

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – January 27, 1999 9:00 a.m. – New Century, KS

Airport Commission

Present: Messrs. Heaven, Dixon, Nohe, Viets, Ms. Mullin,

Absent: Ms. Thomen, Mr. Winn

Staff: Metcalfe, Ritter, Dunham, Howell, Perry

Others: John Engelmann, Southwest Johnson County E.D.C.
Gordon Evans, Federal Aviation Administration
Woody Haynes, K.C.H.
Del Durham
Jerry Fogel, J.P. Fogel and Company
Ray Olsen, Ray Olsen, L.L.C.
Frank Blasco, EAA/AOPA Pilot
Max Sielert, Johnson County Fire District #1
Brian Taylor, Air Associates
Tom Meisenzahl, Kansas City Aviation Center
Nathan Anderson, J.P. Fogel and Company
Robert Cronkleton, *KC Star*
Lyle Bighley, Kansas Pilots Association

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. NOHE, SECONDED BY MR. DIXON, TO APPROVE THE MINUTES OF THE DECEMBER 17, 1999 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (4-0).

II. REPORT OF THE CHAIRMAN:

The Chairman had no comments.

III. CONSENT AGENDA ITEMS:

There were no consent agenda items.

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING

REVISED AGENDA

New Century, Kansas

Wednesday, January 27, 1999 - 9:00 a.m.

TAB

A

I. **APPROVAL OF MINUTES** of December 17, 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 December expenditures as presented.

D

V. **DISCUSSION ITEMS:**

A. Discuss analysis of constructing additional t-hangars with revenue or general obligation bonds.

B. 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.

C. 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 \$34,380.

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

E. Report from J.P. Fogel.

- Consider a proposal from Jacobs Properties to lease approximately 5.5 acres at the northeast corner of Highway 56/Main St. and Moonlight Road (southwest corner of New Century property) for retail development.

VI. **BUSINESS FROM THE FLOOR**

VII. **ADJOURNMENT**

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING

REVISED AGENDA

New Century, Kansas

Wednesday, February 24, 1999 - 9:00 a.m.

TAB

A

I. **APPROVAL OF MINUTES** of January 27, 1999 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 January expenditures as presented.

D

V. **DISCUSSION ITEMS:**

A. Recommend the BoCC approve the acquisition of land at the northeast corner of New Century AirCenter to preserve an avigational right-of-way.

B. Consider approving in concept the proposed lease of the building known as the NORAD tower to KMBC-TV for the purpose of installing a weather radar.

C. Consider accepting from Kansas City Aviation Center (KCAC) belated payment for and renewing a right of first refusal to lease land at Executive Airport.

D. Consider adopting revised Covenants, Conditions and Restrictions (CCRs) for the business park at New Century AirCenter.

E. 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.

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

G. Report from J.P. Fogel.

VI. **BUSINESS FROM THE FLOOR**

VII. **ADJOURNMENT**

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
REVISED AGENDA
New Century, Kansas
Wednesday, March 24, 1999 - 9:00 a.m.

TAB

A

I. **APPROVAL OF MINUTES** of February 24, 1999 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 February expenditures as presented.

D

V. **DISCUSSION ITEMS:**

A. Consider approval of staff recommendations for the 2000-2004 Capital Improvement Program (C.I.P.)

B. Year 2000 Budget Discussion

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

D. Report from J.P. Fogel.

VI. **BUSINESS FROM THE FLOOR**

VII. **EXECUTIVE SESSION**

- Executive Directors Performance Evaluation

VIII. **ADJOURNMENT**

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING

AGENDA

New Century, Kansas

Wednesday, April 28, 1999 - 9:00 a.m.

TAB

A

I. **APPROVAL OF MINUTES** of April 28, 1999 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 and May expenditures as presented.

D

V. **DISCUSSION ITEMS:**

A. Consider requesting to the BoCC to approve a resolution requesting federal release of land located at New Century AirCenter.

B. Consider approving the revised Covenants, Conditions and Restrictions (CCRs) for the business park at New Century AirCenter.

C.

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

E. Report from J.P. Fogel.

VI. **BUSINESS FROM THE FLOOR**

VII. **EXECUTIVE SESSION**

VIII. **ADJOURNMENT**

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
AGENDA
New Century, Kansas
Wednesday, June 23, 1999 - 9:00 a.m.

