease estoppel certificate.

F. Update on Army driveway.

G. Report from President, Southwest Johnson County E.D.C.

H. Report from J.P. Fogel.

VI. **BUSINESS FROM THE FLOOR**

VII. **ADJOURNMENT**

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING

AGENDA

New Century AirCenter, Kansas

Wednesday, December 2, 1998 - 9:00 a.m.

TAB

A

I. **APPROVAL OF MINUTES** of October 28, 1998 meeting.

II. **REPORT OF THE CHAIRMAN:**

B

III. **CONSENT AGENDA ITEMS:**

C

IV. **EXECUTIVE SUMMARY:**

A. Review staff reports.

B. Summary of Financials.

C. Consider ratifying the October and November expenditures as presented.

D

V. **DISCUSSION ITEMS:**

A.

B.

C. Report from President, Southwest Johnson County E.D.C.

D. Report from J.P. Fogel.

VI. **BUSINESS FROM THE FLOOR**

VII. **ADJOURNMENT**

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING

AGENDA

New Century AirCenter, Kansas

Wednesday, December 2, 1998 - 9:00 a.m.

TAB

A

I. **APPROVAL OF MINUTES** of October 28, 1998 meeting.

II. **REPORT OF THE CHAIRMAN:**

B

III. **CONSENT AGENDA ITEMS:**

C

IV. **EXECUTIVE SUMMARY:**

A. Review staff reports.

B. Summary of Financials.

C. Consider ratifying the October and November expenditures as presented.

D

V. **DISCUSSION ITEMS:**

A.

B.

C. Report from President, Southwest Johnson County E.D.C.

D. Report from J.P. Fogel.

VI. **BUSINESS FROM THE FLOOR**

VII. **ADJOURNMENT**

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Chairman Thomen suggested having displays at the AirCenter throughout the year. She also suggested that Mr. Engelmann be involved in the committee. Mr. Viets volunteered to contact the former Airport Commission members. Mr. Nohe suggested meeting with CCG in February to discuss what the approach would be to commemorate the anniversary.

B. Joint Boards Meeting.

Chairman Thomen reported that an upcoming Joint Boards Meeting will be held in March from 4:30 p.m. to 6:00 p.m. at the Johnson County Parks and Recreation facility. A date has not been determined at this time. The focus of the meeting will be to ask the BoCC to provide input on the role of the county boards in light of the Visioning Committee's report.

III. CONSENT AGENDA ITEMS:

There were no consent agenda items.

IV. EXECUTIVE SUMMARY:

A. Review staff reports.

Mr. Metcalfe introduced Debbie Howell, Director of Planning and Administration.

Mr. Perry reported on the west parallel taxiway construction project at Executive Airport, which is nearing completion. All aircraft movement areas at Executive Airport will have been either slurry sealed, overlaid or replaced within the last five years.

The Airport Commission is once again the recipient of an award for "Best Portland Concrete Project in Kansas" for the taxiway project at Executive Airport.

Mr. Metcalfe reported that the locomotive has developed some serious engine problems that could be expensive. The total cost of the repair alone could be in the thousands. Staff is investigating options for a rental locomotive, which will also be expensive. Mr. Meyer asked how the rental of the locomotive impacts the rail revenue. Mr. Metcalfe responded that there should be sufficient rail revenue to cover the costs.

Mr. Metcalfe stated that one or two leases were due to be recalculated this year that could cause the rental revenue to be impacted, possibly negatively if the valuations are down from the previous base year.

B. Summary of Financials.

Ms. Howell reported that revenues were higher than anticipated while expenditures were lower than anticipated for 1997. A replacement utility vehicle has been ordered for the Aviation Director. The estimated carryover projected for the Airport Commission is between \$70,000 and \$100,000. End of Year Projections are not yet complete due to the 13th month.

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C. Consider ratifying the October, November and December expenditures as presented.

There were no questions regarding the expenditures.

MOVED BY MR. NOHE, SECONDED BY MR. MEYER, TO RATIFY THE OCTOBER, NOVEMBER AND DECEMBER EXPENDITURES AS PRESENTED. APPROVED (7-0).

V. **DISCUSSION ITEMS:**

A. Consider approving the renewal of a contract with Southwest Johnson County Economic Development Corporation for economic development services for a one-year term in the amount of \$33,765.

Mr. Metcalfe reported that this is an annual renewal to the contract with the E.D.C. Staff is pleased with the relationship with the E.D.C. and is recommending approval of the contract with the proposed cost of living increase.

Mr. Engelmann reported that since the E.D.C.'s inception in 1994, the members have grown from 12 to 113. The budget has also grown from about \$50,000 to \$120,000. The E.D.C. also has added a part-time administrative position.

MOVED BY MR. HEAVEN, SECONDED BY MR. WINN TO APPROVE THE RENEWAL OF A CONTRACT WITH THE SOUTHWEST JOHNSON COUNTY ECONOMIC DEVELOPMENT CORPORATION FOR ECONOMIC DEVELOPMENT SERVICES FOR A ONE-YEAR TERM IN THE AMOUNT OF \$33,765. APPROVED (7-0).

B. Discuss the feasibility of constructing new t-hangars at Executive Airport and/or New Century AirCenter.

Mr. Perry reported that staff has researched the feasibility of constructing t-hangars at New Century AirCenter and/or Executive Airport. There are 77 persons on the Executive Airport t-hangar waiting list and 43 persons on the New Century AirCenter waiting list. Currently, the Airport Commission has outstanding revenue bonds from 1992 for t-hangar construction in the amount of \$1 million.

Staff believes there is sufficient demand to support additional t-hangars, and recommends constructing 46 new t-hangars at New Century AirCenter. Staff proposed that bonds be issued in a total amount of \$3.6 million, of which an estimated \$2.6 million will be for the construction of the new t-hangars and the remaining \$1 million would be used to defease the outstanding debt. Staff anticipates 100% occupancy and \$104,000 yearly in new net revenue. Mr. Metcalfe reported New Century AirCenter has seen increased air traffic operations during 1997 and anticipated continued increase. Last weekend, there were 770 aircraft operations. Consensus of staff was not to build additional t-hangars at Executive Airport at this time, mainly due to the development of houses in close proximity of the airport and the growing population being impacted by flight operations at and around Executive Airport.

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Mr. Nohe suggested that staff meet with the county budget and finance office to discuss financing opportunities. He felt that general obligation bonds would be more viable since they have a lower interest rate than revenue bonds. Commissioner Wysong suggested meeting with Susie Rowland, Chief Financial Officer, bond counsel Norm Gaar, and Commission Annabeth Surbaugh, who will be the new BoCC liaison to the Airport Commission.

Mr. Winn concurred with staff's recommendation of constructing new t-hangars at New Century AirCenter. He, too, feels that the development of homes make it more difficult to add additional t-hangars at Executive Airport. Mr. Nohe asked if there was a better location for the t-hangars at New Century since there are now two fixed base operators. Mr. Metcalfe stated that the airport master plan shows development in the north area of the airport, where the proposed t-hangars are recommended by staff. The master plan would have to be amended if the location was changed. He also felt that this is the most economical place for the t-hangars since it can be easily tied into the taxiway and is also close to road access. Mr. Nohe asked that staff reaffirm that the north area is the best location.

Ms. Mullin asked about pre-leasing the t-hangars. Mr. Metcalfe responded that when the t-hangars were constructed at Executive Airport, leases were signed before the construction was complete to assist in getting the t-hangars occupied as soon as possible.

Mr. Winn stated that the Airport Commission needs to think about the future expansion opportunities. He suggested that staff meet with the county representatives and then make a recommendation to the Airport Commission. Mr. Nohe suggested that the Airport Commission would then recommend to the BoCC to issue a resolution of intent for the construction of t-hangars at New Century AirCenter.

MOVED BY MR. NOHE, SECONDED BY MR. VIETS TO AUTHORIZE STAFF TO PROCEED WITH NEGOTIATIONS WITH THE COUNTY CONCERNING ADDITIONAL T-HANGARS AT NEW CENTURY AIRCENTER. APPROVED (7-0).

D. Report from President, Southwest Johnson County E.D.C.

Mr. Engelmann reported on several projects that the E.D.C. is working on. The annual dinner was held in January with Governor Graves as the guest speaker. There were over 100 persons in attendance. Mr. Metcalfe was the co-chairman of the Annual Dinner Committee.

E. Report from J.P. Fogel.

Mr. Fogel reported that Dazey Corporation has changed agents and is now using Grubb + Ellis/Winbury Group, adding that J.P. Fogel is still handling Dazey's Osage City building.

IV. BUSINESS FROM THE FLOOR:

Airport Commission Minutes – January 28, 1998 - Page 5

Mr. Winn stated that the Airport Commission needs to think of the ramifications of the surplusing of the Sunflower Army Ammunition Plant property. He pointed out that Sunflower and New Century are not that far away from each other.

Mr. Metcalfe reported that the retainer agreement with Corporate Communications Group (CCG) has expired and has not been renewed. He pointed out that we did not utilize CCG's services a great deal in 1997. Mr. Metcalfe stated that Mr. Engelmann has proposed that the E.D.C. provide marketing services for the Airport Commission. He also added that the Airport Commission could still utilize CCG on special events.

Mr. Nohe inquired about the status of the jail facility. Commissioner Wysong reported that the facility is on schedule to open in February, 1999. Mr. Nohe also asked about Woodstone Apartments. Mr. Metcalfe reported that the apartments were not sold and, as far as he knows, are still on the market. Mr. Fogel stated that the rehabilitation of the apartments was more costly than the prospect could justify.

Mr. Metcalfe gave an update on Triangle Park. Staff is in the process of submitting paperwork to get the property released from the Federal Aviation Administration (FAA). The Johnson County Library is requesting approximately 3 acres to build a library. Mr. Metcalfe stated that the issue would be how the land would be compensated for. Mr. Nohe stated that the Airport Commission should get the best economics out of the property.

Mr. Metcalfe reported on the status of the golf course Request for Qualifications (RFQ). Two responses were received. Staff will be meeting with Research Development Corporation to review the proposal.

Mr. Viets asked about the south entrance to the airport and if staff had met with the City of Gardner to discuss the issue of development surrounding the entrance into the airport. Mr. Metcalfe reported that staff has had several conversations with city planning staff. While the city is generally understanding and supportive of the Airport Commission's concerns, there is some concern on the part of the city about the Airport Commission getting too involved in the city's land use decisions. Mr. Metcalfe continues to be in close touch with the city planning staff, who are making a significant effort to include the Airport Commission's priorities in their review of development proposals. Mr. Winn felt that the Airport Commission should concentrate on protecting the north entrance into the airport.

MOVED BY MR. WINN, SECONDED BY MR. NOHE TO ADJOURN INTO EXECUTIVE SESSION AT 10:10 A.M. TO DISCUSS LAND ACQUISITION AND PENDING LITIGATION UNTIL 10:35 A.M. APPROVE (7-0).

V. EXECUTIVE SESSION:

There was no action taken as a result of the executive session.

VI. ADJOURNMENT

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There being no further business, the meeting was adjourned at 10:35 a.m.

P. Martin Nohe, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – February 25, 1998 9:00 a.m. - NEW CENTURY, KS

Airport Commission

Present: Messrs. Meyer, Winn, Mss. Mullin, Thomen

Staff: Metcalfe, Ritter, Dunham, Hilgers, Howell, Perry

Others: Commissioner Annabeth Surbaugh, BoCC
John Engelmann, Southwest Johnson County E.D.C.
Jerry Fogel, J.P. Fogel and Company
Nathan Anderson, J.P. Fogel and Company
Dennis McGuire, Fire District #1
Chuck Cottengim, Executive Beechcraft
Marilyn Snider, County Auditor
Tony Huddleston, County Auditor
Jannelle Mabe, County Auditor

Chairman Thomen called the meeting to order at 9:00 a.m.

(NOTE: Heading and paragraph numbers and letters correspond to Agenda numbers and letters. Items are listed in order of discussion.)

I. APPROVAL OF THE MINUTES:

MOVED BY MR. MEYER, SECONDED BY MS. MULLIN, TO APPROVE THE MINUTES OF THE JANUARY 28, 1998 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (4-0).

II. REPORT OF THE CHAIRMAN:

A. Report of County Auditors.

Chairman Thomen welcomed Marilyn Snider, Janelle Mabe and Tony Huddleston of the County Audit Department. The Airport Commission has been selected for a routine county auditing process. Ms. Snider reported that a routine audit was being performed on the Airport Commission, with a review of the Airport Commission's financial statements. The audit will be completed within a month and a report will be distributed for the Airport Commission's review shortly thereafter.

B. Joint Boards Meeting.

Chairman Thomen reported that an upcoming Joint Boards Meeting will be held March 25, 1998 from 4:30 p.m. to 6:00 p.m. at the Johnson County Parks and Recreation facility. The focus of the meeting will be to ask the BoCC to provide input on the role of the county boards in light of the Visioning Committee's report.

III. CONSENT AGENDA ITEMS:

- A. Consider approving the fourth revision to the New Century AirCenter Airport Layout Plan (ALP) for submittal to the Federal Aviation Administration (FAA).

MOVED BY MR. WINN, SECONDED BY MS. MULLIN TO APPROVE THE ITEM ON THE CONSENT AGENDA. APPROVED (4-0).

IV. EXECUTIVE SUMMARY:

- A. Review staff reports.

Mr. Perry reported that the west parallel taxiway construction project at Executive Airport is essentially complete. Staff will be accepting an award for “Best Portland Concrete Project in Kansas” for this project.

County Risk Management officials have contacted staff to discuss the use of abandoned runway for driver’s training for county agencies. Subject to approval by the Federal Aviation Administration (FAA), Risk Management will repave the runway at an estimated cost of \$40,000 – 50,000. Security procedures and signage would be provided by Risk Management. Staff will keep the Airport Commission informed on any developments.

Mr. Perry reported that notices were sent out to t-hangar tenants who were delinquent in their rental payment and for non-aviation use of t-hangars, and added that no response was received. Staff has discussed the issue with legal counsel, and recommends proceeding with the eviction process. Mr. Perry stated that staff is not optimistic that the delinquent rent will ever be recovered. He also stated that the t-hangar lease specifically states that the hangars are to be used for aviation-related use only, and one tenant has multiple cars stored in the t-hangar and no airplane.

Mr. Hilgers reported on the power house project, which is expected to be completed late March or early April. The fire station is proceeding well with expected completion in late July. Staff has submitted specifications to the Purchasing Department for a backhoe and power sweeper.

- B. Summary of Financials.

Ms. Howell stated that the Finance Department has not closed out the financials for 1997. Staff has not received any 1997 final financial information at this time.

- C. Consider ratifying the October, November and December expenditures as presented.

There were no questions regarding the expenditures.

MOVED BY MR. MEYER, SECONDED BY MR. WINN, TO RATIFY THE JANUARY EXPENDITURES AS PRESENTED. APPROVED (4-0).

V. **DISCUSSION ITEMS:**

- A. Consider recommending to the BoCC to establish a capital project to construct new t-hangars at New Century AirCenter and defease the outstanding debt from the 1992 revenue bond issue.

Mr. Perry stated that staff met with the Finance Department to review the options for financing the proposed t-hangars. The construction cost for the new t-hangars would be \$2.6 million. There is currently \$1 million in outstanding revenue debt from the 1992 issue. Staff recommends refinancing the outstanding debt along with the new construction amount, although the Finance Department will have research the issue due to the language in the revenue bonds. Mr. Perry reported that the spread for general obligation bonds and revenue bonds is only 20-30 basis points at this time, but still recommends pursuing general obligation bonds. Staff also supports the original proposed location of the t-hangars just to the south of the existing north t-hangars.

CONSENSUS OF THE AIPORT COMMISSION WAS TO HAVE STAFF REPORT ON THE ISSUE AT THE MARCH MEETING.

- B. Consider approving and declaring as surplus the double-wide mobile home currently used as a temporary housing for the personnel manning the fire station at New Century AirCenter.

Ms. Dunham, Legal Counsel, reported that in order to dispose of the mobile home, the state statute requires that the BoCC declare the property as surplus and that a public sale be conducted. Mr. Meyer was concerned if this was most beneficial way of getting the best price for the mobile home. Mr. Hilgers stated that the BoCC has the authority to reject a bid. Once the BoCC approved the disposal of the property, the Purchasing Department will then prepare the bid. The 30' X 80' mobile home was purchased in 1991 for \$63,000.

MOVED BY MR. MEYER, SECONDED BY MS. MULLIN, TO RECOMMEND THAT THE BOCC DECLARE AS SURPLUS THE DOUBLE-WIDE MOBILE HOME CURRENTLY USED AS TEMPORARY HOUSING FOR THE PERSONNEL MANNING THE FIRE STATION AT NEW CENTURY AIRCENTER. APPROVED (4-0).

- C. Consider approving a proposal submitted by the Southwest Johnson County E.D.C. to provide marketing services for New Century AirCenter.

Mr. Metcalfe reported that the marketing agreement with Corporate Communications Group expired in December, 1997. The E.D.C., together with its consultant, Wilkes Design, Inc., has proposed to provide marketing services for the Airport Commission, such as a local awareness print ads, and the quarterly *Progress* newsletter.

Mr. Winn asked if the Airport Commission would still be able to contract with CCG for special events such as the 25th Anniversary of New Century AirCenter. Mr. Metcalfe replied that the Mr. Nohe, who is the Special Events Chairman, has already requested utilizing CCG for the anniversary celebrations.

MOVED BY MR. WINN, SECONDED BY MS. MULLIN, TO CONTRACT WITH THE E.D.C. FOR THE PRODUCTION THE QUARTERLY NEWSLETTER AND LOCAL PRINT ADS CAMPAIGN, FORMERLY PRODUCED BY CCG, IN AN AMOUNT NOT TO EXCEED \$25,000.00. APPROVED (4-0).

D. Report from President, Southwest Johnson County E.D.C.

Mr. Engelmann reported that the Human Resources Task Force is working on a series of campaign ads to be placed in various local newspapers. He also reported on three prospects that are interested in New Century AirCenter that have large acreage requirements.

E. Report from J.P. Fogel.

Mr. Fogel reported that Sprint/North Supply has leased the Dazey Corporation and Toro's facilities at New Century AirCenter. The company is growing rapidly and an expansion of their warehouse is planned for this summer. Mr. Winn asked Mr. Fogel to identify Sprint's primary suppliers and vendors.

IV. BUSINESS FROM THE FLOOR:

Mr. Fogel stated that the closing of Richards-Gebaur was again discussed at the Chamber of Commerce's Aviation Committee meeting, with Ray Anderson stating that the closure was a 95% done deal. The spillover will definitely impact surrounding airports, including New Century AirCenter.

Mr. Meyer asked about the status of the locomotive. Mr. Metcalfe stated that the locomotive was delivered to the repair shop. A rental locomotive was obtained for a short period until a more cost-effective track-mobile was acquired, although the track-mobile is not as powerful as the rental locomotive.

V. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:56 a.m.

P. Martin Nohe, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – March 25, 1998 9:00 a.m. - NEW CENTURY, KS

Airport Commission

Present: Messrs. Heaven, Meyer, Nohe, Winn, Ms. Thomen

Staff: Metcalfe, Ritter, Dunham, Hilgers, Howell, Perry

Others: John Engelmann, Southwest Johnson County E.D.C.
Darci Rudzinski, Southwest Johnson County E.D.C.
Jerry Fogel, J.P. Fogel and Company
Chuck Cottengim, Executive Beechcraft
Jan Durett, Johnson County League of Women Voters
Bob Cronkleton, K.C. Star
Dana Fenton, Johnson County Office of Financial Management
Doug Robinson, Johnson County Office of Financial Management

Chairman Thomen called the meeting to order at 9:00 a.m.

(NOTE: Heading and paragraph numbers and letters correspond to Agenda numbers and letters. Items are listed in order of discussion.)

I. APPROVAL OF THE MINUTES:

MOVED BY MR. MEYER, SECONDED BY MR. HEAVEN, TO APPROVE THE MINUTES OF THE FEBRUARY 25, 1998 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (5-0).

II. REPORT OF THE CHAIRMAN:

A. Special Events Committee

Mr. Nohe stated that his business has been extremely demanding lately and requested that Mr. Metcalfe take over the Special Events Committee. He also stated that he spoke with several people who were interested in being involved. Mr. Metcalfe will organize the committee and have a meeting in May.

B. Joint Boards Meeting.

A Joint Boards Meeting will be held March 25, 1998 from 4:30 p.m. to 6:00 p.m. at the Johnson County Parks and Recreation facility. The focus of the meeting will be to ask the BoCC to provide input on the role of the county boards in light of the Visioning Committee's report.

III. CONSENT AGENDA ITEMS:

There were no consent agenda items.

IV. EXECUTIVE SUMMARY:

A. Review staff reports.

Mr. Metcalfe report on the fire station project, which is expected to be completed late July. A ribbon-cutting ceremony will be held. He also reported that the Signage Committee has not yet met to discuss the signage requirements at New Century AirCenter. However, a meeting will be scheduled within the next few weeks.

Mr. Perry stated that the annual certification inspection for Part 139 will be held next week. The Federal Aviation Administration (FAA) will be here to inspect the aircraft movement areas of the airfield along with aircraft rescue and fire fighting training. Meeting Part 139 specifications is necessary should we have commercial service traffic at the AirCenter. The Airport Commission also discussed the steps to get the New Century tower into the FAA contract tower program.

Mr. Hilgers reported on the projects at the AirCenter, which are proceeding well. He also reported on the status of the heavy equipment bids, which are currently at the Purchasing Department.

B. Summary of Financials.

Mr. Nohe asked about the water utility figures for year end. Mr. Perry stated that the budget figures assumed the addition of another tenant. We also did not purchase as much water as anticipated from Olathe and Gardner. Mr. Nohe asked for a report on the status of how the water utilities were operating since the water rate adjustment. Mr. Metcalfe stated that staff would report on this issue at the April meeting. He added that the AirCenter has not grown as much as anticipated a few years back, and there has been a reduction in the rate of water consumed by the AirCenter's heavy users. Mr. Metcalfe stated that there may be an opportunity to increase the retail rates. Mr. Nohe suggested that the Airport Commission refocus on utility issues.

C. Consider ratifying the October, November and December expenditures as presented.

Mr. Meyer asked about the amplifier for the control tower. Mr. Perry stated that the communication equipment belongs to the Airport Commission and consists of a tape recorder and consoles. If the AirCenter gets a contract tower, the responsibility would then transfer to the FAA. However, it is likely that the FAA would require the Airport Commission to bring the equipment up do date before they would take over. Mr. Perry also stated that the equipment is 20-25 years old, and we have the same frequency as Des Moines, Iowa. There have been some complaints and the FAA will require us to change frequencies, which will require the replacement of the radios.

MOVED BY MR. MEYER, SECONDED BY MR. NOHE, TO RATIFY THE FEBRUARY EXPENDITURES AS PRESENTED. APPROVED (5-0).

V. DISCUSSION ITEMS:

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- A. Consider recommending to the BoCC to establish a capital project to construct new t-hangars at New Century AirCenter and defease the outstanding debt from the 1992 revenue bond issue.

Mr. Perry reported that the Budget Office and the county's financial advisor, Springstead, calculated that the amount of callable bonds would result in a negative savings in terms of cash flow and recommended not to go ahead with the bond issue. The 1992 bond issue contains strict language on revenue pledges, making it difficult to issue additional revenue bonds based on the t-hangar revenue stream. The only alternative would be to issue general obligation bonds, but staff is not sure that the BoCC would approve these bonds. The first callable bonds on the 1992 issue would be September, 1999. Mr. Nohe suggested bringing the issue back up next summer.

Mr. Winn suggested that staff poll the waiting list to determine if the market would bear an increase in prices if additional t-hangars were built. Mr. Perry stated that in order to cover the additional debt service, the rates would have to increase somewhere between \$32-38 per additional t-hangar. Mr. Metcalfe suggested that it may be appropriate to increase rental rates next year.

CONSENSUS OF THE AIRPORT COMMISSION WAS TO TABLE THE MATTER UNTIL IT WAS DEEMED FINANCIALLY FEASIBLE TO CONSTRUCT ADDITIONAL T-HANGARS.

- B. Consider approving submission to the BoCC of the Capital Improvement Program for the years 1999 – 2003.

Ms. Howell reported that staff has developed a list and description of the proposed projects for the Airport Commission's consideration. One of the new items added to the list is the tower equipment replacement. The terminal will again be submitted for reconsideration, as well as land acquisition.

Mr. Meyer asked which projects would be able to receive funding from the federal government. Mr. Metcalfe stated that our best hope would be the land acquisition project. The FAA encourages land banking, which they define as the Airport Commission acquiring land in anticipation of future expansion of the airfield. When it is determined that the land can be used for the airfield, the FAA would pay us back at the appraised value at the time. However, it is a safe assumption that the FAA will not participate on the CIP near-term.

The Airport Commission discussed the tower equipment replacement. Mr. Heaven asked if the tower equipment at Richards-Gebaur could be purchased. Mr. Metcalfe replied that staff would investigate this issue further. The consensus of the Airport Commission was that the tower replacement was very important and recommended moving the tower replacement item to a top priority.

MOVED BY MR. NOHE, SECONDED BY MR. WINN TO ACCEPT STAFFS SUBMISSION TO THE BOCC FOR THE CAPITAL IMPROVEMENT PROGRAM FOR TE YEARS 1999 – 2003, WITH THE MODIFICATION THAT THE TOWER EQUIPMENT ITEM BE UPGRADED TO A PRIORITY #1. APPROVED (5-0).

- C. Recommend to the BoCC approval of a resolution of intent to issue \$3.6 million in tax-exempt private activity bonds to refund the remaining balance of an \$8 million original issue for Shade Foods.

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Mr. Metcalfe stated that Shades is refinancing to take advantage of the low interest rates. The terms of the lease have not changed.

MOVED BY MR. WINN, SECONDED BY MR. HEAVEN TO RECOMMEND TO THE BOCC APPROVAL OF A RESOLUTION OF INTENT TO ISSUE \$3.6 MILLION IN TAX-EXEMPT PRIVATE ACTIVITY BONDS TO REFUND THE REMAINING BALANCE OF AN \$8MILLION ORIGINAL ISSUE FOR SHADE FOODS, INC. APPROVED (5-0).

D. Report from President, Southwest Johnson County E.D.C.

Mr. Engelmann stated that an ad has been placed in the Kansas City Business Journal, highlighting the advantages of a land lease at New Century AirCenter. Future ads will contain testimonials by BF Goodrich/JcAir and Danisco Ingredients, USA, Inc.

The Human Resource Task Force met with the County Transportation department to discuss bussing opportunities at the AirCenter. The Task Force is also contracting with CERI, Inc. to conduct a wage, salary and benefits survey.

Prospect activity has been at a high level over the last few weeks. He reported on the prospects, which include an aviation industry supplier. Two construction firms have recommended New Century AirCenter to these clients. An electronics company has also inquired about land at the AirCenter.

Mr. Engelmann introduced Darci Rudzinski, E.D.C. Intern. Ms. Rudzinski has completed the "Guide to Development at New Century AirCenter." This user-friendly guide will assist prospects by informing them on what the process is to locate their company at the AirCenter. Mr. Winn reviewed the document and complimented staff, adding that the guide was an excellent tool.

Mr. Engelmann invited the Airport Commission to the E.D.C.'s quarterly meeting on April 8, 1998. Jack Wimer will be the guest speaker.

E. Report from J.P. Fogel.

Mr. Fogel reported that J.P. Fogel and Company is reproducing the ad that the E.D.C. placed in the Kansas City Business Journal, adding that the ad has been very helpful. He asked how to get the name "Industrial Airport" dropped from the weather channels. Mr. Perry stated that the airspace above New Century AirCenter still says Industrial Airport. The FAA will formally change the airspace and change the name on June 17, 1998. The weather service will change the name on their reports at that time.

IV. **BUSINESS FROM THE FLOOR:**

Mr. Nohe inquired about the status of Triangle Park. Mr. Metcalfe stated that the full package for the parcels of land will be submitted to the BoCC and then to the FAA for formal release of the property

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from restrictions.

Mr. Metcalfe reported on the bank's proposal to construct a kiosk at the AirCenter, which is going through several changes. The bank now wants to construct a 900 sq. ft. branch building. Mr. Metcalfe described the proposed building, which includes landscape and lighting for security reasons. The remaining issue is the signage. A revised plan goes before the township board, and then to the BoCC. Mr. Metcalfe requested that Airport Commission members be present at the BoCC meeting.

V. EXECUTIVE SESSION:

MOVED BY MR. HEAVEN, SECONDED BY MR. NOHE TO ADJOURN INTO EXECUTIVE SESSION AT 10:07 A.M. TO DISCUSS THE EXECUTIVE DIRECTOR'S PERFORMANCE EVALUATION UNTIL 10:20 A.M.

VI. ADJOURNMENT

The meeting reconvened at 10:20 a.m.

MOVED BY MR. WINN, SECONDED BY MR. MEYER TO ADJOURN THE MEETING AT 10:21 A.M.

There being no further business, the meeting was adjourned at 10:21 a.m.

P. Martin Nohe, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – April 22, 1998 9:00 a.m. - NEW CENTURY, KS

Airport Commission

Present: Messrs. Heaven, Meyer, Nohe, Viets, Winn, Ms. Thomen, Mullin

Staff: Metcalfe, Ritter, Dunham, Hilgers, Howell, Perry

Others: Commissioner Annabeth Surbaugh, BoCC
John Engelmann, Southwest Johnson County E.D.C.
Nathan Anderson, J.P. Fogel and Company
Chuck Cottengim, Executive Beechcraft
Ray Olsen, Ray Olsen, L.L.S.

Chairman Thomen called the meeting to order at 9:00 a.m.

(NOTE: Heading and paragraph numbers and letters correspond to Agenda numbers and letters. Items are listed in order of discussion.)

I. APPROVAL OF THE MINUTES:

MOVED BY MR. MEYER, SECONDED BY MR. HEAVEN, TO APPROVE THE MINUTES OF THE MARCH 25, 1998 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (5-0).

II. REPORT OF THE CHAIRMAN:

A. Special Events Committee.

Mr. Metcalfe discussed possible ideas for the special event that will be held for the 25th Anniversary of New Century AirCenter, including a resident business open house, trolleys, and rides on railcars or the Constellation or “Connie” airplane. Mr. Meyer asked legal counsel to investigate making sure that the Airport Commission and county would not be responsible for liability issues related to the “Connie.” He also commented that waivers may need to be signed. Consensus of the Airport Commission was the proposed concept for the special events was appropriate.

B. Business Ambassador Program.

Chairman Thomen stated that the Southwest Johnson County E.D.C. will be conducting a “Business Ambassador Program”, similar to the program designed for the City of Gardner and its businesses. Chairman Thomen stated that the Airport Commission should contact Mr. Engelmann if they would like to volunteer for the program.

III. CONSENT AGENDA ITEMS:

There were no consent agenda items.

IV. EXECUTIVE SUMMARY:

A. Review staff reports.

Mr. Perry reported on the FAA Part 139 inspection of New Century AirCenter on March 30, 1998. The inspection was conducted by the Federal Aviation Administration (FAA), which inspects airfields that are eligible for commercial services and have a license to operate as a commercial airport. The FAA also conducted a night-time inspection, which has not been done for several years. The inspections went extremely well.

Mr. Viets stated that a recent airplane accident resulted in a lawsuit against an airport and asked if our airports are insulated. Mr. Perry responded that the Airport Commission does not have oversight with the Fixed Base Operators (FBOs), but rather a contractual service agreement. In the lease there is a hold-harmless clause that states the FBO would defend the Airport Commission in the event there was a lawsuit.

Mr. Hilgers reported that the powerhouse project is near completion and is under budget. He also reported on the fire station project. The concrete base has been poured and the road to the taxiway will be started next month. This project has an expected completion date of late July.

Ms. Howell reported that staff still has not received the preparation package for the 1999 budget from the Budget Office. She explained that the budget submission deadline falls before the next Airport Commission meeting. Mr. Metcalfe advised that he had notified the Budget Office that the budget would not be submitted until after the Airport Commission had approved it at their May 27 meeting. The Budget Office indicated that would be acceptable, but requested a copy of the draft budget as soon as it was ready for presentation to the Airport Commission.

B. Summary of Financials.

There were no questions or comments regarding the financials.

C. Consider ratifying the March expenditures as presented.

Mr. Meyer requested that staff elaborate more on the expenditures list depicting exactly what the conventions that staff attended were for, such as airport-related, finance-related, etc. Mr. Metcalfe stated that staff is talking with the auditors on how to change the format of the report.

Mr. Meyer asked about the generator maintenance agreement. Mr. Hilgers reported that the invoiced amount was for quarterly inspections on the generator.

MOVED BY MR. MEYER, SECONDED BY MR. NOHE, TO RATIFY THE MARCH

EXPENDITURES AS PRESENTED. APPROVED (7-0).

V. DISCUSSION ITEMS:

A. Discuss 1997 carry-over.

Mr. Metcalfe discussed the 1997 carry-over. It includes \$150,000 budgeted last year for debt service on temporary notes and the fire station payment. These notes were not issued by the Finance Department, and resulted in no payment in 1997. Mr. Metcalfe discussed the options for the carry-over, such as funding the special anniversary events, repair costs for the locomotive, communications equipment for the control tower, repair expenses for the railroad track, land acquisition, demolition of the old archives building, and infrastructure. Mr. Metcalfe stated that an option would be to establish a capital reserve account, but in the past there has been resistance from the BoCC to allow capital accounts for departments. Commissioner Surbaugh asked what was the reasoning for the resistance. Mr. Metcalfe stated that he was unsure exactly why there was resistance to establishing capital reserve accounts. Mr. Heaven suggested that the Airport Commission revisit the issue and request that the BoCC approve an account to be established and then prioritize the items. Commissioner Surbaugh stated that an option would be to choose one item and set up an account. Mr. Winn commented on the infrastructure needs, and suggested that a “project” account be established for the miscellaneous projects. Mr. Nohe suggested that the Airport Commission and staff set up five specific project accounts and request authority to proceed with each account. Mr. Viets favored setting up one account for all projects.

CONSENSUS OF THE AIRPORT COMMISSION WAS TO SET UP FIVE INDIVIDUAL PROJECT ACCOUNTS AND REQUEST AUTHORITY TO PROCEED WITH EACH ACCOUNT.

B. Revisit CIP.

Mr. Metcalfe explained that staff is in the process of putting together a resubmission of the CIP from the previous year’s CIP. He stated that the recently-submitted CIP was different than what the CIP Committee and BoCC approved last year. The Airport Commission discussed priorities if the Airport Commission would receive CIP funding, such as pavement rehabilitation. Mr. Metcalfe stated that the pavement rehabilitation is the most pressing need due to airplane use of the taxiways. Another important item is road development. Consensus of the Airport Commission and staff was to complete the pavement rehabilitation since it is a liability issue.