TAB

A

I. **APPROVAL OF MINUTES** of April 28, 1999 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 April and May expenditures as presented.

D

V. **DISCUSSION ITEMS:**

A. Consider requesting to the BoCC to approve a resolution requesting federal release of land located at New Century AirCenter.

B. Discuss Budget and CIP.

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
REVISED AGENDA
New Century, Kansas
Wednesday, July 28, 1999 - 9:00 a.m.

TAB

A

I. **APPROVAL OF MINUTES** of April 28, 1999 and June 23, 1999 meetings.

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 April, May and June expenditures as presented.

D

V. **DISCUSSION ITEMS:**

A. Consider a request by tenants to convert t-hangars that are currently separately billed for electricity to Airport Commission funded, with an increase to those rental rates to equal rents charged other t-hangar tenants whose utilities are provided. Also, consider increasing current t-hangar rates to recover actual costs of providing utility service.

B. Consider approving a revised 2000 Airport Fund operating budget.

C. Consider retaining J.P. Fogel & Company as consultants in real estate matters.

D. Consider taking appropriate action to prevent the construction of a Days Inn motel in the Runway Protection Zone for Runway 35 at New Century AirCenter.

E. Discussion of rail maintenance issues.

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

VI. **BUSINESS FROM THE FLOOR**

VII. **ADJOURNMENT**

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
REVISED AGENDA
New Century, Kansas
Wednesday, August 25, 1999 - 9:00 a.m.

TAB

A

I. APPROVAL OF MINUTES of July 28, 1999 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 granting initial approval of a development project for a 200,000 sq. ft. aircraft modification facility at New Century AirCenter and recommending to the Board of County Commissioners the adoption of a Resolution of Intent to issue \$9,500,000 in "double-barrel" general obligation/revenue bonds.

B. Consider granting initial approval of a development project for a 30,000 sq. ft. aircraft modification facility at New Century AirCenter and recommending to the Board of County Commissioners the adoption of a Resolution of Intent to issue \$1,250,000 in airport special facility revenue bonds.

C. Request the BoCC declare as surplus to the needs of the airport certain parcels of vacant land at New Century AirCenter, and authorize the Airport Commission to request from the Federal Aviation Administration release of said parcels from the covenants, conditions and restrictions of quitclaim deed of November 19, 1973.

D. Consider authorizing the Executive Director to sign an agreement, jointly with Tom Kaleko, Gardner city administrator, to authorize Bucher Willis & Ratliff (BWR) to prepare development guidelines, standards and a concept plan for the "park-within-a-park" at the southwest corner of New Century AirCenter. The \$10,080 project is to be funded 50/50 by Gardner and the Airport Commission.

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

VI. BUSINESS FROM THE FLOOR

VII. ADJOURNMENT

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING

REVISED AGENDA

New Century, Kansas

Wednesday, September 22, 1999 - 9:00 a.m.

TAB

A

I. APPROVAL OF MINUTES of August 25, 1999 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. Consider approving the final payment for the sewer and water extensions along East Leawood Drive to serve the Gonzales Communications site and future development to the east.

B. Consider accepting a railroad loan in the amount of \$210,000.00 from the Kansas Department of Transportation Rail Division.

C. Discuss t-hangar strategy for Executive Airport.

D. Discuss concept for a softball training facility at New Century AirCenter.

E. Discuss current policy for broker's commission.

F. Report from President, Southwest Johnson County EDC

VI. BUSINESS FROM THE FLOOR

VII. ADJOURNMENT

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING

AGENDA

New Century, Kansas

Wednesday, October 27, 1999 - 9:00 a.m.

TAB

A

I. APPROVAL OF MINUTES of September 22, 1999 meeting.

II. REPORT OF THE CHAIRMAN:

- A. Welcome new Airport Commissioner Don Pipes.
- B. Elect a new Vice-Chairman of the Airport Commission.
- C. Reschedule November and December meetings.
- D. Announce new Development Committee members.
- E. Report of the Chairman of the Development Committee.

B

III. CONSENT AGENDA ITEMS:

C

IV. EXECUTIVE SUMMARY:

- A. Review staff reports.
- B. Summary of Financials.
- C. Consider ratifying the September expenditures as presented.

D

V. DISCUSSION ITEMS:

- A. Consider approval of the transfer of the KCH, Inc. hangar lease to Air Associates of Kansas, Inc.
- B. Consider approving a development concept for and accepting a "letter of intent to lease" the northwest corner of Moonlight and 56 Highway from First Kansas Bank and Trust Co.
- C. Consider approving a development concept and approving a proposed lease for the northwest corner of Moonlight and 56 Highway from QuickTrip Corporation.
- D. Consider approving the form and content of a ground lease for a 215,000 sq. ft. food manufacturing facility to be located on 17.5 acres (m/l) at the southeast corner of Prairie Village Drive and New Century Parkway.
- E. Status of AirWorks project.
- F. Report from President, Southwest Johnson County EDC

VI. BUSINESS FROM THE FLOOR

VII. ADJOURNMENT

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING

AGENDA

New Century, Kansas

Wednesday, January 26, 2000 - 9:00 a.m.

TAB

A

I. **APPROVAL OF MINUTES** of December 8, 1999 meeting and January 4, 2000 telephone conference call meeting.

II. **REPORT OF THE CHAIRMAN:**

A. Consider scheduling an Airport Commission Strategic Planning Retreat.

B

III. **CONSENT AGENDA ITEMS:**

C

IV. **EXECUTIVE SUMMARY:**

A. Review staff reports.

B. Summary of Financials.

C. Consider ratifying the expenditures as presented.

D

V. **DISCUSSION ITEMS:**

A.

B.

C.

D. Report from President, Southwest Johnson County EDC

VI. **BUSINESS FROM THE FLOOR**

VII. **ADJOURNMENT**

IV. EXECUTIVE SUMMARY:

A. Review staff reports:

Staff reported that the Army Corps of Engineers is in the process of removing the underground storage tanks at New Century AirCenter. The Army will pay \$1.2 million to remove the tanks and remediate the soil. The Airport Commission will not be responsible for any of the costs.

B. Summary of Financials:

Ms. Howell reported that financials are on-line and there will be a carry-over from 1998. Final figures will be available after the county's 13th month.

C. Consider ratifying the September expenditures as presented.

There were no questions regarding the expenditures.

MOVED BY MR. VIETS, SECONDED BY MR. NOHE TO RATIFY THE DECEMBER EXPENDTURES AS PRESENTED. APPROVED (4-0).

V. DISCUSSION ITEMS:

A. Discuss analysis of constructing additional t-hangars with revenue or general obligation bonds.

Mr. Perry reported that the county's financial advisor, Springsted, performed an analysis of the airport's outstanding revenue bond debt and current financial situation to determine if additional revenue bonds for constructing additional t-hangars would be feasible. After several iterations of this review, it was recommended to delay additional revenue bond debt while the 1992 revenue debt issue is still outstanding. The Office of Financial Management concurs in this assessment and does not support revenue debt financing at this time. Mr. Perry stated that there is some resistance in the county administration for issuing general obligations bonds for t-hangars, primarily due to overlapping debt and bond ratings. As such, it was recommended that the request for constructing additional t-hangars be withdrawn until after the 1992 series of revenue bonds are retired in 2001.

Mr. Dixon asked if there was any discussion with private developers about constructing t-hangars. Mr. Perry stated that there has been interest from private developers, but their cost of financing in conjunction with a ground lease makes it too expensive for the developer. Mr. Metcalfe added that they would also have to pay property taxes and would want to make a reasonable profit, all of which would result in extremely high rental rates for the t-hangars.

MOVED BY MR. NOHE, SECONDED BY MR. VIETS, TO WITHDRAW THE REQUEST FOR DEBT FINANCING FOR THE T-HANGAR PROJECT AT THIS TIME AND REVISIT THE ENTIRE ISSUE IN THE FALL OF 2000.

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Chairman Heaven suggested that the board table the issue for one month to allow himself and Mr. Metcalfe to visit with Springsted and the BoCC regarding this issue. Chairman Heaven stated that he would report their findings to the board at the February meeting. Mr. Nohe withdrew his motion, and Mr. Viets withdrew is second on the motion. Consensus of the board was to table the issue until the February Airport Commission meeting.