MOVED BY MR. NOHE, SECONDED BY MR. HEAVEN TO APPROVE THE REVISED CIP AS SUBMITTED FOR THE YEARS 1999 – 2003. APPROVED (7-0).

C. Preliminary Budget Discussion.

Mr. Metcalfe informed the Airport Commission that the BoCC must cut \$4.7 million from the County’s overall budget to balance it for 1999. The Airport Commission’s self-generated revenues and operating revenues have remained essentially flat over the past few years. Mr. Metcalfe stated that all but \$400,000 of the Airport Commission’s budget has been dedicated to specific line items,

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and asked the Airport Commission's input and general guidance on what the priorities should be for the remaining moneys. Mr. Meyer directed staff to prepare a report breaking down the expenses between discretionary and fixed items.

D. Consider authorizing the chairman to sign a "Landlord Estoppel Certificate" for New Century Partners, L.L.C. for the refinancing of 100-150 New Century Parkway.

Mr. Metcalfe stated that New Century Partners is refinancing their loan and the lender is requiring an estoppel certificate. Staff and legal counsel has reviewed the certificate and the only change needed is an address change. Mr. Heaven had a few minor revisions to the certificate and gave his changes to legal counsel for review. Mr. Metcalfe stated that staff has verified that the company is not in default of the lease and is current in their payments.

MOVED BY MR. WINN, SECONDED BY MR. NOHE TO AUTHORIZE THE CHAIRMAN TO SIGN A "LANDLORD ESTOPPEL CERTIFICATE" FOR NEW CENTURY PARTNERS, L.L.C., FOR THE REFINANCING OF 100-150 NEW CENTURY PARKWAY. APPROVED (7-0).

E. Report from President, Southwest Johnson County E.D.C.

Mr. Engelmann reported that the Human Resources Task Force Committee met with the County Transit Department to discuss commuting routes. He also reported on several projects, one of which is a 30,000 sq. ft. facility which would be located between deElliott Company and Midwest Air Traffic Control Services on Prairie Village Drive. No abatements were given to the company and a press release will be forthcoming. Mr. Engelmann also reported that he is working with a client that is in need of a 15-20 acre site for a 300,000 sq. ft. building for their operations. He informed the Airport Commission that the AirCenter is one of eight potential sites.

The *Progress* newsletter is essentially complete and will be mailed out within the next few weeks. This edition highlights the advantage of leasing land and also focuses on some of the resident businesses at the AirCenter.

F. Report from J.P. Fogel.

Mr. Anderson stated that there has been increased activity on inquiries at New Century AirCenter over the past few months. A local company investigated the possibility of locating their operations in the Dazey Corporation building, but found that the building was too large. However, the company may be interested in building at the AirCenter. A manufacturing company is also inquiring about land at the AirCenter in which to construct a 300,000 sq. ft. building. The AirCenter is one of three potential sites. Mr. Anderson also reported that North Supply recently financed an expansion to their building and will be vacating the Toro and Dazey buildings when their new addition is complete.

Mr. Anderson stated that from the previous discussions of developing land at the AirCenter, he felt that it made perfect sense to proactively develop the areas, concluding that it would provide more opportunities. Mr. Meyer feels that we needed to be cautious where we are placing companies where our plans are to build future roads. Mr. Metcalfe stated that the upcoming project would not

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interfere with the plans, adding that the master plan may need to be updated. Mr. Metcalfe stated that it might be necessary to retain a firm to assist staff and the Airport Commission on where roads needed to be placed.

IV. BUSINESS FROM THE FLOOR:

There was no business from the floor.

V. ADJOURNMENT

MOVED BY MR. VIETS, SECONDED BY MR. NOHE TO ADJOURN THE MEETING AT 10:25 A.M.

P. Martin Nohe, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – May 27, 1998 9:00 a.m. - NEW CENTURY, KS

Airport Commission

Present: Messrs. Heaven, Meyer, Nohe, Ms. Thomen, Mullin

Absent: Messrs. Viets, Winn

Staff: Metcalfe, Ritter, Dunham, Hilgers, Howell, Perry

Others: John Engelmann, Southwest Johnson County E.D.C.
Nathan Anderson, J.P. Fogel and Company
Jerry Fogel, J.P. Fogel and Company
Ray Olsen, Aircraft Owners and Pilots Association
Dana Fenton, Office of Financial Management
Janelle Mabe, Auditor's Office
Marilyn Snider, Auditor's Office
Tony Huddleston, Auditor's Office
Jim Keevan, Arco Construction
Michael Fishman, New Century Partners

Chairman Thomen called the meeting to order at 9:00 a.m.

(NOTE: Heading and paragraph numbers and letters correspond to Agenda numbers and letters. Items are listed in order of discussion.)

I. APPROVAL OF THE MINUTES:

MOVED BY MR. HEAVEN, SECONDED BY MR. MEYER, TO APPROVE THE MINUTES OF THE APRIL 22, 1998 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (5-0).

II. REPORT OF THE CHAIRMAN:

Chairman Thomen informed the board that Vice-Chairman Heaven will take over the meeting at 9:40 a.m.

III. CONSENT AGENDA ITEMS:

There were no consent agenda items.

IV. EXECUTIVE SUMMARY:

A. Review staff reports.

Staff had no additional comments to their Executive Summary.

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B. Summary of Financials.

There were no questions or comments regarding the financials.

C. Consider ratifying the April expenditures as presented.

There were no questions or comments regarding the expenditures.

MOVED BY MR. MEYER, SECONDED BY MR. NOHE TO RATIFY THE APRIL EXPENDITURES AS PRESENTED. APPROVED (5-0).

V. **DISCUSSION ITEMS:**

A. Discuss audit report findings.

Marilyn Snider, county auditor, reported on the audit of the Airport Commission's financial statements. Ms. Snider reported that the statements were fairly stated and there had been some minor suggestions made to the financial statements. Mr. Nohe asked if there were any objections from staff to the suggestions. Mr. Metcalfe reported that there were no objections, adding that staff needs to discuss with the Airport Commission what they would like to learn from the financials. Mr. Meyer stated that additional comments in the expenditure list would be helpful. Ms. Snider stated that a meeting would be held in the BoCC hearing room on June 22, 1998 at 2:30 p.m. to discuss the audit report.

E. Consider approving the Fifth Lease Modification Agreement for Crow-Spaulling #7 Limited Partnership to add 7.07 acres to the Crow-Spaulling leasehold for the expansion of the Sprint North Supply Warehouse.

Mr. Metcalfe stated that Sprint North Supply is expanding their warehouse located at 500 Sumner Way at the AirCenter. The documentation is still being finalized for the 5th lease modification for Crow-Spaulling #7 Limited Partnership. Staff proposed approval of the lease subject to legal counsel and staff's review and authorizing the chairman to sign the lease. Mr. Metcalfe stated that the terms, conditions and rates to the new lease are the same as the existing lease.

MOVED BY MR. HEAVEN, SECONDED BY MS. MULLIN TO APPROVE THE FIFTH LEASE MODIFICATION AGREEMENT FOR CROW-SPAULDING #7 LIMITED PARTNERSHIP TO ADD 7.07 ACRES TO THE CROW-SPAULDING LEASEHOLD FOR THE EXPANSION OF THE SPRINT NORTH SUPPLY WAREHOUSE SUBJECT TO LEGAL COUNSEL AND STAFF'S REVIEW, AND TO AUTHORIZE THE CHAIRMAN TO EXECUTE THE AGREEMENT. APPROVED (5-0).

VI. **BUSINESS FROM THE FLOOR:**

Mr. Michael Fishman, New Century Partners, stated he represents a company called Leawood Drive Associates, L.L.C. This company has a contract to purchase the leasehold interest owned by Buck

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Rogers with respect to the property located at 201 Leawood Drive. Mr. Fishman did an extensive research on the taxability of the building and came to the conclusion that the way the building and property is treated from a tax standpoint may not be appropriate. Mr. Fishman has had several discussions with Ms. Cindy Dunham, county legal counsel. He prepared and submitted an estoppel certificate, in which the Airport Commission would agree that the ground leases are in full force and effect. The estoppel agreement is in standard form and also contains a consent to the assignment of the lessee's interest under the ground lease from Mr. Rogers to Leawood Drive Associates, L.L.C. In light of the tax situation, Ms. Dunham had some discomfort as to whether or not the county would be waiving its right to claim that the property was taxable if it signed the estoppel certificate. Mr. Fishman stated that the estoppel certificate and consent to the assignment would be needed to close the deal. Mr. Fishman also stated that he was not here to debate the taxability issue. He felt that this was something that should be discussed at a later time. He asked the Airport Commission consider the agreement so his company could continue with the closing.

Ms. Dunham stated that Mr. Fishman has accurately stated what the two have discussed for several months. The leases with Mr. Rogers and Olathe Manufacturing were originally Industrial Revenue Bonds (IRBs) from the mid-1980's. The bonds were paid off early in 1988. Since 1989 or 1990, the building has been shown as being owned by Mr. Rogers or Olathe Manufacturing on the tax rolls and by an order by the Board of Tax Appeals (BOTA.) As such, it has been viewed as owned by Mr. Rogers or one of his entities and has been taxed as such. It has never been treated as exempt property since 1989 or 1990. Ms. Dunham stated that there has been some inconsistency of the documentation on the transfers of the properties. However, the treatment of the county has been consistent since that time. Ms. Dunham agrees that this is not the forum to decide if the property is exempt or not; however, any type of consent or agreement that the Airport Commission enters into would need to fully preserve any rights to question, not just tax exemptions, but also ownership questions. Ms. Dunham stated that the Airport Commission needed to be cautious to preserve their rights to raise questions in the future, concluding that the agreement needs to be carefully crafted. Ms. Dunham felt that some revisions to the agreement would need to be made before she could recommend action by the Airport Commission.

Mr. Fishman stated that Mr. Rogers requested that the estoppel be signed and the consent to assignment be given. Mr. Fishman stated that the company would continue to lease the building to Toro Company as it is currently being done. Mr. Nohe asked if the sale is time-sensitive. Mr. Fishman replied that it was and is scheduled to close June 1st. The final piece of business would be the Airport Commission's consent to assignment and the estoppel certificate. Mr. Heaven asked if we had seen the assignment. Ms. Dunham replied that we have not. Mr. Heaven summarized that we were being asked to consent to something that we have not seen. He asked why there was an issue between the Airport Commission, Mr. Rogers and Mr. Fishman on the taxability of the building when the BOTA order already decided this. Ms. Dunham stated that Mr. Fishman suggests that the BOTA order is incorrect and he has raised the possibility that he may seek exemption, and also plans to seek refunds for the years that Mr. Rogers has paid taxes. Mr. Metcalfe stated that the reason the BOTA order read the way it does because of the way the application was written. He stated that judgement was necessary on a case-by-case basis as to whether there was an intent for the property to be exempt because the leases do not specifically address that. Mr. Metcalfe stated that the key determining factor was whether there was a provision for the payment of building rent based on what the taxes would be if the property were taxable. Mr. Metcalfe stated that this language was not in this lease. Another

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item that was confusing was that Mr. Rogers has in the past claimed to own the building, although there was no documentation in the Airport Commission's file. Mr. Metcalfe had no reason to believe otherwise that he owned the building.

Ms. Dunham stated that she did not feel there was a need to have an executive session to discuss this issue further. Mr. Fishman proposed to close with an assignment in the lessee's interest in the lease, where Mr. and Mrs. Rogers assign their interest under both ground leases to Leawood Drive & Associates, L.L.C., along with any right that they may have with respect to the tax claim, and also an assignment of the lessor's interest in a sublease with the Toro Company. The assignment would most likely contain standard warranties of title but in all other respects would be customary in form. The lease has an option to purchase the improvements, but there is no evidence that the option has been exercised. Mr. Heaven asked Mr. Fishman where he believed the appropriate forum would be to discuss the tax issue. Mr. Fishman stated that he felt the issue should be discussed in front of BOTA. Mr. Heaven then asked Mr. Fishman if he believed that Leawood Drive Associates or Mr. Rogers had any intentions or claims they may have against the county or Airport Commission. Mr. Fishman responded that if any claims or requests were made, it would consist of a refund, but the proper forum first would be in front of the Airport Commission, and then district court. If the building is owned by the county, there are currently no rental payments for the building and no rental payment in lieu of taxes clause, so the only payment being received by the county would be under the service agreement for the ground lease.

In conclusion, Mr. Metcalfe stated that staff was not prepared to recommend anything at this point, and suggested that the Airport Commission allow legal counsel and staff thirty days to review the information. Mr. Heaven concurred, adding that the Airport Commission would need to see the documentation on the assignment of the lease before the Airport Commission could consent. Chairman Thomen concurred.

Consensus of the Airport Commission was to follow staff's recommendation on further study of the information, hoping that it would not hinder the sale. A special meeting may be necessary to address the item if appropriate.

V. DISCUSSION ITEMS:

B. Consider approving a ground lease for K.C.R., L.L.C., a third-party developer for a built-to-suit facility for Heartland Precision Fasteners, Inc.

Mr. Metcalfe stated the K.C.R., L.L.C. is an organization comprised of principles from Rose Construction Company, who will be constructing the building for Heartland Precision Fasteners. Heartland Precision Fasteners is an Olathe-based company that has seen some considerable growth recently and have outgrown their current leased facility. Mr. Metcalfe discussed the proposed lease with the Airport Commission, adding that there may be room for some negotiations. The proposed structure of the escalators are every five years with an inflation adjustment based on the Consumer Price Index (CPI.) The proposed lease calls for a .06 per square foot rate for ten years.

Mr. Heaven suggested that legal counsel add a clause to reflect that the lease be subject to the existing declarations and restrictions. Mr. Meyer asked about the caps on the CPI's, adding that

caps are not to the county's advantage necessarily. He also stated that the lease rate seemed to be too low. Mr. Metcalfe stated that staff was anxious to negotiate a deal, but added that the final approval was the Airport Commission's decision. Mr. Nohe stated that if the lease rate is below market, then we should adjust for inflation with extensions. Mr. Metcalfe felt that the .06 per square foot may be negotiable with the company. Mr. Meyer stated that the Airport Commission should have a policy with regards to lease rates, which should be followed with consistency, but acknowledged that there may be exceptions. Mr. Metcalfe stated that the Airport Commission has allowed latitude, and staff tries to use good judgement on matters while also closing the deal. He stated that the Airport Commission was also competing with some relatively inexpensive land, making price an issue. Mr. Metcalfe stated that staff typically quotes .08 per square foot, usually ending around .06 or .07 a square foot. He stated that he would go back to the company and negotiate certain points. Mr. Meyer stated that he would like to see the cap removed on the CPI but would accept the .06 per square foot lease rate. Mr. Metcalfe stated that he has informed K.C.R. that the final decision is made by the Airport Commission and not by staff.

MOVED BY MR. NOHE, SECONDED BY MR. MEYER, TO APPROVE THE FORM OF THE LEASE WITH K.C.R., L.L.C. WITH TERMS NO LESS THAT CURRENTLY IN THE PROPOSED LEASE AND DIRECT STAFF TO ENHANCE THE AIRPORT COMMISSION'S POSITION BY REMOVING THE CPI CAP. APPROVED (5-0).

C. Consider approving the proposed 1999 Airport Fund operating budget.

Ms. Howell stated that Mr. Fenton with the county budget office was in attendance to answer any questions that the commission may have. She stated that the Airport Commission's operating budget is short by about \$70,000 and suggested rate increases in t-hangar, rail, post office, and water accounts. The rate increases would be effective January 1, 1999. Mr. Perry stated that an outlined proposal would be presented to the Airport Commission in June on the t-hangar rate increase. Mr. Perry will send out notices to t-hangar tenants regarding the meeting, affording them the opportunity to commit on the proposal. Mr. Heaven stated that staff has done an excellent job of determine what areas to suggest an increase to cover the shortfall. Mr. Metcalfe stated that the last water increase was done over three years ago.

MOVED BY MR. NOHE, SECONDED BY MR. MEYER TO APPROVE THE BUDGET WITH THE PROPOSED INCREASES AS SUBMITTED BY STAFF WITH THE INCREASES TO BECOME EFFECTIVE NO LATER THAN JANUARY 1, 1999. APPROVED (4-0).

D. Review and approve proposed uses of carried-over funds for the 1997 budget.

Mr. Metcalfe stated that staff has learned that the Airport Commission will not be getting any CIP funds for next year. The carried-over funds are the only funds that the Airport Commission would be able to use for additional projects, subject to BoCC approval. Mr. Metcalfe stated that the proposed uses could be reduced somewhat, allowing for more flexibility. Mr. Fenton suggested having an operating reserve for this year. He stated that the tower project rated very high with the CIP Committee, but understood that the Airport Commission wanted to complete the project this year. The county is facing several big issues, such as the Year 2000 problem, and recommends that the county departments establish an operating reserve for unexpected projects. Mr. Metcalfe

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suggested that staff approve the projects as previously submitted, and set up a project account for the tower equipment project.

MOVED BY MR. NOHE, SECONDED BY MS. MULLIN, TO APPROVE ALTERNATIVE NUMBER TWO, WHICH IS REVISING THE PROPOSED EXPENDITURES TO ALLOW FOR AN OPERATING RESERVE FOR 1998 AND RECOMMEND APPROVAL TO THE BOCC, WITH THE STIPULATION THAT ANY FUNDS STAFF CAN SAVE OUT THE PROJECTS BE THE BASIS FOR THE OPERATING RESERVE ACCOUNT. APPROVED (4-0).