- B. 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 this is a continuing discussion from the last meeting. He stated that Mr. Haynes has proposed an alternate site for KCH, which proposes to continue to operate the flight school portion of KCH Flying Service and construct a hangar to house Performance Aircraft, a business Mr. Woody Haynes owns and markets a high-performance kit plane called the Legend. KCAC has expressed concern that having KCH build on land north of their facility (the original proposed location), and which KCAC believes would impact future development.

Mr. Haynes stated that he is now interested in leasing land on the northeast corner of the airport. He stated that he was initially interested in a through-the-fence operation with land he owns abutting Executive Airport, but quickly dismissed that as an option. Mr. Haynes also stated that at the time he suggested the land north of KCAC, he was not aware that KCAC had interest in the land. Industrial Revenue Bond financing is an opportunity and he would need to have his building completed in April or May of this year.

Mr. Blasco asked if the construction would impact the annual fly-in at Executive Airport on September 25th. Mr. Meisenzahl, KCAC, stated that it would not have an impact.

Mr. Metcalfe stated that staff has been approached by a corporation to build a 7,500 sq. ft. corporate hangar, and staff has recommended the area north of KCAC, where KCH originally proposed to construct its hangar.

MOVED BY MR. NOHE, SECONDED BY MR. DIXON TO APPROVE THE CONCEPT PROPOSED BY MR. HAYNES FOR THE EAST PROPERTY AT EXECUTIVE AIRPORT, INCLUDING IRB FINANCING, AND AUTHORIZE STAFF TO PREPARE NECESSARY DOCUMENTATION FOR FORMAL APPROVAL AT THE FEBRUARY 24, 1999 MEETING. APPROVED (4-0).

Ms. Dunham, legal counsel, stated that airport staff received a check from KCAC for their right of first refusal on the land north of their facility. Staff has held the check until the issue could be resolved as to whether or not the Airport Commission would accept KCAC’s right of first refusal payment, which was paid late. Mr. Meisenzahl stated the KCAC needs to expand and may be interested in a joint-venture building with the airport’s prospective client. Consensus of the board was to defer any action with regards to the check until the February meeting.

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- C. 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 \$34,380.

Mr. Metcalfe stated that the Airport Commission contracted with the EDC five years ago to provide economic development services for the Airport Commission. The relationship has flourished and Mr. Metcalfe is personally pleased with the progress. Staff recommended approval of the contract for a one-year term. Mr. Nohe stated it is worthy to note that the organization has grown prolifically and continues to grow in stature with the county.

MOVED BY MR. NOHE, SECONDED BY MR. VIETS TO APPROVE THE RENEWAL OF A CONTRACT WITH SOUTHWEST JOHNSON COUNTY EDC FOR ECONOMIC DEVELOPMENT SERVICES FOR A ONE-YEAR TERM IN THE AMOUNT OF \$34,380. APPROVED (5-0).

- D. Report from President, Southwest Johnson County EDC.

Mr. Engelmann reported on the various prospects at New Century AirCenter. He also reviewed the 1999 marketing campaign, which consisted of the quarterly newsletters, print ad campaigns, and ads in local magazines. Mr. Engelmann also suggested that staff meet in small groups with local realtors over a one year period to present the features of New Century AirCenter. Mr. Nohe stated that he was very supportive with meeting with local realtors and suggested that a representative from the BoCC and Airport Commission be included.

MOVED BY MR. NOHE, SECONDED BY MS. MULLIN TO APPROVE THE 1999 MARKETING PLAN AS PROPOSED IN THE AMOUNT OF \$23,050. APPROVED (5-0).

Mr. Engelmann reported that the EDC's Human Resources Task Force Committee, which is comprised of local companies, would be targeting potential employees living near southwest Johnson County.

Mr. Metcalfe informed the board of the challenge to find land that fronts on an established road with utilities in place. He stated that the food manufacturer prospect has a need for rail and is considering the southwest corner of Prairie Village Drive. Mr. Metcalfe stated that this site complicates the future road plan. Mr. Fogel agreed that we are running out of readily-available sites. Looking into the future, access to utilities will be needed to be competitive in the market. Consensus of the Airport Commission was to perform a study before the next budget cycle to research these issues.

Mr. Nohe suggested that the board be provided information on the current employment count, average wage, debt structure and assessed value for companies at New Century AirCenter. The board also discussed benefit districts. Mr. Fogel stated that a benefit district allowed the Gonzales Communications deal to work. Ms. Dunham stated she would investigate possibilities for a benefit district.

- E. Report from J.P. Fogel.

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Mr. Anderson, J.P. Fogel, presented background information on a proposal from Jacobs Properties to lease 5.5 acres of land at the northeast corner of Highway 56/Main Street and Moonlight road for retail development. In order for the proposal to work, the land would need to be rezoned. Mr. Jacobs has requested a stair-step rate to attract tenants, and then increase the rates after the building has been completed. Mr. Anderson stated that there were some concerns, such as Mr. Jacobs trying to tie up the site, since he also has a site across the street from the proposed site. The typical types of tenants would be national tenants and not smaller businesses. Mr. Anderson asked the board if a counter-proposal should be prepared. He also added that a CP3 zoning would give more control to the Airport Commission and the city.

Mr. Nohe stated that performance characteristics should be included into the agreement to ensure that the project happens within a certain amount of time. Mr. Metcalfe added that Mr. Jacobs still has room to expand on his current property. Chairman Heaven suggested that a counter-proposal be made to lease the land for a two-year period.

MOVED BY MR. NOHE, SECONDED BY MS. MULLIN, TO DIRECT STAFF TO MAKE A COUNTER-PROPOSAL TO MR. JACOBS AND PRESENT THE PROPOSAL TO THE AIRPORT COMMISSION. APPROVED (5-0).

Mr. Fogel reported that he was the chairman of the Aviation Committee of Greater Kansas City. Mr. Metcalfe is the featured speaker for their January meeting. Mr. Fogel also reported on a hydraulics manufacturer who is interested in New Century AirCenter.

VI. BUSINESS FROM THE FLOOR:

Mr. Nohe suggested that the Airport Commission host an annual promotional event this year similar to the anniversary celebration that was held in September. The possibility of having an air show at New Century AirCenter was also discussed.

Mr. Blasco stated that the west t-hangars at Executive Airport are looking bad and the paint is wearing thin. Staff stated that a portion of the t-hangar proposal would have provided moneys to repair the west t-hangars.

Mr. Blasco also stated that the Airport Commission made no mention of the proposed elementary school near Executive Airport. Mr. Metcalfe stated that staff has had several conversations with the school district officials, who are aware of the Airport Commission's concerns. He stated that they have put their plans on hold for one year while they study their options. Mr. Metcalfe stated that the school district has been very responsive.

Mr. Blasco asked if the Airport Commission had considered conducting evening meetings. Mr. Metcalfe responded that the scheduling of meetings would be discussed at the strategic planning retreat on February 4, 1999.

Mr. Dixon asked if staff had responded to a letter from the developer of homes near Executive Airport. Mr. Metcalfe that he plans to meet with Gideon Brown regarding the issue. Ms. Dunham is

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reviewing and has given her opinion on how to address the issue. Chairman stated that he felt that there was another motive involved for the letter.

Chairman Heaven introduced Gordon Evans from the Federal Aviation Administration. Mr. Evans announced that he would be attending the Airport Commission meetings and would be available to hear concerns anyone may have.

V. ADJOURNMENT

There being no further business, the meeting adjourned at 10:26 a.m.

Larry Winn III, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – February 24, 1999 9:00 a.m. – New Century, KS

Airport Commission

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

Absent: Ms. Mullin, Mr. Viets

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

Others: Commissioner Doug Wood, BoCC
John Engelmann, Southwest Johnson County E.D.C.
Gordon Evans, Federal Aviation Administration
Jerry Fogel, J.P. Fogel and Company
Ray Olsen, Ray Olsen, L.L.C.
Frank Blasco, EAA/AOPA Pilot
Max Sielert, Johnson County Fire District #1
Robert Cronkleton, *KC Star*
Lyle Bighley, Kansas Pilots Association
Lee Crites, Pilot
Kerri Cupp, Kansas City Aviation Center
Chuck Cottengim, Executive Beechcraft

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. DIXON, SECONDED BY MR. NOHE, TO APPROVE THE MINUTES OF THE JANUARY 27, 1999 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:

Staff had nothing addition to add to its report.