F. Report from President, Southwest Johnson County E.D.C.

Mr. Engelmann reported that *The Progress* has been mailed out and staff is the process of finishing up the second *It's the Lease You Can Do* ad campaign. Danisco Ingredients will be featured in the ad. Mr. Engelmann continues to be busy working with prospective clients.

G. Report from J.P. Fogel.

Mr. Fogel stated that his company continues to work on the lease acceptance campaign as well. He complimented Mr. Engelmann on the ads.

IV. BUSINESS FROM THE FLOOR:

Mr. Heaven stated that he and Messrs. Winn, Metcalfe, Perry and Engelmann met to discuss the existing Covenants, Conditions and Restrictions (CCRs). The consensus was that the CCRs needed to be revised. Mr. Heaven stated that he volunteered to review the CCRs and submit a draft to the Airport Commission, placing more emphasis on the county's regulations and less on the Airport Commission to determine building codes. At the June meeting, Mr. Heaven will distribute a draft copy of the CCRs for the Airport Commission's review and consideration.

V. ADJOURNMENT

MOVED BY MR. MEYER, SECONDED BY MS. MULLIN TO ADJOURN THE MEETING AT 10:25 A.M.

P. Martin Nohe, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – June 24, 1998 9:00 a.m. - NEW CENTURY, KS

Airport Commission

Present: Messrs. Heaven, Meyer, Viets, Winn, Ms. Thomen

Absent: Mr. Nohe, Ms. Mullin

Staff: Metcalfe, Ritter, Dunham, Hilgers, Howell, Perry

Others: John Engelmann, Southwest Johnson County E.D.C.

Jerry Fogel, J.P. Fogel and Company

Ray Olsen, Ray Olsen, L.L.C.

Bob Cronkleton, Kansas City Star

Frank Jenkins, Pilot

Frank Blasco, EAA/AOPA Pilot

Allan Teter, Pilot

Tom Meisenzahl, Kansas City Aviation Center

Kelli Cupp, Kansas City Aviation Center

Kenneth Perkins, Pilot

H.E. Carson, Pilot

Chuck Cottengim, Executive Beechcraft

Gene Linder, Confederate Air Force

Paul Faltermeier, Pilot

Jean Brower, Mid-States Millwork, Inc.

Michael Fishman, Fishman & Co.

C.D. Rogers

Don Jarrett, Johnson County Legal Department

Chairman Thomen called the meeting to order at 9:00 a.m.

(NOTE: Heading and paragraph numbers and letters correspond to Agenda numbers and letters. Items are listed in order of discussion.)

I. APPROVAL OF THE MINUTES:

MOVED BY MR. MEYER, SECONDED BY MR. HEAVEN, TO APPROVE THE MINUTES OF THE MAY 27, 1998 MEETING AS PRINTED AND DISTRIBUTED. MR. WINN ABSTAINED FROM THE VOTE. APPROVED (4-0-1).

II. REPORT OF THE CHAIRMAN:

Chairman Thomen presented Project Coordinator Robert Hilgers with a plaque commemorating his nearly twenty years of service for the Airport Commission. Mr. Hilgers will retire on June 26, 1998. The board expressed its gratitude to Mr. Hilgers for his many years of service. Mr. Hilgers thanked

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the board and airport staff for their support.

III. CONSENT AGENDA ITEMS:

There were no consent agenda items.

IV. EXECUTIVE SUMMARY:

A. Review staff reports.

Staff had no additional comments to their Executive Summary.

B. Summary of Financials.

Mr. Meyer noted that New Century AirCenter's general obligation debt revenue was significantly below projections for the airside. Mr. Metcalfe reported that the low year-to-date was due to Kings Aviation's lease payment, which will increase 100% in June. Mr. Metcalfe felt the annual projection was reasonable.

C. Consider ratifying the May expenditures as presented.

Mr. Meyer inquired about the crane repair. Mr. Metcalfe responded the truck-mounted crane with a bucket was old and needed to be rehabilitated to comply with OSHA standards.

MOVED BY MR. WINN, SECONDED BY MR. MEYER TO RATIFY THE MAY EXPENDITURES AS PRESENTED. APPROVED (5-0).

V. DISCUSSION ITEMS:

A. Review current T-hangar rates at both Executive and New Century and determine if a rate adjustment is supported at this time.

Mr. Perry distributed various comments and letters received by staff from t-hangar tenants who were concerned with the proposed t-hangar rate increase. Many of the tenants felt the increase was too soon after the January, 1997 increase. Some of the tenants questioned whether preventative maintenance was performed on the t-hangars and others didn't know why an increase was necessary just because other airports increased their rates, also suggesting that the existing tenants be grandfathered from the increase.

Staff conducted a survey of surrounding airports, excluding Richards-Gebaur, focusing on Downtown Airport and Lee's Summit. The study revealed that the Airport Commission's t-hangar rates were at the low end of the rental rates. Mr. Perry stated that if the Airport Commission increased the rates, staff suggested an average of \$15 – 20 per month increase, which is a 5-1/2% - 9% increase depending on the size and if utilities are included. This proposed increase would provide \$37,000 per year more revenue if each tenant were to pay monthly. Mr. Perry stated that some of the tenants pay quarterly or annually, in which a discount is applied.

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Mr. Winn asked what the advantages of the new t-hangars were. Mr. Metcalfe stated that the new t-hangars might be more weather-resistant than the oldest t-hangars. Mr. Meyer asked if the t-hangars were a profit center for the Airport Commission, would the t-hangars be at loss or a profit. Mr. Perry reported that annually, the t-hangars generate about \$425,000 per year between both airports. The general obligation debt for the t-hangars is around \$304,000 per year, which is expected to be paid off in 2001. The bonds were sold with all the t-hangar revenue being pledged. The remaining amount of funds provides for maintenance and upkeep of the hangars, airfields and staff costs. Mr. Meyer concluded that the Airport Commission was not making a lot of money of the t-hangars. Mr. Metcalfe stated that it would be difficult to make the t-hangars a cost center, but felt that if all costs were factored in, the costs were probably not being recovered. There are only three sources of revenue for the airfield: t-hangars, fuel flowage fees, and revenues from the Fixed Base Operators (FBOs).

Mr. Heaven asked if the proposed increase would be captured by the bond documents. Mr. Perry felt that it may not be mandatory that this is done, and all revenues are pledged as security. If new t-hangars were built, the revenues would not be factored into the existing formula. Mr. Winn suggested having a two-tier system for the rates. Mr. Metcalfe stated it is feasible, mentioning that the Federal Aviation Administration (FAA) requires that the Airport Commission charge reasonable rates for the t-hangars, which can differentiate between airports. The proposed rate increase does differentiate between the New Century AirCenter and Executive Airport. This is mainly due to the west t-hangars at Executive Airport, which are in desperate need of repair. The Airport Commission discussed maintenance costs for the west t-hangars.

Mr. Winn asked about delaying the increase for long-term tenants, asking what the negative and positive impacts were. Mr. Metcalfe replied that this would delay revenue, and the Airport Commission still has to make up for the \$80,000 shortfall in the 1999 budget. Mr. Perry stated that the increase is proposed to become effective in January 1999, and felt that this was an appropriate amount of notice. Mr. Winn felt that he would prefer a delayed kick-in date as opposed to a tiered system.

Chairman Thomen opened the floor for questions or comments from the t-hangar tenants. Mr. Kenneth Perkins, Hangar D-17, at New Century AirCenter, stated that the last increase took place a year ago and he is retired, and he doesn't feel that the increase is necessary. He has been a tenant for fifteen years and the only maintenance done to his hangar was two light bulbs replaced.

Mr. Allan Teeters, Hangar B-15, stated he would like to see an outline of moneys received for hangars and expenditure, adding that he has not seen any maintenance that has been done to the hangars or the ramp. At this point in time, he does not feel that an increase is justified.

Mr. Frank Blasco, t-hangar tenant at Executive Airport, stated that when the last increase was proposed, the tenants were sent a letter in which they were invited to attend the meeting and comment. He stated that the letter he receive this time, there was no invitation to comment. Mr. Blasco stated that the last increase was 8.33% and now the Airport Commission is proposing a 5.26% increase, resulting in a 14.03% increase in less than last two years. He would like to see the criteria for the increase published with the revenues and expenditures. Mr. Blasco commented on

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the closure of Richards-Gebaur and the t-hangar waiting list, stating that they have to go somewhere. If the increase should be approved, he would like to see maintenance performed on the t-hangars. Most of the t-hangars on the east and west side of Executive Airport, have water in them when it rains. He stated that his hangar gets 1-2” of water in his hangar when it rains. Mr. Blasco also polled the Airport Commission to see how many of the commissioners were pilots and if they had t-hangars. Each of the Airport Commissioners answered that they were not pilots and did not have t-hangars.

Mr. Tom Meisenzahl, Kansas City Aviation Center, asked if the rates were the same for both airports. Mr. Perry responded that the rates range from \$175 – 240 for both airports, and it varies for each row of t-hangars, although there is no difference in prices between the airports at this time. However, it has been suggested that if new t-hangars were built, that a \$5 increase be applied to the Executive t-hangars. Mr. Meisenzahl stated that it appears that Executive Airport is the airport of preference. Mr. Metcalfe stated that a steady increase of inquiries have been received since the Richards-Gebaur announcement.

Mr. Frank Jenkins asked if there was restriction on the t-hangars what they are used for and asked if it was ever considered to build hangars for other storage uses and be charged a different rate. Mr. Perry stated that the t-hangars are for aviation-use only and must have a tail number for periodic inspections. He also stated that staff inspects hangars regularly for violations. Mr. Metcalfe stated that other uses violate fire code and insurance policies. If the t-hangars were used for other purposes, then the property tax exemption would be compromised. Comments were made about one tenant painting in a t-hangar, which flows into the t-hangar next door. Other comments included the slurry seal in front of the t-hangars was bubbling up. Mr. Metcalfe stated that the slurry seal was only a temporary repair. The Airport Commission does not have funds at this time to repair the problem.

Mr. Winn concluded that there is a market demand for the t-hangars and he doesn't want to raise the rates without more maintenance performed, and he would like to have this issue addressed more specifically. Mr. Heaven suggested that the Airport Commission revisit constructing additional t-hangars and feels that there is crying need for them. He also suggested that we reward the current t-hangar tenants with a first chance at the new t-hangars. Mr. Viets suggested that we still consider additional t-hangars at Executive Airport.

Mr. Meyer asked about privatization of the hangars. Mr. Metcalfe stated that staff has been approached twice by private firms interested in constructing t-hangars. However, after staff provided the information requested, there has been no further contact by the firms. Mr. Metcalfe concluded that it is not financially feasible for the firms.

Mr. Winn stated that there is clearly more demand than supply, and doesn't want to be in the position where the rates are increased and the t-hangars does not have the level of the maintenance needed, adding that he would like to see the maintenance concerns addressed. Mr. Winn also commented that he would like to understand what the collateral benefits would be in having additional aircraft at the airports if the Richards-Gebaur closes. He also directed staff to strictly monitor the t-hangars to make sure that they are used for aviation-purposes only.

CONSENSUS OF THE AIRPORT COMMISSION IS TO DIRECT STAFF TO CONDUCT A FULL-COST ACCOUNTING, RECOGNIZING THE ASSUMPTIONS, AND REPORT THEIR FINDINGS TO THE AIRPORT COMMISSION AT THE JULY 22, 1998 MEETING. STAFF IS ALSO DIRECTED TO INVESTIGATE THE POSSIBILITY OF CONSTRUCTING NEW T-HANGARS. APPROVED (5-0).

C. Discuss the status of Leawood Drive Associates L.L.C. (Fishman) transaction.

Mr. Metcalfe stated that staff was approached by Leawood Drive Associates L.L.C. regarding the assignment of the Olathe Manufacturing lease, as previously discussed at the May, 1998 Airport Commission meeting. Mr. Metcalfe introduced chief legal counsel Don Jarrett. Mr. Jarrett reported the lease was reviewed by legal staff, and concluded that the transfer documents have not been located and the transaction needed to be cleaned up. Legal Counsel recommended that if the Airport Commission consented to the assignment of the lease, it should do so on the condition that the status quo be maintained as to ownership, including that the assignee agree that it will continue to be responsible for the payment of taxes. Mr. Jarrett stated that he was not in position to make any concessions at this time regarding the lease transfer.

Mr. Winn asked how much time was remaining on the ground lease. Mr. Metcalfe replied that the base term expires in 2003, but there are options for extending the lease. Mr. Winn stated that this transaction was an Industrial Revenue Bond deal, which was done long ago. Mr. Rogers paid off the mortgage, which leaves the Airport Commission to believe he owns the building. If he doesn't think he owns the building and denies ownership of the building, then the Airport Commission would then own the improvements. Mr. Jarrett responded that Mr. Rogers has been paying taxes. Mr. Rogers stated that there is a lot of history associated with Olathe Manufacturing, adding that he has paid over \$2 million of land fees since he has been a tenant. He stated that he understood that the lease was not the same as ownership and that he could purchase the building for \$10.00. He stated that the building belongs to the county. Mr. Rogers stated that he has a buyer for the lease, adding that the BoCC signed the lease and it is the lease that he wants to sell. Mr. Rogers stated that he once was a promoter of the naval base, but he cannot say that now. He added that he can't even get a solid answer. Mr. Rogers stated that the BoCC signed the lease and now he wants to sell the lease and the county is now telling him he can't sell the lease. Mr. Jarrett stated that the transfer of the lease is not the problem, but rather under what terms and conditions the lease would be transferred.

Mr. Fishman stated the principles of Leawood Drive Associates are attempting to ask the BoCC and the Airport Commission to live up to their contract. He stated that in 1992 taxation was considered by the legislature, 79-201Q, which stated that if airport property is owned by the taxpayer it is nonexempt, if it is not, then it is exempt. Mr. Fishman then read to the board the provision in Article 8 of Mr. Rogers lease, concluding that his claim is that the property should be exempt from the tax rolls and that BOTA issued its decision in error. He stated that Leawood Drive Associates would like to purchase the leasehold. Mr. Fishman then requested that the Airport Commission consent to the lease assignment. Mr. Winn stated that the laws changed in 1992 for non-aviation related property and placed on the tax rolls. He asked how the tax exemption would last beyond 1992. Mr. Fishman stated that the assignment cannot be made until the landlord consents. He added that Mr. Rogers has written a letter asking for consent of the lease assignment,

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concluding that he believes under the circumstances, a jury could say the consent was unreasonably withheld. Mr. Fishman stated that a number of offers have been rejected by the county and subsequently were withdrawn. Mr. Heaven asked if the lease included the building. Mr. Fishman responded that it covers improvements that are on land. Mr. Heaven stated that the IRB indicated once bonds were paid off the building then could be purchased for \$10.00, and assumes part of the \$2 million Mr. Rogers has paid would include the \$10.00. Mr. Metcalfe stated that if it was a valid lease, it would then be in default because there was never approval of subleasing of or improvements made to the property.

Mr. Winn stated that he wondered if we shouldn't file an action for declaratory judgment. Mr. Jarrett stated that it was possible but it would be complicated because the lease was signed before the statute came into effect. Mr. Winn stated that he would rely on legal for a prompt resolution. Mr. Jarrett recommended that the Airport Commission not execute the consent unless there was an understanding of the ownership and payment of real estate taxes.

Consensus of the Airport Commission was to continue the discussion at the July meeting and to direct legal counsel to work with Leawood Drive Associates to determine ways to move forward with the legal issues.

MOVED BY MR. WINN, SECONDED BY MR. MEYER TO DIRECT LEGAL COUNSEL TO RESOLVE AS SOON AS POSSIBLE AND TO BRING THIS ISSUE BEFORE THE AIRPORT COMMISSION AT THEIR JULY MEETING. APPROVED (5-0).

- B. Consider approving a ground lease for the Confederate Air Force for the construction of an 8,000 sq. ft. aircraft hangar.

MOVED BY MR. WINN, SECONDED BY MR. HEAVEN, TO APPROVE A GROUND LEASE FOR THE CONFEDERATE AIR FORCE FOR THE CONSTRUCTION OF AN 8,000 SQ. FT. AIRCRAFT HANGAR. APPROVED (5-0).

- D. Consider approving the third and final extension to the real estate brokerage contract with J.P. Fogel and Company.

MOVED BY MR. HEAVEN, SECONDED BY MR. WINN TO APPROVE THE THIRD AND FINAL EXTENSION TO THE REAL ESTATE BROKERAGE CONTRACT WITH J.P. FOGEL AND COMPANY. APPROVED (5-0).

- E. Report of the President, Southwest Johnson County E.D.C.

Mr. Engelmann reported that there have been three prospect visits, one of which was a potential user for the Dazey Corporation building. E.D.C. staff continues to coordinate the celebration of New Century AirCenter's 25th Anniversary.

- G. Report from J.P. Fogel and Company.

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Mr. Fogel reported on the upcoming SIOR Days and also informed the board of the increased inquiries regarding New Century AirCenter.

E. Report of the Chairman of the Development Committee – CCRs.

Mr. Winn reported that Mr. Heaven has prepared a revised draft version for the Covenants, Conditions and Restrictions (CCRs) for the Airport Commission's review. The board discussed some of the changes proposed in the draft, which will be distributed to the Airport Commission for their input.

VI. BUSINESS FROM THE FLOOR:

There was no business from the floor.

V. ADJOURNMENT

MOVED BY MR. MEYER, SECONDED BY MR. WINN TO ADJOURN THE MEETING AT 10:35 A.M.