B. Summary of Financials:

Ms. Howell reported that the financials for the 13th month have been reviewed and the January and February financials would be available in March. Mr. Metcalfe discussed the airport's budget. County executive staff met with the county administrator to review the Capital Improvements Program (CIP) and all county departments were warned of another tight budget year. Mr. Metcalfe stated that staff would present the CIP list to the Airport Commission at its March meeting.

Mr. Metcalfe stated that there have been many deferred airport projects in the CIP. One of the most serious problems is the pavement maintenance deterioration. Mr. Metcalfe stated that the county is not fulfilling its agreement with the Federal Aviation Administration (FAA). When grant money is given to the county, a written agreement to maintain the improvements is made.

Mr. Winn stated that during these prosperous economic times with low interest rates, the county needs to make significant investment in infrastructure. Commissioner Wood stated that the BoCC approached this budget review process as being transitional. The BoCC is aware that in the past 4-6 years, there has been an excessive amount of maintenance deferrals. Commissioner Wood concluded that that the budget process is being reorganized to find ways of utilizing funding sources. If there is no other way to meet the needs of infrastructure and maintenance improvements, then the agency that is asking for funding will need to justify it. Commissioner Wood stated that this budget year is tough, partly due to the method in which past CIPs were financed, adding that some projects went too long.

Commissioner Wood also added that it is important to keep good staff members. The budget reform is reviewing ways to reward good employees, such as improving health, retirement plans and salary.

C. Consider ratifying the September expenditures as presented.

Chairman Heavens asked about the sales tax return of \$4,000. Ms. Howell replied that this is a remittance of sales tax for water that was collected from water customers.

Mr. Winn suggested that new aerial photographs of the two airports should be taken.

MOVED BY MR. NOHE, SECONDED BY MR. DIXON TO RATIFY THE JANUARY EXPENDTURES AS PRESENTED. APPROVED (5-0).

V. DISCUSSION ITEMS:

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- A. Recommend the BoCC approve the acquisition of land at the northeast corner of New Century AirCenter to preserve an avigational right-of-way.

Mr. Perry reported that to protect flight paths into runways, the FAA requires establishing either a permanent avigation easement over property not owned by the airport or to acquire the property outright to ensure that no conflicting structures are built in an area that would negatively impact airport traffic. The Airport Commission has had a temporary avigation easement for land owned by Dr. Hartwig near New Century AirCenter that was periodically renewed through negotiations.

Mr. Perry stated that temporary easements are not acceptable to the FAA, and that permanent easements can cost as much as a fee simple purchase of the land. Legal counsel entered into negotiations for acquiring Dr. Hartwig's land. Mr. Perry stated that the land proposed for acquisition lies within an area that the airport would need to eventually acquire to accommodate future airfield development to the east. Total acreage to be purchased is 61.41 acres for Tract A, and 1.8 acres for Tract B. Actual surveys will determine exact acreage. The purchase price agreed to in negotiation was \$5,000/acre. The Airport Commission, as well as Dr. Hartwig, had appraisals performed on the property, and the price is between those two appraisals. Mr. Perry stated that funds are available in the land project account for this acquisition. Mr. Nohe asked if the FAA would participate in the acquisition. Mr. Perry stated that staff would submit a formal application and if it is approved, the FAA would reimburse our land account at 90% for a that land that falls into the runway protection zone.

The board discussed the last land acquisition, which took place five years ago. The county paid \$4,200/acre for Busch/Pretz's property. Mr. Winn felt that \$5,000/acre was a good price for the Hartwig property. Mr. Perry reported that the County Environmental Department performed an environmental audit on the property and found no hazards.

MOVED BY MR. NOHE, SECONDED BY MR. WINN, TO RECOMMEND THAT THE BOCC APPROVE THE ACQUISITION OF LAND AT THE NORTHEAST CORNER OF NEW CENTURY AIRCENTER TO PRESERVE AN AVIGATIONAL RIGHT-OF-WAY. APPROVED (5-0).

- B. Consider approving in concept the proposed lease of the building known as the NORAD tower to KMBC-TV for the purpose of installing a weather radar.

Mr. Perry reported that Channel 41 currently has a doppler radar at New Century AirCenter on land it leases from the Airport Commision. Channel 9 now desires a similar arrangement. They believe that the NORAD building will provide a good base for their radar and provide the coverage needed. No water requirements are necessary, and Channel 9 proposes to renovate the interior of the building. At the base of building, the Sheriff's Office parks some of its excess vehicles, but Channel 9 indicated that they do not have a problem with the Sheriff's Office continuing this practice.

In lieu of rental payments, Channel 9 has agreed to market New Century AirCenter's name in its weather segments, similar to what Channel 41 currently does. Mr. Nohe suggested that staff counter-propose that Channel 9 focus on New Century AirCenter with a story on the airport and its

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development three or four times a year. Staff will discuss the proposal with Channel 9.

Mr. Dixon asked if Channel 9 would be willing to provide the Airport Commission with a data link. Mr. Perry stated that both Channel 9 and Channel 41 have offered direct feeds of the radar signal, but staff has determined that it would be too costly to purchase the equipment to access the information (approx. \$14,000).

Mr. Nohe directed staff to poll other areas similar to New Century AirCenter to determine what the real value of the lease would be.

MOVED BY MS. THOMEN, SECONDED BY MR. NOHE TO AUTHORIZE STAFF TO PROCEED WITH NEGOTIATIONS WITH KMBC-TV TO LEASE THE BUILDING KNOWN AS THE NORAD TOWER FOR THE PURPOSE OF INSTALLING A WEATHER RADAR. APPROVED (5-0).

- C. Consider accepting from Kansas City Aviation Center (KCAC) belated payment for and renewing a right of first refusal to lease land at Executive Airport.

Mr. Metcalfe stated that staff received a check from KCAC as belated payment to reinstate their right of first refusal for land at Executive Airport. The terms of the agreement stated that if the payment was delinquent more than thirty days, the contract would then become void. Tom Meisenzahl, KCAC, has formally requested that the Airport Commission reinstate the right of first refusal.

Mr. Metcalfe stated that the issue became complicated due to the proposal from KCH, who initially wanted to lease the land for its building. He stated that KCH now plans to build on the other side of the airport. A corporate flight department had expressed interest in the land, but they have not followed up on their original inquiry.

Mr. Winn stated that a right of first refusal basically ties up the land. He suggested that the Airport Commission give KCAC an option to lease the land with specific terms that are comparable so that KCAC would be aware that they have a certain amount of time to build onto the land. The check in question would be the option payment. Mr. Metcalfe felt that the option would tie the land up, too, and suggested staff counters to KCAC that if they want the land, they would have to lease it immediately. Chairman Heaven suggested that staff modify the right of first refusal through the end of 1999, and then review options at the end of the year.

MOVED BY MR. DIXON, SECONDED BY MR. NOHE TO AUTHORIZE STAFF TO PROCEED WITH MODIFYING THE RIGHT OF FIRST REFUSAL THROUGH THE END OF 1999 AND RENEGOTIATE WITH KANSAS CITY AVIATION CENTER AND THE END OF THE YEAR. APPROVED (5-0).

- D. Consider adopting revised Covenants, Conditions and Restrictions (CCRs) for the business park at New Century AirCenter.

Chairman Heaven distributed the latest draft copy of the CCRs with changes as requested by Mr.

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Viets. Mr. Metcalfe stated that staff has not had sufficient time to poll the resident businesses. The County Planning office would also like to have the CCRs reconciled with their regulations. Mr. Metcalfe requested that this issue be deferred until the March meeting.

CONSENSUS OF THE AIRPORT COMMISSION WAS TO DEFERR ITEM V.D. UNTIL THE MARCH MEETING.

- E. 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 the 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 this discussion was a continuation from the January meeting. He reported that Mr. Haynes has spoken with an architect and has had an initial conversation with the city of Olathe. Mr. Metcalfe stated that there is some question as to whether Performance Aircraft may be able to get tax exempt bonds, and also stated that the city may have façade issues. Mr. Winn stated that the front of the building needs significant aesthetic enhancement. He also commented that the sides would need to have masonry material added. Mr. Winn suggested that the north and west side be resubmitted to the Airport Commission.