P. Martin Nohe, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – July 22, 1998 9:00 a.m. – Executive Airport, Olathe, KS

Airport Commission

Present: Messrs. Meyer, Viets, Winn, Ms. Mullin, Thomen

Absent: Mr. Heaven, Nohe

Staff: Metcalfe, Ritter, Dunham, Howell, Perry

Others: John Engelmann, Southwest Johnson County E.D.C.

Jerry Fogel, J.P. Fogel and Company

Ray Olsen, Ray Olsen, L.L.C.

Bob Cronkleton, Kansas City Star

Doug Robinson, Johnson County Budget Office

Chief Max Sielert, Johnson County Fire District #1

Tom Meisenzahl, Kansas City Aviation Center

Lyle Bighley, L.D. Bighley

Kelli Cupp, Kansas City Aviation Center

Chuck Cottengim, Executive Beechcraft

Jerry Lechtenberg, Terry Dave Development

Frank Jenkins, Pilot

Frank Blasco, EAA/AOPA Pilot

Mike DeCoursey, Air Associates of Kansas

Dan Meisinger, Executive Beechcraft

Douglas A. Sutton, Douglas A. Sutton, CMA

Chairman Thomen called the meeting to order at 9:07 a.m.

(NOTE: Heading and paragraph numbers and letters correspond to Agenda numbers and letters. Items are listed in order of discussion.)

IV. EXECUTIVE SUMMARY:

A. Review staff reports:

Mr. Metcalfe reported on the progress of the 25th Anniversary celebration of the transfer of the Olathe Naval Air Station to the Johnson County Airport Commission. The event will take place between the museums at New Century AirCenter and will be held on September 25, 1998. Governor Graves has been invited and will commit after the conclusion of the primary. Advance notices are being distributed and formal invitation will be sent mid-August.

Mr. Perry reported that due to damage to some electrical switching gear at the Army Reserve facility, the New Century AirCenter tower lost power and was down for a total of nine days. Midwest Air Traffic Control Services, Inc., who has the contract for operation of the tower,

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provided a mobile control tower during that period of time to keep the control tower services operational. Their quick response was instrumental in our maintaining air traffic control services during this period and was greatly appreciated.

Mr. Metcalfe stated that the Superintendent of Operations was attending a conference in Minneapolis, Minnesota, and reported on the projects on his behalf. The fire station is virtually complete and a punch-list has been developed. A groundbreaking ceremony will take place next month.

I. APPROVAL OF THE MINUTES:

MOVED BY MR. VIETS, SECONDED BY MS. MULLIN, TO APPROVE THE MINUTES OF THE JUNE 24, 1998 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (4-0).

II. REPORT OF THE CHAIRMAN:

A. Report of the Nominating Committee:

Chairman Thomen stated that Mr. Meyer has been appointed as the Chairman of the Nominating Committee. Mr. Meyer reported that at the August meeting, the following commissioners would be nominated as officers:

Pete Heaven, Chairman
Marty Nohe, Vice-Chairman
Larry Winn, Secretary
Georgianna Mullin, Treasurer

III. CONSENT AGENDA ITEMS:

A. Approve the lease agreement with the Johnson County Office of Financial Management for the establishment of a driver training area.

The Airport Commission directed staff to expand the termination provision in the lease to make it easier for the Airport Commission to cancel the lease.

MOVED BY MR. VIETS, SECONDED BY MR. MEYER TO APPROVE THE ITEM ON THE CONSENT AGENDA SUBJECT TO THE REVISIONS AS SUGGESTED BY THE AIRPORT COMMISSION. APPROVED (5-0).

V. EXECUTIVE SUMMARY:

B. Summary of Financials.

There were no comments regarding the financials.

C. Consider ratifying the June expenditures as presented.

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Mr. Meyer inquired about the rock that was purchased for the railroad repair for Steel & Pipe Supply Company. Mr. Metcalfe responded that the spur had earthwork repair in late fall. When the roadbed was graded and compacted, it froze and the track could not be laid until spring. In the meantime, the roadbed went through several freeze and thaw cycles. Due to time and money constraints, the track was laid upon the roadbed without having it recompacted. The aggregate now needs to be taken out, recompact the soil and replace the ballast. Steel & Pipe Supply had the spur installed and the Airport Commission paid for part of the spur that serves the park.

MOVED BY MR. MEYER, SECONDED BY MR. VIETS TO RATIFY THE JUNE EXPENDITURES AS PRESENTED. APPROVED (5-0).

V. DISCUSSION ITEMS:

A. Consider approving a lease for the fire station at New Century AirCenter.

MOVED BY MR. MEYER, SECONDED BY MR. WINN TO APPROVE A LEASE WITH JOHNSON COUNTY FIRE DISTRICT #1 FOR THE FIRE STATION AT NEW CENTURY AIRCENTER. APPROVED (5-0).

B. Consider approving a ground lease for Gonzales Communications, Inc. for one acre of land upon which a 10,000 sq. ft. office and warehouse building is to be constructed.

Mr. Metcalfe stated that the original site for Gonzales Communications was north of Steel & Pipe Supply, but due to the existing taxiway, the site cannot fit the building. As such, an alternate site was chosen, which is the proposed site where the branch bank would be constructed. Mr. Metcalfe reported that the bank has relinquished interest in the site at Leawood Drive and New Century Parkway since it cannot determine exactly when the branch would be constructed, and that it has no legal right to property. The bank has expressed interest in the southwest corner of Prairie Village Drive and New Century Parkway.

A preliminary site plan and elevation for Gonzales Communication's proposed building was presented to the Airport Commission for their review. Mr. Metcalfe stated that the company is anxious to get started on the project and would like to meet with the township zoning board at their next meeting.

Mr. Meyer asked if the company needed the visibility of the parkway, stating that the property was prime land. Mr. Metcalfe stated that Gonzales Communications wants to be close to Sprint since Sprint is their largest customer. He stated that the plans were received yesterday and he feels the building is not as attractive as the company described to him verbally. He added that staff approached the company about constructing their building on Prairie Village Drive, but they did not like that location.

Chairman Thomen asked if the Commission should take more time to pursue all opportunities. Mr. Metcalfe stated that staff is seeing a lot of proposals where a small company wants 10,000 –

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20,000 sq. ft. and one to two acres, adding that maybe a portion of the park needs to be designated for the smaller lot developments.

Mr. Meyer felt that the area along the parkway needs to be priced higher, and it leaves a lot of land that is unusable. Mr. Winn agreed with Mr. Meyer. Mr. Metcalfe stated that the owner of Gonzales Communications has an option for the remaining property, and has family who is in the childcare business that may be interested in developing a facility at New Century AirCenter. The proposed area would be able to accommodate both buildings. Mr. Winn asked if the building could be pushed back to leave the corner available. Mr. Metcalfe stated that Gonzales needed room to double its size.

The Airport Commission discussed the quality of the proposed building. Mr. Winn stated that he does not have a problem with the building being located somewhere in the park, but did not feel that this is the type of building the Airport Commission would want to front along the parkway. Mr. Metcalfe stated that staff would discuss the issue with Gonzales Communications.

CONSENSUS OF THE AIRPORT COMMISSION WAS TO DIRECT STAFF GO BACK TO GONZALES COMMUNICATIONS AND RENEGOTIATE THE LOCATION OF THEIR BUILDING.

C. Review options for construction of new t-hangars at Executive Airport and New Century AirCenter.

Mr. Perry discussed the options for constructing t-hangars at Executive Airport and New Century AirCenter. If the new t-hangars are constructed, staff recommends the floor and ramps be made of concrete. The cost of building 50 t-hangars would be approximately \$2.8 - \$3 million, which includes hangar construction, ramp construction and some connecting taxiways. If 50 t-hangars were constructed at both airports, the estimated cost would be approximately \$6 million.

The Airport Commission discussed the t-hangar waiting lists. Currently, there are about 100 people on the waiting list for Executive Airport and 50+ for New Century AirCenter. Mr. Metcalfe stated that between 1/3 and 1/2 of the callers do not even place their names on the list due to the long expected wait.

Mr. Metcalfe stated that one financing option that has not been discussed is general obligation bonds. Mr. Robinson, County Budget Office, stated that the current bonds are callable in September 1, 1999. It is recommended that this issue be reviewed next year when the bonds are called and if the rates are favorable and save issue costs when there is an advanced refunding. Mr. Winn asked if the county could issue a short-term general obligation for the t-hangars. Mr. Robinson felt that additional tax support would be needed to cover the bonds. Ms. Mullin asked what the construction process is for the t-hangar. Mr. Perry stated that along with the t-hangar buildings, there are costs included for connecting taxiways and surrounding ramps.

Mr. Winn stated that the Airport Commission should commit to doing the project, adding that the Airport Commission would be in a better financial situation to move forward with the project in

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September, 1999. Mr. Viets stated that in the current situation of national prosperity, why isn't the county thinking of something that is for the best, and not necessarily the cheapest. Mr. Winn stated that he had a problem of doing 20 t-hangars at a time and felt that we should be able to do it right. Mr. Metcalfe concurred, adding that there has been some resistance with constructing additional t-hangars at Executive Airport because of the perceived "growth".

Mr. Metcalfe concluded that the consensus of the Airport Commission is that there is interest in constructing t-hangars at both airports, but that it is a matter of time. He stated that staff will work with the Budget Office and discuss temporary notes as a financing operation. Mr. Robinson stated that it would have to be structured to see what the figures would look like, adding that the interest rate is a key. He added that they might be able to structure the notes for interest payment only until 2001, resulting in a balloon payment at the end.

MOVED BY MR. WINN, SECONDED BY MR. VIETS TO ADOPT A LETTER OR STATEMENT OF INTENT INDICATING THAT THE AIRPORT COMMISSION IS INTENDING TO CONSTRUCT APPROXIMATELY 100 NEW T-HANGARS (50 AT NEW CENTURY AIRCENTER AND 50 AT EXECUTIVE AIRPORT) IN THE SPRING OF 1999. THE TIMING AND FINANCING IS TO BE DETERMINED BY FINANCE AND AIRPORT STAFF. APPROVED (5-0).

- D. Review current t-hangar rates at both Executive Airport and New Century AirCenter and determine if a rate adjustment is supported at this time.

Mr. Perry stated at the last Airport Commission meeting, there was some concern expressed by t-hangar tenants regarding the rate increase and maintenance issues. Mr. Perry provided a short memorandum that describes the maintenance issues, adding that the maintenance employees do a very good job of maintaining the t-hangars, but unfortunately some of the t-hangars are very old and will require rehabilitation. Some of the pavements are deteriorating although the maintenance staff is doing everything it possibly can to maintain it. Mr. Metcalfe stated that there are a lot of cost aspects involved in maintaining t-hangars. Mr. Meyer asked if the FAA participates in the construction of the t-hangars. Mr. Metcalfe replied that the FAA does not participate in anything that can generate revenues.

Mr. Winn stated that staff is suggesting that an increase of t-hangar rates and a proposal to use the revenue for maintenance of the t-hangars, and asked if there is a way to allocate a portion strictly for maintenance of the t-hangars. He added that he felt the t-hangar tenants might appreciate the fact that a portion of the increase will be spent on the t-hangar maintenance.

Mr. Phil Duffy, Hangar N-11, stated that he has been a tenant since 1972. He commented that the maintenance employees do a very good job of maintaining the mechanics of the hangars. However, no money has been spent on his hangar. He stated that it is so bad that he has been subleasing a hangar, adding that he also subleases his hangar to someone from Richards-Gebaur. Mr. Duffy stated that he honestly believes that someone will get electrocuted when there is water in the t-hangar and you push a button to raise the door. He also stated that he's not opposed to a rate increase, but he would like to see money spent on the rehabilitation and maintenance of the t-hangars. He would like to see the Airport Commission write a letter stating that the hangars will be fixed.

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Mr. Metcalfe stated that the west t-hangars are about 30 years old, adding that these hangars were never meant to be water-proof. Mr. Metcalfe stated that the roof tin needs to be replaced and structural metal will need to be rehabilitated. One t-hangar tenant, who is in R-3, stated that he too gets a lot of water in his hangar when it rains. He also stated that he is concerned with the weeds that are growing up in the paving area and it will destroy the paving. Another t-hangar tenant in R-8 stated that he has water in his hangar for a week when it rains, concluding that all the hangars have a problem.

Mr. Meyer felt that if the new hangars have a concrete base, then it will be a major improvement and the rent should reflect the improvement. A t-hangar tenant commented that another tenant has removed the asphalt base and put in concrete base and does not have any water problems. Mr. Duffy stated that he would put in a concrete base and pay for it if he can have his rent reduced for the cost.

Mr. Meisinger, who operates t-hangars at Downtown Airport, stated that he is in the same situation as the Airport Commission that he also has to increase t-hangar rates, although his increases are planned every three years. Mr. Viets stated that he supports a planned increase and felt it would take the pain out of the increases since the tenants would know it was coming. Mr. Winn suggested that one possibility would be for staff to organize a small task force to come up with a recommendation for the Airport Commission for an increase for next year with a proposed planned increase for the following years.

Mr. Olsen informed the pilots at the meeting that the water district wants to place a new water tower at the end of the runway at Executive Airport. The FAA will be taking comments on the matter until August 24th.

E. Report of the President, Southwest Johnson County E.D.C.

Mr. Engelmann reported that ad placements for New Century AirCenter will be in the Johnson County Business Journal. Staff is working with a prospective tenant that would employ approximately 500 – 1000 people. New Century AirCenter is on the shortlist for the project.

F. Report from J.P. Fogel and Company.

Mr. Fogel reported that a large food service company he had been working with would be locating somewhere other than New Century AirCenter. He stated that the reason for the company not choosing New Century is location. The K-7 area in Shawnee also did not make the cut due to location.

VI. BUSINESS FROM THE FLOOR:

There was no business from the floor.

V. **ADJOURNMENT**

The Airport Commission toured the t-hangars at Executive Airport at the conclusion of the meeting.

MOVED BY MR. VIETS, SECONDED BY MR. MEYER TO ADJOURN THE MEETING AT 10:31 A.M.

P. Martin Nohe, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – August 26, 1998 9:00 a.m. – New Century, KS

Airport Commission

Present: Messrs. Heaven, Meyer, Nohe, Viets, Ms. Mullin, Thomen

Absent: Mr. Winn

Staff: Metcalfe, Ritter, Dunham, Helsel, Howell, Perry

Others: Commissioner Annabeth Surbaugh, BoCC
John Engelmann, Southwest Johnson County E.D.C.
Jerry Fogel, J.P. Fogel and Company
Nathan Anderson, J.P. Fogel and Company
Michael Fishman, Fishman & Company
C.D. “Buck” Rogers
Ray Olsen, Ray Olsen, L.L.C.
Frank Blasco, EAA/AOPA Pilot
Kenneth Perkins, E.A.A.
Scott Beeler, Lathrop & Gage, L.C.

Chairman Thomen called the meeting to order at 9:20 a.m.

(NOTE: Heading and paragraph numbers and letters correspond to Agenda numbers and letters. Items are listed in order of discussion.)

I. APPROVAL OF THE MINUTES:

MOVED BY MR. MEYER, SECONDED BY MR. HEAVEN, TO APPROVE THE MINUTES OF THE JULY 22, 1998 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (6-0).

II. REPORT OF THE CHAIRMAN:

A. Election of Officers:

Chairman Thomen stated that Mr. Meyer, Chairman of the Nominating Committee, recommended the following slate of officers:

Pete Heaven, Chairman
Marty Nohe, Vice-Chairman
Larry Winn, Secretary
Georgianna Mullin, Treasurer

MOVED BY MR. NOHE, SECONDED BY MR. VIETS TO ACCEPT THE NOMINATING

COMMITTEE’S RECOMMENDATION OF THE SLATE OF OFFICERS FOR THE FOLLOWING YEAR. APPROVED (6-0).

Chairman Thomen thanked the Airport Commission for their help and cooperation handed the gavel to the newly-elected Chairman Heaven. Chairman Heaven presented Ms. Thomen with a plaque commemorating her service as Chairman, thanking her for being an active leader in the Airport Commission.

III. CONSENT AGENDA ITEMS:

There were no consent agenda items.

IV. EXECUTIVE SUMMARY:

A. Review staff reports:

Mr. Metcalfe stated that he and Mr. Perry conducted a site visit to K.C.H. Flying Service at Executive Airport. The principles of the company are still attempting to refurbish the building.

Mr. Helsel reported that Redford Construction has a notice to proceed on the waterline project. He also reported on the underground storage tank removal, which are on schedule to be removed this fall. The Corps of Engineers is in the process of drilling two wells to test and monitor for contamination of gasoline.

B. Summary of Financials.

Ms. Howell reported that the financials are on-line for the year.

C. Consider ratifying the June expenditures as presented.

Mr. Meyer asked about the rental uniform fee on the expenditure list. The monthly fee for uniforms also includes the carpet runner change-out throughout the administration building.

MOVED BY MR. NOHE, SECONDED BY MS. THOMEN TO RATIFY THE JULY EXPENDTURES AS PRESENTED. APPROVED (6-0).

V. DISCUSSION ITEMS:

A. Consider approving an estoppel certificate and assignment of lease for Leawood Drive Associates, L.L.C.

Ms. Dunham stated that Chester and Cleta Rogers are seeking to assign their leases on the Olathe Manufacturing South property to Leawood Drive Associates. She stated that in the interim, there has been an attempt to fashion some type of document that would be legally satisfactory at this point. Ms. Dunham stated that Mr. Jarrett, Legal Counsel, could not be at the meeting, but relayed

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that he didn't have a problem with a basic consent where the Airport Commission consents to the assignment of the underlying lease. There is a dispute as to who actually owns the improvements to the property, as well as the taxability of the property. None of these concerns are addressed in the proposed consent to assignment document. Ms. Dunham stated that the chief legal counsel stated that from a legal standpoint, it is not recommended consenting mainly due to the disputes as to the rights and obligations of the party in the underlying transactions. However, from a business standpoint, Ms. Dunham stated that Mr. Jarrett felt secure in recommending to the Airport Commission that a blanket consent to the assignment documents with the express representation that this does not deal with all the issues between the parties. Those issues are not being decided or waived today. Ms. Dunham stated that she recommends to the Airport Commission that if the consent is approved, that it be done so subject to final approval by chief counsel. Additionally, Leawood Drive Associates brought an estoppel certificate to be approved by the Airport Commission. Ms. Dunham had some concerns with the estoppel certificate because she has not had significant time to review the document. She requested that if this certificate was to be approved, that it also be approved subject to legal counsel's review and approval. In concluding, Ms. Dunham reiterated that any motions that are made would need to give full authority to legal counsel to make any changes necessary to protect the legal interests of the county. Mr. Nohe asked if there was a downside to approving the documents today. Ms. Dunham stated that normally, it would not be recommended simply because all of the issues have not been worked out. Ms. Dunham again stated that these agreements do not resolve all of the issues to both parties; it just allows Leawood Drive Associates the opportunity to proceed with financing. Chairman Heaven stated that the consent is the Airport Commission's consent to the assignment of the lease. He felt that the two agreements should be kept separate since the estoppel is something that is presented to the bank stating that the company is not under default of the lease. Chairman Heaven recommended that the Airport Commission consider two separate motions, one for the approval of the consent subject to legal counsel's review and approval and a second motion for the estoppel certificate.

MOVED BY MR. NOHE, SECONDED BY MS. THOMEN, TO APPROVE THE CONSENT TO THE ASSIGNMENT SUBJECT TO APPROPRIATE WORDING TO BE DETERMINED BY LEGAL COUNSEL. APPROVED (6-0).

Mr. Nohe stated that assuming there is no down-side to approving the estoppel certificate and it allows the company to proceed with financing, he felt the Airport Commission could approve the estoppel certificate as long as it reserves the Airport Commission's rights. Chairman Heaven stated that he concurred with Mr. Nohe that the motion to approve the agreement would need to note that it strictly reserves all of the Airport Commission's rights so it does not preclude the Commission.

MOVED BY MR. NOHE, SECONDED BY MS. MULLIN, TO APPROVE THE ESTOPPEL CERTIFICATE SUBJECT TO APPROPRIATE WORDING TO BE DETERMINED BY LEGAL COUNSEL. APPROVED (6-0).

B. Consider authorizing the expenditure of approximately \$50,000 to extend a sanitary sewer lateral under New Century Parkway and eastward along Leawood Drive to provide sewer service and a

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water lateral under Leawood Drive to provide water service to the Gonzales Communications site and 35 acres of development land north and east of the North Supply warehouse.

Mr. Metcalfe stated that at last month's meeting, staff showed a proposed development for Gonzales Communications. The company would like to build a 10,000 – 12,000 sq. ft. facility near Sprint. In July, the Airport Commission directed that staff investigate the possibility of placing Gonzales Communications near the fire station on Leawood Drive. Staff reported that sewer or water service would need to be installed to locate Gonzales Communications in this area. Staff suggested that a lateral be installed that would also open about 30 acres for future development. The estimated cost for the installation of the lateral would be about \$50,000. From a cash perspective, staff felt that there would be funds available in the operating budget to install the lateral. Mr. Viets stated that there would then be services open to the east side of the AirCenter. Mr. Metcalfe stated that the FAA may require Downtown Airport to shorten their runway by 2,000 feet. If that were to happen, many large jets would be displaced, including Sprint. If Richards-Gebaur closed, then New Century AirCenter would be the only area airport that could accommodate large jets other than KCI. If this happens, there would be a need for corporate hangars. By installing the lateral, there would be an area ready to be used.

Chairman Heaven stated that Johnson County Wastewater has begun to create an informal benefit district, and suggested doing a sewer buy-in for future users at \$1,500 per acre. This would allow the Airport Commission to recoup the costs over time. Chairman Heaven stated that Gonzales would pay about \$3,000 for sewer hook-up for a \$50,000 benefit. Mr. Metcalfe stated that anyone that hooks up to sewer will pay a connection fee to the Wastewater District. Mr. Nohe asked what would need to be done from a legal perspective. Chairman Heaven stated that it could be written into the lease that there would be a sewer connection fee. Commissioner Surbaugh suggested that legal counsel investigate wastewater's criteria for the installation of lateral services. Chairman Heaven concurred and stated that he would contact Wastewater and get their criteria. Mr. Metcalfe stated that staff has a development manual which will be updated to reflect the benefit district.

Mr. Nohe asked if the construction period for the lateral would work for Gonzales' timeframe. Mr. Metcalfe stated that in order to meet the company's time requirements, Gonzales' contractor would perform the work and then the Airport Commission would reimburse Gonzales for their expense.

Mr. Meyer asked what would need to be approved today to proceed with the project. Mr. Metcalfe recommended that the Airport Commission approve the extension of the sewer and water to the site and next month staff would bring the lease before the Airport Commission for their approval. Mr. Nohe asked if the Airport Commission needed to review Wastewater's criteria before approving the extension. Mr. Metcalfe stated that the issues before the board is: 1) does the Airport Commission want to extend the utilities to the site; 2) is this site where the Airport Commission wants to place Gonzales Communications; 3) how do we recover the costs for the extension; and 4) approval of Gonzales Communication's lease at the September meeting. Mr. Nohe stated that he is in favor of the reallocation subject to Gonzales Communications locating to New Century AirCenter and subject to getting the reimbursement mechanism in place. He asked if staff is requesting a firm approval. Mr. Metcalfe felt that staff should inform Gonzales Communications whether or not the proposed site is acceptable to the Commission. Chairman Heaven stated that Mr. Fogel indicated that the reimbursement mechanism would not make a difference to the company either way, and

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suggested that the Airport Commission could make a motion contingent upon having a reimbursement mechanism and to give Gonzales Communications approval to proceed with their project.

MOVED BY MR. NOHE, SECONDED BY MS. THOMEN TO APPROVE THE REALLOCATION OF \$50,000 FROM THE 1998 BUDGET FOR THE EXTENSION OF SEWER AND WATER LATERALS CONTINGENT UP THE EXECUTION OF THE LEASE WITH GONZALES COMMUNICATIONS AND ESTABLISHING A REIMBURSEMENT MECHANISM FOR RECOVERING THE COST. APPROVED (6-0).

C. Consider approving an easement for the Army Reserve for a new driveway at the former Naval Reserve Center fronting on New Century Parkway.

Mr. Metcalfe reported that the Army Reserve unit, which will be moving to the Naval Reserve site, is moving forward. Staff has had conversations with the Army regarding certain site development issues. The most immediate item is additional access to the Naval Reserve Center located at 300 Navy Drive at New Century AirCenter. The Army would like to have one-way circulation for the 65' x 12-1/2' tank transporters.

Mr. Doug Drovetta, General Engineer for the 89th Regional Support Command, stated that the army is investigating the possibilities of additional access to the site. Mr. Metcalfe stated that staff met with Norm Bowers from Public Works regarding curb cuts. Another issue is that there are active railroad tracks that will have to be crossed in order to access the Naval Reserve Center. Mr. Metcalfe stated that the soil contamination from Parsonitt might also be an issue for the Army since it extends onto the site.

Mr. Metcalfe stated that the Army is asking for an easement for the driveway, which would enable them to put a crossing along the railroad. Consensus of the Airport Commission was that the extension of the driveway would be the board's first preference rather than making a curb cut. The Airport Commission requested that the Army notify the board should there be any developments. No formal action was taken as a result of the discussions.

D. Report of the President, Southwest Johnson County E.D.C.

Mr. Engelmann reported on the 25th Anniversary celebration plans. Invitations were sent to about 430 persons. He also reported on ads that will be placed in upcoming issues of the Johnson County Business Times and the Kansas City Business Journal.

A large call center project that staff has been working with for several months is still looking at New Century AirCenter for their relocation project. The State has indicated that New Century AirCenter is the company's top choice. A decision is expected later this year.

E. Report from J.P. Fogel and Company.

Mr. Fogel stated that he has some deals that he hopes have "sustainable transactional activity."

VI. BUSINESS FROM THE FLOOR:

Mr. Frank Blasco asked what the status was of the t-hangar rental increases since last month's meeting. Mr. Perry stated that a meeting has been scheduled for September 10th with the county finance office to discuss financing options. Staff will revisit the issue with the Airport Commission at their September meeting. Mr. Blasco asked if the Airport Commissioner's were appointed, and if so, who appoints them. Commissioner Surbaugh stated that Airport Commissioners are appointed by the BoCC and anyone wanting to apply should indicate their interest in writing with a resume to their county commissioner. Mr. Blasco asked what the Airport Commission's official position was regarding the closing of Richards-Gebaur. Mr. Metcalfe replied that the board has not officially discussed Richards-Gebaur, but he personally supports the closing. A study performed by Mid-America Regional Council indicated that 50% of the aircraft based at Richards-Gebaur would relocate to New Century AirCenter and Executive Airport should Richards-Gebaur close. Mr. Metcalfe added that his opinion may not necessarily be the opinion of the board. Mr. Nohe felt that the board should not take a position on something that they have no control over. Mr. Blasco asked if there was an evaluation as to what it would cost to replace New Century AirCenter. Mr. Metcalfe stated that it would cost about \$80 million just to replace the land and guessed that it would cost \$50 million to replace the aviation facilities.

Mr. Blasco informed the Airport Commission of a Young Eagles Rally at Executive Airport on September 26, 1998.

Mr. Ray Olsen, inquired about the water tower at Executive Airport. Mr. Metcalfe said the last he heard the tower was going to be built and it affect the minimums for the Localizer 35 approach by about 40 feet.

V. ADJOURNMENT

There being no further business, the meeting adjourned at 10:40 a.m.

P. Martin Nohe, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – September 23, 1998 9:00 a.m. – New Century, KS

Airport Commission

Present: Messrs. Heaven, Meyer, Viets, Winn, Ms. Mullin

Absent: Mr. Nohe, Ms. Thomen

Staff: Metcalfe, Ritter, Dunham, Helsel, Howell, Perry

Others: Commissioner Annabeth Surbaugh, BoCC
John Engelmann, Southwest Johnson County E.D.C.
Jerry Fogel, J.P. Fogel and Company
Nathan Anderson, J.P. Fogel and Company
Ray Olsen, Ray Olsen, L.L.C.
Frank Blasco, EAA/AOPA Pilot
Lee Crites, E.A.A.
Lyle Bighley, Kansas Pilots Association
Bob Cronkleton, K.C. Star
Rob Wasson, Speedway Scaffold
Lori Wasson, Speedway Scaffold

Chairman Heaven called the meeting to order at 9:00 a.m.

(NOTE: Heading and paragraph numbers and letters correspond to Agenda numbers and letters. Items are listed in order of discussion.)

I. APPROVAL OF THE MINUTES:

Mr. Winn abstained from the vote due to his absence at the August meeting.

MOVED BY MR. VIETS, SECONDED BY MR. MEYER, TO APPROVE THE MINUTES OF THE AUGUST 26, 1998 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (3-0-1).

II. REPORT OF THE CHAIRMAN:

Chairman Heaven announced that Mr. Meyer was retiring from the Airport Commission. He presented Mr. Meyer with a plaque commemorating his service as an Airport Commissioner. Mr. Meyer stated that he has enjoyed his tenure as an Airport Commissioner and will miss serving on the board.

III. CONSENT AGENDA ITEMS:

There were no consent agenda items.

IV. EXECUTIVE SUMMARY:

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A. Review staff reports:

Staff had no additional comments on their executive summaries.

B. Summary of Financials.

Ms. Howell reported that the financials are on-line for the year. Revenues reflect \$15,500 received for the sale of the mobile home. The carryover amount of \$271,000 is also shown in the budget.

C. Consider ratifying the August expenditures as presented.

Mr. Meyer inquired about the commission paid to J.P. Fogel and Company. Mr. Metcalfe reported the commission was for the Heartland Precision Fasteners project and is in accordance with J.P. Fogel and Company's brokerage agreement.

MOVED BY MR. MEYER, SECONDED BY MR. WINN TO RATIFY THE AUGUST EXPENDTURES AS PRESENTED. APPROVED (4-0).

V. DISCUSSION ITEMS:

A. Review options for construction of new t-hangars at Executive Airport and New Century AirCenter.

Mr. Perry stated that staff met with the Office of Financial Management on September 10, 1998 to discuss financing options for the new t-hangars. The information is being reviewed by Springstead (the county's financial advisor), and staff anticipates a response from them by mid-October. It is estimated that December 31, 1998 would be the latest to get BoCC approval for the t-hangars to be able to construct the t-hangars in the spring. Ms. Rowland, Office of Financial Management, stated that her office will ask for Springstead to expedite a response.

B. Review current t-hangar rates at both Executive Airport and New Century AirCenter and determine if a rate adjustment is supported at this time.

Mr. Viets commented that t-hangar tenants have approached him and stated that t-hangar subleasing has increased. Mr. Perry stated that the t-hangar lease strictly prohibits subleasing, and is grounds for eviction. Mr. Viets stated by the subleasing activity, he assumes that the lease rates for the t-hangars are probably too low. Mr. Metcalfe stated that staff is aware of the demand for subleased t-hangars, and agreed that it was an indication that the rental fees are too low.

Mr. Blasco relayed the results of a t-hangar rate survey he conducted at various airports, such as Grain Valley, Lee's Summit, and St. Louis Regional Airport. Mr. Perry stated that in addition to the cost of the t-hangars, the pavement, ramps and taxiways are also configured into the price of the construction of t-hangars. Mr. Metcalfe stated that most of the t-hangar rates that Mr. Blasco quoted were under different circumstances than of Executive Airport and New Century AirCenter. Some of the airports that are providing t-hangars at reduced rates do not have

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amenities, such as fixed base operators and instrument approaches, like that of Executive Airport and New Century AirCenter. Mr. Metcalfe stated that St. Louis Regional Airport is in need of based aircraft to be able to keep a fixed base operation.

Mr. Blasco stated that he felt that Johnson County airports cater to the corporate businesses, and he opposes an increase in t-hangar rates because he is not a corporate business and can't deduct anything from his taxes. Mr. Metcalfe stated that he understood and empathized with Mr. Blasco, but added that there are other alternatives to Executive and New Century's t-hangars that Mr. Blasco could look into. The State of Kansas exempts corporate businesses from real estate taxes for planes. Mr. Metcalfe stated that the Airport Commission might want to have different rates at the two airports since Executive Airport is in more demand. Chairman Heaven stated that the Airport Commission should be competitive in the market. Mr. Perry stated that an option would be to create a mechanism that an increase takes place every two years.

Mr. Winn concluded that the Airport Commission needs a specific recommendation from staff on the rate increase issue. Mr. Metcalfe suggested that the items be deferred until the October meeting, where staff will get all the information collected and have a defined recommendation for the Airport Commission. Mr. Viets stated that the damaged ramps are a serious liability to the county. Mr. Blasco asked if the increase would include a remedy for keeping water out of the t-hangars. Mr. Perry stated that the t-hangars were never designed to be water tight, only to shelter the planes from the elements, such as sun, wind, snow and hail.

CONSENSUS OF THE AIRPORT COMMISSION WAS TO DEFERR AGENDA ITEMS A AND B UNTIL THE OCTOBER MEETING TO ALLOW STAFF TO GATHER FINANCIAL INFORMATION AND PREPARE A DETAILED RECOMMENDTION TO THE AIRPORT COMMISSION.

C. Consider approval of the final form of the Gonzales Communications ground lease transaction.

Mr. Metcalfe stated that staff has developed a draft lease for Gonzales Communications. The key issue is the financing of the extension of the water and sewer lines. This project is being dealt the same way as Steel & Pipe Supply Company's rail spur project, where the company undertakes the actual construction of the project and the Airport Commission reimburses the company for the project. Rose Construction Company's estimate from their engineer for the water and sewer line project came in at \$46,000.

Staff recommended approval of the lease in form, subject to legal counsel's review. The assessment fee for the sewer lines would be approximately \$1,815.00.

MOVED BY MR. WINN, SECONDED BY MS. MULLIN, TO APPROVE THE LEASE WITH GONZALES COMMUNCIATIONS WHICH INCLUDES THE SYSTEM DEVELOPMENT FEE OF \$1,815, SUBJECT TO LEGAL COUNSEL'S FINAL REVIEW OF THE LEASE. APPROVED (5-0).

D. Consider *conceptual* approval of a ground lease with L&M Partnership, proposed developer of a 5.5 acre commercial/retail center at the northeast corner of Moonlight Road and U.S. Highway 56/175th Street/Main Street.

Mr. Metcalfe stated that this issue was discussed at the recent Development Committee meeting. Mr. Metcalfe introduced Rob and Lori Wasson, who are proposing to construct a retail center at the northeast corner of Moonlight Road and Highway 56. He reported that there were several outstanding issues, such as the street development fee. Mr. Metcalfe spoke with the Gardner City Administrator, who interpreted that there would not be a fee assessed on Lincoln Lane, the road going into Woodstone Apartments. Mr. Metcalfe stated that the fees might not even apply to Moonlight Road since the land would not be subdivided. Another issue that was discussed was actually who owned Lincoln Lane. The city of Gardner had disputed the fact that the road was their responsibility when the city annexed the property. Mr. Metcalfe reported that that the city has accepted that the road is their responsibility when they annexed the property from the county.

Mr. Wasson displayed renderings of the proposed facility. Mr. Winn stated that the Airport Commission should review the site plan, especially for aesthetics. He also commented that the proposed development is the exact concept for the land use that the Airport Commission has been wanting.

MOVED BY MR. WINN, SECONDED BY MR. VIETS TO TENTATIVELY APPROVE THE CONCEPT OF THE TRANSACTION WITH L&M PARTNERSHIP SUBJECT TO FINALIZATION AND DOCUMENTATION OF DETAILS OF FINANCING AND SITE DESIGN. APPROVED (5-0).

- E. Consider approving for Crow-Spauldung No. 7 Limited Partnership the following: corrected legal description, corrected 5th lease amendment, assignment of ground lease and a ground lease estoppel certificate.

Mr. Metcalfe stated that Crow-Spauldung is the owner of the North Supply Warehouse at 500 Sumner Way at New Century AirCenter. Crow-Spauldung Partnership is selling the partnership's interest in the warehouse to an REIT being formed by Trammel Crow family. Ms. Dunham reviewed the submitted documentation and did not have any objections. Mr. Metcalfe added that Sprint pays the rent for the warehouse.

MOVED BY MR. MEYER, SECONDED BY MR. VIETS, TO APPROVE FOR CROW-SPAULDUNG NO. 7 LIMITED PARTNERSHIP A CORRECTED LEGAL DESCRIPTION, CORRECTED 5TH LEASE AMENDMENT, ASSIGNMENT OF GROUND LEASE AND A GROUND LEASE ESTOPPEL CERTIFICATE. APPROVED (5-0).

- F. Update on Army driveway.

Mr. Metcalfe reported that the Army Reserve unit is requesting to have additional access to the Naval Reserve Center located at 300 Navy Drive at New Century AirCenter. The Army would like to have one-way circulation for the 65' x 12-1/2' tank transporters. The Army requested and received permission from the county engineer for a curb cut. The Army is also proposing to relocate a monitoring well and have it redrilled. Mr. Winn recommended that the Airport Commission should have the right to close the cut should the Army no longer use the access for the tanks.

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No formal action was taken as a result of the discussions.

G. Report of the President, Southwest Johnson County E.D.C.

Mr. Engelmann reported on the 25th Anniversary celebration plans. About 200 guests from the metro area are anticipated. The event will be held from 11:00 a.m. through 2:00 p.m. on September 25, 1998. The newest edition of *The Progress* has also been printed and will be available to the guests. Unlike the previous issues, this edition of *The Progress* will be three-folded and will commemorate the 25th Anniversary.

Mr. Engelmann reported on the prospect activity, which remains high. New Century AirCenter is on a short list for a food manufacturer, as well as a telemarketing company.

H. Report from J.P. Fogel and Company.

Mr. Fogel stated that the annual SIOR Days was highlighted by New Century AirCenter's sponsored luncheon. The event was well attended.

VI. BUSINESS FROM THE FLOOR:

There were no comments.

V. ADJOURNMENT

There being no further business, the meeting adjourned at 10:20 a.m.

P. Martin Nohe, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – October 28, 1998 9:00 a.m. – New Century, KS

Airport Commission

Present: Messrs. Heaven, Dixon, Nohe, Viets, Winn, Ms. Thomen

Absent: Ms. Mullin

Staff: Metcalfe, Ritter, Dunham, Helsel, Howell, Perry

Others: Commissioner Annabeth Surbaugh, BoCC
John Engelmann, Southwest Johnson County E.D.C.
Nathan Anderson, J.P. Fogel and Company
Ray Olsen, Ray Olsen, L.L.C.
Frank Blasco, EAA/AOPA Pilot
Lee Crites, E.A.A.
Lyle Bighley, Kansas Pilots Association
Rod Vickers, T-hangar tenant
Bruce Gatton, T-hangar tenant
Doug Robinson, Johnson Count Office of Financial Management
Chuck Cottengim, Executive Beechcraft
Jan Durrett, League of Women Voters of Johnson County
Lawrence W. Coen, EAA 200

Chairman Heaven called the meeting to order at 9:00 a.m.

(NOTE: Heading and paragraph numbers and letters correspond to Agenda numbers and letters. Items are listed in order of discussion.)

I. APPROVAL OF THE MINUTES:

MOVED BY MR. VIETS, SECONDED BY MR. WINN, TO APPROVE THE MINUTES OF THE SEPTEMBER 23, 1998 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (6-0).

II. REPORT OF THE CHAIRMAN:

A. Introduce new Airport Commissioner John Dixon.

Chairman Heaven introduced new Airport Commissioner John Dixon, who replaced Stan Meyer. Mr. Dixon is a longtime county resident and is a licensed pilot.

B. Reschedule the November and December Airport Commission meetings.

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The board discussed combining the November and December meetings and suggested scheduling the next Airport Commission meeting for 9:00 a.m. on Wednesday, December 2, 1998.

MOVED BY MS. THOMEN, SECONDED BY MR. DIXON TO RESCHEDULE THE NOVEMBER AND DECEMBER MEETINGS TO DECEMBER 2, 1998. (APPROVED 6-0).

III. CONSENT AGENDA ITEMS:

There were no consent agenda items.

IV. EXECUTIVE SUMMARY:

A. Review staff reports:

Mr. Metcalfe informed the Airport Commission that staff received a copy of the court ruling regarding the city of Olathe's rezoning action. The city rezoned property at the north end of Executive Airport about 4-1/2 years ago, although the Olathe Planning Commission voted 7-0 against the rezoning. Olathe city staff also recommended against the rezoning. The city council voted 5-2 in favor of the rezoning and has a super-majority rule that if they have a super-majority vote by the council that is in opposition to the Planning Commission recommendation, that it does not go back to the Planning Commission. The Airport Commission disagreed with the city's decision and brought the issue to the BoCC's attention. The BoCC concurred with the Airport Commission and directed the County Legal Department to file suit against the city. The basis of the lawsuit was that the city council's action was arbitrary and capricious and was not supported by the record, and secondly, the Airport Commission has statutory authority to be involved in and approve zoning actions within a mile of the airport. The case was tried in District Court, and the court found in the county's favor on the arbitrary and capricious aspects. There was no evidence offered on the legal aspect. The city appealed the decision to the Court of Appeals. The Supreme Court reversed the decision and thought that the record was adequate on the decision that the council made. The case was remanded to District Court for trial on the legal issue of whether the county has jurisdiction within the mile of the airport. The city filed motion for summary judgement, which was denied by Judge Bouska. Mr. Metcalfe interpreted Judge Bouska's opinion of the case that the city must obtain approval from the county within one mile of the airport. No trial date has been set.

Mr. Viets stated that he felt the momentum of the county was to have a county-wide upgrade of its infrastructure. Mr. Metcalfe stated that the Citizen's Visioning Committee requested information on infrastructure, and staff has been instructed to identify infrastructure costs. Mr. Viets urged the Airport Commission to contact the BoCC to support the airport. Mr. Winn stated that creative thinking would need to be displayed on the BoCC's part to accomplish these goals. Mr. Nohe asked how the Federal Aviation Administration (FAA) fared in the Federal budgeting process. Mr. Metcalfe replied that they did not fare well. Mr. Perry reported that there is no additional money for projects. Mr. Metcalfe stated that any airports eligible for federal funding cannot utilize the state funds, meaning that there is no capital money from a county, state or federal level. Consensus of the Airport Commission was to discuss the issue with the BoCC.

B. Summary of Financials.

Ms. Howell reported that the financials are on-line for the year. Revenues reflect \$15,500 received for the sale of the mobile home. The 1997 carryover amount of \$271,000 is also shown in the budget.

C. Consider ratifying the September expenditures as presented.

There were no questions regarding the expenditures.

MOVED BY MR. NOHE, SECONDED BY MS. THOMEN TO RATIFY THE SEPTEMBER EXPENDITURES AS PRESENTED. APPROVED (6-0).

V. DISCUSSION ITEMS:

A. Discuss financing for new t-hangars and determine if the Airport Commission should proceed with a request to fund construction at either or both airports.

This item was deferred from the September Airport Commission meeting. Mr. Perry reported that currently there are over 90 people on the t-hangar waiting list for Executive Airport and over 50 on the waiting list for New Century AirCenter. Staff researched alternatives for financing the construction of new t-hangars. The Office of Financial Management (OFM) was asked to have an analysis performed on existing t-hangar revenues, current revenue bond debt payments and revenue from the new t-hangars to determine if it would be feasible to support the construction. Staff provided the Airport Commission with several alternatives to construct the t-hangars. Two of the options include additional funds to address the deteriorating ramps at both airports. These ramps were submitted to the Capital Improvements Project (CIP) in the past, but they have not been included in the Airport Commission's CIP funding.

Mr. Perry stated that OFM provided the relevant information to the County financial advisor, Springstead. Springstead determined that it would be possible to support the alternatives if the county issued general obligation bonds and capitalized the first year interest. The existing 1992 revenue bonds supported by t-hangar rents are scheduled to retire in 2001. The analysis by Springstead also shows a positive cash flow. Mr. Perry stated that revenue bonds are not feasible for this project due to the 1992 issue having existing t-hangar revenues pledged to support that issue.

Staff felt that there is sufficient demand for these facilities to fill the new t-hangars shortly after construction is complete. In the event that Richards-Gebaur closes, it is expected that the demand for aircraft storage facilities will only increase.

Mr. Winn suggested staff convert the waiting list into pre-leases for the new t-hangars with a deposit. He felt that this was a way to relay to the BoCC that there is a demand for t-hangars. Mr. Perry commented that the current t-hangar tenants should have the right to lease the new t-hangars first.

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Several t-hangar tenants commented on the pricing of the proposed t-hangars as opposed to other airports. Mr. Dixon stated that he checked with Lee's Summit on the prices of their t-hangars, and he felt that the proposed prices for t-hangars at Executive Airport and New Century AirCenter would be competitive.

MOVED BY MR. WINN, SECONDED BY MR. NOHE, TO ENDORSE STAFF'S T-HANGAR CONSTRUCTION RECOMMENDATION AND RECOMMEND TO THE BOCC TO APPROVE ESTABLISHING A CONSTRUCTION PROJECT ACCOUNT AND PROCEED WITH GENERAL OBLIGATION BOND FUNDING FOR T-HANGARS IN THE AMOUNT OF \$6,105,000.00. MR. WINN ALSO INCLUDED DIRECTION FOR STAFF TO PROCEED WITH THE PRE-LEASING PROGRAM. APPROVED (6-0).

B. Discuss t-hangar rate adjustments for New Century and Executive Airports.

Mr. Perry reported that staff's recommendation for the rate increase for both New Century and Executive Airports was to keep the increases the same for both airports. The increase would average between 5.7 – 7.25%. A mechanism to adjust the rates periodically was discussed, specifically an increase every two years on January 1st based on the change in the CPI-U index, not to exceed 6% every two years.

Chairman Heaven stated that he liked the concept. The Airport Commission would also have the right to adjust the rates due to catastrophic events or recessions. Mr. Winn concurred and added that it may enable the Airport Commission to do further work on the t-hangars with the additional funds. Mr. Viets reminded the Airport Commission that there is an active black-market for subleasing t-hangars, concluding that this was the reason why the waiting lists never moved. The Airport Commission discussed the possibility that the t-hangars would not stay rented. Mr. Olsen commented that there are a lot of people who want to store their aircraft in t-hangars due to weather elements, and didn't see a problem filling the t-hangars. Commissioner Surbaugh stated that the BoCC would like to see the airport in a more self-sufficient position and would probably be receptive to the increased rates and the pay-as-you-go concept that the Airport Commission discussed. However, Commissioner Surbaugh stated that she was not committing the BoCC to anything.

Concerned t-hangar tenants made comments in support for not increasing the t-hangar rates. Chairman Heaven stated that the Airport Commission would be charging a competitive rate with other airports and did not design the increase to make it a profit center, but rather a break-even point.

MOVED BY MR. NOHE, SECONDED BY MR. WINN, TO ACCEPT STAFF'S RECOMMENDATION TO INCREASE THE T-HANGAR RATES FOR BOTH NEW CENTURY AND EXECUTIVE AIRPORTS TO BECOME EFFECTIVE JANUARY 1, 1999 AND TO APPROVE A MECHANISM TO ADJUST THE RATES EVERY TWO YEARS IN ACCORDANCE WITH THE CPI-U INDEX NOT TO EXCEED 6% EVERY TWO YEARS. APPROVED (6-0).

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C. Report from President, Southwest Johnson County EDC.

Mr. Engelmann reported that the 25th Anniversary of New Century AirCenter was held on September 25, 1998 and was a success. The event generated publicity, including a television station coverage and a cover story in the *College Boulevard News*.

Mr. Engelmann reported on various projects and stated that staff is working on, and expects to present more information on them within the next 60-90 days.

D. Report from J.P. Fogel.

Mr. Anderson reported on the retail center proposal. The developers met with the city planner and county planning department. However, a financing issue has been raised with their banker, and the project is questionable at this time.

The activity level at the Dazey Corporation and Toro South's building remains high with prospects. Mr. Anderson felt that the Heartland Precision Fasteners and Gonzales Communications' projects promoted activity within the AirCenter.

VI. BUSINESS FROM THE FLOOR:

Mr. Viets stated that he was interested in taking a tour of the new jail facilities. Mr. Metcalfe replied that a ribbon-cutting ceremony is planned for next spring, adding that he would arrange for a tour after a future Airport Commission meeting.

Mr. Olsen, Ray Olsen, L.L.C., thanked the Airport Commission for their decision on constructing t-hangars at both airports. Mr. Blasco thanked the Airport Commission for giving the t-hangar tenants an opportunity to voice their opinion. Commissioner Surbaugh commended the Airport Commission on the way they accepted input from the t-hangar tenants.

Mr. Blasco suggested that the Airport Commission conduct their meetings at night or on the weekends, concluding that more input could be provided. Chairman Heaven stated that the Airport Commission welcomes input.

Mr. Nohe asked when the next visioning and strategic planning session would be held. Staff will schedule a session for next year.

V. ADJOURNMENT

There being no further business, the meeting adjourned at 10:24 a.m.

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Larry Winn III, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – December 17, 1998 7:30 a.m. – Doubletree Hotel, Overland Park, KS

Airport Commission

Present: Messrs. Heaven, Dixon, Nohe, Winn, Ms. Mullin, Thomen

Absent: Mr. Viets

Staff: Metcalfe, Ritter, Dunham, Howell, Perry

Others: John Engelmann, Southwest Johnson County E.D.C.
Dan Meisinger, Executive Beechcraft
Jerry Fogel, J.P. Fogel and Company
Ray Olsen, AOPA rep.
Frank Blasco, EAA/AOPA Pilot
Chuck Cottengim, Executive Beechcraft
Tim Chanay, Executive Beechcraft
Tom Meisinzahl, Kansas City Aviation Center
Michele Stauffer, Kansas Aircraft
Jean Brower, Mid-States Millwork, Inc.
Brian Taylor, Air Associates
Janet Garms, McDowell, Rice, Smith & Gaar

Chairman Heaven called the meeting to order at 7:30 a.m.

(NOTE: Heading and paragraph numbers and letters correspond to Agenda numbers and letters. Items are listed in order of discussion.)

I. APPROVAL OF THE MINUTES:

MOVED BY MS. THOMEN, SECONDED BY MR. WINN, TO APPROVE THE MINUTES OF THE OCTOBER 28, 1998 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (5-0).

II. REPORT OF THE CHAIRMAN:

The Chairman had no comments.

III. CONSENT AGENDA ITEMS:

There were no consent agenda items.

IV. EXECUTIVE SUMMARY:

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A. Review staff reports:

The Airport Commission had no additional questions to staff reports.

B. Summary of Financials.

There were no questions to the financials.

C. Consider ratifying the September expenditures as presented.

There were no questions regarding the expenditures.

MOVED BY MR. WINN, SECONDED BY MS. MULLIN TO RATIFY THE OCTOBER AND NOVEMBER EXPENDITURES AS PRESENTED. APPROVED (5-0).

V. DISCUSSION ITEMS:

A. Consider approving the assignment of the leases for the Kings Aviation facilities from Kings Avionics, Inc./HMRS Holdings L.L.C. to Executive Beechcraft, Inc..

Mr. Metcalfe stated that Executive Beechcraft, Inc., a fixed base operator (FBO) at New Century AirCenter, has agreed in principal to acquire the FBO Operation and the leasehold interests in the four hangar facilities of Kings Aviation. Kings Aviation is the dba of HMRS Holdings, L.L.C. HMRS is comprised of the principals of Kings Avionics, Inc. (Dave Hayden and Gary Morris), the principal of Kansas Aircraft Sales (Michele Stauffer), both of which businesses are sublessees in the HMRS hangars, and Dr. John Romito, and investor and owner of several aircraft based with Kings. HMRS is the sublessee for the 1994 general obligation bond-financed hangars (Hangars 1, 2, and 3) and the 1997 airport revenue bond-financed hangar (Hangar 4).

Assignment of the leases requires approval of the bondholders and the Airport Commission. Mr. Metcalfe reported that Mercantile Bank is the sole bondholder and has confirmed verbally to airport staff that they will approve the substitution of Executive Beechcraft for HMRS. Mr. Metcalfe stated that he has personally reviewed Executive Beechcraft financial statements and feels comfortable with Executive Beechcraft's financial position to have the leases assigned and on bond obligations. He also stated that Mr. Meisinger intends to continue the FBO operation at the facility as an extension of his current FBO operations.

Ms. Janet Garms, bond counsel, has reviewed the legality of the assignments and, in addition to staff, is comfortable with the assignment. Ms. Garms stated that there are two separate issues of bonds, one being a general obligation bond backed by the ad valorem taxes of the county. Under this bond, the lease is directly with Kings Avionics and subleased to HMRS Holdings. There are guarantees of all parties underlying and it needs to be made clear who can and cannot be let go from those guarantees. Ms. Garms suggested that all parties of the transaction should meet with her to further discuss both issues.

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Mr. Meisinger, Executive Beechcraft, stated that he has been a tenant of New Century AirCenter for 22 years. He stated that he has mostly concentrated his efforts on Downtown Airport, but is now directing more of his resources to the development of New Century AirCenter.

Ms. Michele Stauffer, Kansas Aircraft, stated that the principals of the HMRS Holdings are proud of what they have started and that Kansas Aircraft will continue to lease a portion of the building.

MOVED BY MR. WINN, SECONDED BY MR. NOHE, TO APPROVE THE ASSIGNMENT OF THE LEASES FOR THE KINGS AVIATION FACILITIES FROM KINGS AVIONICS, INC./HMRS HOLDINGS L.L.C. TO EXECUTIVE BEECRAFT, INC., AND AUTHORIZE THE CHAIRMAN TO EXECUTE THE DOCUMENTS SUBJECT TO REVIEW BY BOND AND LEGAL COUNSEL. APPROVED (6-0).

- B. Consider approving the assignment of the ground lease from Mid-States Millwork, Inc. to SkyyWay Aviation L.C.

Mr. Metcalfe stated that Mid-States Millwork, Inc. has negotiated to sell its corporate hangar east of Executive Beechcraft at New Century AirCenter to SkyyWay Aviation L.C. The principals of SkyyWay Aviation are currently a tenant of Kings Aviation facilities and are expanding their business to allow for aircraft storage as well as office space. SkyyWay operates a charter passenger and cargo service and manages aircraft for others and hopes to expand their aviation services. Staff has discussed the FBO minimum standards with SkyyWay Aviation.

Mr. Metcalfe stated that staff has not received written notification of the request to assign the lease. He also stated that SkyyWay Aviation is a newly-formed organization but he knows personally the principals of SkyyWay and is confident that they are people of substance.

MOVED BY MR. NOHE, SECONDED BY MS. THOMEN, TO APPROVE THE ASSIGNMENT OF THE GROUND LEASE FROM MID-STATES MILLWORK, INC. TO SKYYWAY AVIATION, L.C., SUBJECT TO PROPER DOCUMENTATION AND LEGAL COUNSEL'S REVIEW. APPROVED (6-0).

- C. Consider conceptual approval of a plan by Forrest M. "Woody" Haynes, Principal of KCH Flying Service, to construct two hangar buildings in the northwest portion of Executive Airport to accommodate the relocation of KCH Flying Service and Performance Aircraft from the current "KCH" hangar on the east side of the airfield. Mr. Haynes is proposing to use airport revenue bond funding for this project, estimated to be in the \$500,000 range.

Mr. Metcalfe stated that the KCH hangar has been the subject of continuing concern about the condition of the building and housekeeping around the building. KCH was in the process of responding to these concerns when Air Associates approached KCH about taking over the building. KCH has agreed in principal to assign its leasehold interest in the hangars to Air Associates, who leases the hangar east of KCH.

Mr. Woody Haynes, KCH, proposes to continue to operate the flight school portion of KCH

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Flying Service and needs a hangar to house Performance Aircraft, a business he owns which markets a high-performance kit plane called the Legend. Staff was approached by Mr. Haynes to build a new hangar building on land that he owns on the southwest side of the airport. His plan necessitated “through the fence” (TFF) access to the airfield. Staff reviewed the proposal and recommended against the approach. Mr. Haynes now proposes to build two hangar buildings on vacant airport land north of Kansas City Aviation Center’s (KCAC) maintenance hangar, east of KCAC’s storage hangars.

The land that KCH proposes to construct its two hangars has been in KCAC’s inventory until January, 1997, when KCAC relinquished its lease on the land, but retained a right of first refusal to lease the land. The right of first refusal was contingent upon KCAC’s making an annual payment of \$2,150 on January 1st of each year for five years. KCAC failed to make the January 1, 1998 payment, and by its terms, the right of first refusal became void 30 days thereafter. Staff discovered the failure to pay on December 8th, and on December 10th, notified KCAC. KCAC stated that it was an oversight on their part and requested that they be allowed to make the payment now and that the right of first refusal be honored by the Airport Commission.

Ms. Mullin asked what KCAC’s plans were for the land. Mr. Meisenzahl stated that KCAC has increased their business by 25% and is running out of space and has a need for the property. Future plans consist of a building for their completion center and to store aircraft. KCAC assumed that the Airport Commission would bill KCAC for the right of first refusal or they would have responded. KCAC has a future need for the property and would like to retain the right of first refusal. Mr. Meisenzahl also stated that KCAC was embarrassed by the shape that the current KCH building is in and does not want to have the same thing happen right next door to their facilities.

Mr. Metcalfe suggested that if the Airport Commission approved of the idea then they should give conceptual approval only and subject to extensive review. Mr. Winn felt that the aesthetics issue needs to be addressed and inquired if we could recraft the right of first refusal for KCAC on the remaining 80,000 sq. ft. that was not proposed to be used by KCH. Mr. Meisenzahl reiterated that KCAC has a problem with the maintenance upkeep by KCH. Mr. Winn stated that the Airport Commission would address the issue. Ms. Mullin asked if KCAC was ready to act on the lease. Mr. Meisenzahl replied affirmatively.

Mr. Winn asked what Air Associates plans were for the building. Mr. Metcalfe stated that Air Associates would like to become a full-service fixed base operator and have frontage-access to the airfield. Mr. Winn stated that he would like to see the plans for the upgrade to the facility. Brian Taylor, Air Associates, stated that they do not want the building in the condition that it is currently in. They, too, are concerned about image.

Chairman Heaven stated that conceptual plans were need for the Airport Commission’s review. Ms. Mullin felt that the issue was too preliminary to a motion and felt the commission should ask if KCH’s plan would enhance the airport and if KCH would provide upkeep to the new building. Mr. Winn concurred and suggested that KCAC present the Airport Commission with a long-term business plan for the land. Mr. Nohe stated that staff should research to see if KCAC indeed has a proposal, and then accept the best offer.

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Mr. Metcalfe stated that staff has received a formal request to accept a check from KCAC for the right of first refusal on the land. Ms. Dunham stated that the check has not been cashed at this time. Chairman Heaven directed staff to hold the check from KCAC until a decision has been made.

MOVED BY MR. WINN, SECONDED BY MR. DIXON, TO TABLE THE ISSUE PENDING FURTHER INFORMATION. APPROVED (6-0).

D. Report from President, Southwest Johnson County EDC.

Mr. Engelmann reported that staff is currently working with the county transit department on transportation issues at the AirCenter. He reported on several prospects, which their projects are still on-going. The board inquired about the proposed retail project. Mr. Metcalfe stated that the proposal has been withdrawn due to the lender and city requirements.

E. Report from J.P. Fogel.

Mr. Fogel stated that he, along with Nathan Anderson, Lee Metcalfe and John Engelmann, are scheduled to meet regarding the zoning for the retail property at Moonlight Road and 56 Highway. He also added that he has had an increased number of inquiries due to the announcement of Heartland and Gonzales to New Century AirCenter.

VI. BUSINESS FROM THE FLOOR:

Mr. Nohe asked what the status was on Woodstone Apartments. Mr. Metcalfe replied that there was no additional information at this time.

The board discussed the issue of a proposed elementary school near Executive Airport. Ms. Dunham, Legal Counsel, stated that the Airport Commission has no legal ability to stop the building of a school so close in proximity of an airport. Chairman Heaven stated that he was concerned with safety. Mr. Winn asked if additional insurance would be needed and felt that the Airport Commission should go on record stating that they oppose the school being built. It was suggested that the Airport Commission send a letter to the school district. Chairman Heaven will meet with staff to send a letter to the school board, county planning and BoCC. It was also suggested that the Parent Teachers Association be sent a letter and possibly companies within the area.

Mr. Frank Blasco thanked the Airport Commission for allowing him to attend the meetings. He stated that an aviation newsletter had recently written an article that alluded to the fact that the Airport Commission was secretive. Mr. Blasco wrote a letter in opposition to the article.

V. ADJOURNMENT

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There being no further business, the meeting adjourned at 9:00 a.m.

Larry Winn III, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – December 17, 1998 7:30 a.m. – Doubletree Hotel, Overland Park, KS

Airport Commission

Present: Messrs. Heaven, Dixon, Nohe, Winn, Ms. Mullin, Thomen

Absent: Mr. Viets

Staff: Metcalfe, Ritter, Dunham, Howell, Perry

Others: John Engelmann, Southwest Johnson County E.D.C.
Dan Meisinger, Executive Beechcraft
Jerry Fogel, J.P. Fogel and Company
Ray Olsen, AOPA rep.
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Jean Brower, Mid-States Millwork, Inc.
Brian Taylor, Air Associates
Janet Garms, McDowell, Rice, Smith & Gaar

Chairman Heaven called the meeting to order at 7:30 a.m.

(NOTE: Heading and paragraph numbers and letters correspond to Agenda numbers and letters. Items are listed in order of discussion.)

I. APPROVAL OF THE MINUTES:

MOVED BY MS. THOMEN, SECONDED BY MR. WINN, TO APPROVE THE MINUTES OF THE OCTOBER 28, 1998 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (5-0).

II. REPORT OF THE CHAIRMAN:

The Chairman had no comments.

III. CONSENT AGENDA ITEMS:

There were no consent agenda items.

IV. EXECUTIVE SUMMARY:

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A. Review staff reports:

The Airport Commission had no additional questions to staff reports.

B. Summary of Financials.

There were no questions to the financials.

C. Consider ratifying the September expenditures as presented.

There were no questions regarding the expenditures.

MOVED BY MR. WINN, SECONDED BY MS. MULLIN TO RATIFY THE OCTOBER AND NOVEMBER EXPENDITURES AS PRESENTED. APPROVED (5-0).

V. DISCUSSION ITEMS:

A. Consider approving the assignment of the leases for the Kings Aviation facilities from Kings Avionics, Inc./HMRS Holdings L.L.C. to Executive Beechcraft, Inc..

Mr. Metcalfe stated that Executive Beechcraft, Inc., a fixed base operator (FBO) at New Century AirCenter, has agreed in principal to acquire the FBO Operation and the leasehold interests in the four hangar facilities of Kings Aviation. Kings Aviation is the dba of HMRS Holdings, L.L.C. HMRS is comprised of the principals of Kings Avionics, Inc. (Dave Hayden and Gary Morris), the principal of Kansas Aircraft Sales (Michele Stauffer), both of which businesses are sublessees in the HMRS hangars, and Dr. John Romito, and investor and owner of several aircraft based with Kings. HMRS is the sublessee for the 1994 general obligation bond-financed hangars (Hangars 1, 2, and 3) and the 1997 airport revenue bond-financed hangar (Hangar 4).

Assignment of the leases requires approval of the bondholders and the Airport Commission. Mr. Metcalfe reported that Mercantile Bank is the sole bondholder and has confirmed verbally to airport staff that they will approve the substitution of Executive Beechcraft for HMRS. Mr. Metcalfe stated that he has personally reviewed Executive Beechcraft financial statements and feels comfortable with Executive Beechcraft's financial position to have the leases assigned and on bond obligations. He also stated that Mr. Meisinger intends to continue the FBO operation at the facility as an extension of his current FBO operations.

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Ms. Michele Stauffer, Kansas Aircraft, stated that the principals of the HMRS Holdings are proud of what they have started and that Kansas Aircraft will continue to lease a portion of the building.

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Mr. Metcalfe stated that staff has not received written notification of the request to assign the lease. He also stated that SkyyWay Aviation is a newly-formed organization but he knows personally the principals of SkyyWay and is confident that they are people of substance.

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Mr. Woody Haynes, KCH, proposes to continue to operate the flight school portion of KCH

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Flying Service and needs a hangar to house Performance Aircraft, a business he owns which markets a high-performance kit plane called the Legend. Staff was approached by Mr. Haynes to build a new hangar building on land that he owns on the southwest side of the airport. His plan necessitated “through the fence” (TFF) access to the airfield. Staff reviewed the proposal and recommended against the approach. Mr. Haynes now proposes to build two hangar buildings on vacant airport land north of Kansas City Aviation Center’s (KCAC) maintenance hangar, east of KCAC’s storage hangars.

The land that KCH proposes to construct its two hangars has been in KCAC’s inventory until January, 1997, when KCAC relinquished its lease on the land, but retained a right of first refusal to lease the land. The right of first refusal was contingent upon KCAC’s making an annual payment of \$2,150 on January 1st of each year for five years. KCAC failed to make the January 1, 1998 payment, and by its terms, the right of first refusal became void 30 days thereafter. Staff discovered the failure to pay on December 8th, and on December 10th, notified KCAC. KCAC stated that it was an oversight on their part and requested that they be allowed to make the payment now and that the right of first refusal be honored by the Airport Commission.

Ms. Mullin asked what KCAC’s plans were for the land. Mr. Meisenzahl stated that KCAC has increased their business by 25% and is running out of space and has a need for the property. Future plans consist of a building for their completion center and to store aircraft. KCAC assumed that the Airport Commission would bill KCAC for the right of first refusal or they would have responded. KCAC has a future need for the property and would like to retain the right of first refusal. Mr. Meisenzahl also stated that KCAC was embarrassed by the shape that the current KCH building is in and does not want to have the same thing happen right next door to their facilities.

Mr. Metcalfe suggested that if the Airport Commission approved of the idea then they should give conceptual approval only and subject to extensive review. Mr. Winn felt that the aesthetics issue needs to be addressed and inquired if we could recraft the right of first refusal for KCAC on the remaining 80,000 sq. ft. that was not proposed to be used by KCH. Mr. Meisenzahl reiterated that KCAC has a problem with the maintenance upkeep by KCH. Mr. Winn stated that the Airport Commission would address the issue. Ms. Mullin asked if KCAC was ready to act on the lease. Mr. Meisenzahl replied affirmatively.

Mr. Winn asked what Air Associates plans were for the building. Mr. Metcalfe stated that Air Associates would like to become a full-service fixed base operator and have frontage-access to the airfield. Mr. Winn stated that he would like to see the plans for the upgrade to the facility. Brian Taylor, Air Associates, stated that they do not want the building in the condition that it is currently in. They, too, are concerned about image.

Chairman Heaven stated that conceptual plans were need for the Airport Commission’s review. Ms. Mullin felt that the issue was too preliminary to a motion and felt the commission should ask if KCH’s plan would enhance the airport and if KCH would provide upkeep to the new building. Mr. Winn concurred and suggested that KCAC present the Airport Commission with a long-term business plan for the land. Mr. Nohe stated that staff should research to see if KCAC indeed has a proposal, and then accept the best offer.

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Mr. Metcalfe stated that staff has received a formal request to accept a check from KCAC for the right of first refusal on the land. Ms. Dunham stated that the check has not been cashed at this time. Chairman Heaven directed staff to hold the check from KCAC until a decision has been made.

MOVED BY MR. WINN, SECONDED BY MR. DIXON, TO TABLE THE ISSUE PENDING FURTHER INFORMATION. APPROVED (6-0).

D. Report from President, Southwest Johnson County EDC.

Mr. Engelmann reported that staff is currently working with the county transit department on transportation issues at the AirCenter. He reported on several prospects, which their projects are still on-going. The board inquired about the proposed retail project. Mr. Metcalfe stated that the proposal has been withdrawn due to the lender and city requirements.

E. Report from J.P. Fogel.

Mr. Fogel stated that he, along with Nathan Anderson, Lee Metcalfe and John Engelmann, are scheduled to meet regarding the zoning for the retail property at Moonlight Road and 56 Highway. He also added that he has had an increased number of inquiries due to the announcement of Heartland and Gonzales to New Century AirCenter.

VI. BUSINESS FROM THE FLOOR:

Mr. Nohe asked what the status was on Woodstone Apartments. Mr. Metcalfe replied that there was no additional information at this time.

The board discussed the issue of a proposed elementary school near Executive Airport. Ms. Dunham, Legal Counsel, stated that the Airport Commission has no legal ability to stop the building of a school so close in proximity of an airport. Chairman Heaven stated that he was concerned with safety. Mr. Winn asked if additional insurance would be needed and felt that the Airport Commission should go on record stating that they oppose the school being built. It was suggested that the Airport Commission send a letter to the school district. Chairman Heaven will meet with staff to send a letter to the school board, county planning and BoCC. It was also suggested that the Parent Teachers Association be sent a letter and possibly companies within the area.

Mr. Frank Blasco thanked the Airport Commission for allowing him to attend the meetings. He stated that an aviation newsletter had recently written an article that alluded to the fact that the Airport Commission was secretive. Mr. Blasco wrote a letter in opposition to the article.

V. ADJOURNMENT

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There being no further business, the meeting adjourned at 9:00 a.m.

Larry Winn III, Secretary

R. Lee Metcalfe, Executive Director