In addition to the façade issues, Mr. Metcalfe felt that Mr. Haynes may also have curb cut problems with the city. Consensus of the Airport Commission was that the aesthetics of the building is a significant problem and directed staff to include Mr. Viets in discussions regarding the architectural portion of the project.

MOVED BY MR. NOHE, SECONDED BY MR. DIXON TO RECOMMEND TO THE BOCC TO ADOPT A RESOLUTION OF INTENT TO ISSUE PRIVATE ACTIVITY BONDS FOR PERFORMANCE AIRCRAFT. APPROVED (5-0).

- F. Report from President, Southwest Johnson County EDC.

Mr. Engelmann reported on the various prospects at New Century AirCenter, which the activity level was high. Staff has submitted its final proposal to the food processing manufacturer and has a good feeling about the project. Burlington Northern Santa Fe and the State of Kansas are providing funds for the project. Staff expects to hear a decision from the company in April.

Staff has been working on an expansion proposal for an existing company at the AirCenter, as well as surveying local companies on computer training and daycare facility needs. Mr. Engelmann also stated that the city and the airport or discussing a park within a park concept. More information will follow.

- G. Report from J.P. Fogel.

Mr. Fogel reported that the Toro facility is creating a lot of activity and reported on two prospects. Mr. Metcalfe discussed that one of the prospects would need a rail extension if it were to occupy the Toro building. The cost would be around \$200,000. Mr. Metcalfe asked the board’s opinion

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on how we would fund extensions. The board discussed how to get rail distributed to needed sites. Mr. Winn suggested that the State of Kansas might have funds available for rail spurs. Another option was a benefit district. Ms. Dunham stated that there is not a legal impediment for the county to have a benefit district, but rather the issue of convincing the BoCC to do a benefit district rather than doing it contractually. Mr. Metcalfe stated rather than forming a benefit district, the airport has authority to issue bonds and to contractually recover the costs. Mr. Winn felt that we shouldn't lose a prospect because of a rail issue.

Mr. Fogel announced that the Gonzales lease has been executed.

VI. BUSINESS FROM THE FLOOR:

Mr. Blasco stated that since façade was an issue with the proposed project at Executive Airport, he asked if the t-hangars were built, would there be an issue with its façade. Chairman Heaven stated that there would be, adding that he and Mr. Metcalfe are planning to meet with the BoCC regarding the proposed t-hangars.

Chairman Heaven informed the board that he received a letter from Commissioner Annabeth Surbaugh, thanking the board for their hospitality. Commissioner Surbaugh was the past BoCC liaison to the Airport Commission.

Chairman Heaven informed the board that it was rescheduling the staff appreciation dinner. He stated that he received good feedback from the board and informed staff that their significant others were also invited to attend the dinner, which would now be held in late April or early May. The dinner would be paid at the commissioner's expense and not by county funds.

Commissioner Wood reported that Mid-America Nazarene University's Business and Communications class is conducting a charity event with Wings Over Mid-America. He stated that this is a high media event and invited the Airport Commission to attend the event, which is being held on March 27th at Executive Airport. Chairman Heaven encouraged Airport Commissioners to attend.

V. ADJOURNMENT

There being no further business, the meeting adjourned at 10:15 a.m.

Larry Winn III, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – March 24, 1999 9:00 a.m. – New Century, KS

Airport Commission

Present: Messrs. Heaven, Nohe, Ms. Mullin

Absent: Ms. Thomen, Mr. Dixon, Viets, Winn

Staff: Metcalfe, Ritter, Dunham, Helsel, 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.
Frank Blasco, EAA/AOPA Pilot
Robert Cronkleton, *KC Star*
Dan Meisinger, Executive Beechcraft
Chuck Cottengim, Executive Beechcraft

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:

Chairman Heaven announced that due to the lack of a quorum, approval of the minutes of the February 24, 1999 meeting as well as any other approval items would be deferred until the April meeting.

II. REPORT OF THE CHAIRMAN:

The Chairman noted that a quorum of the Commission was not present and was not expected, and that today's meeting would be advisory in nature.

III. CONSENT AGENDA ITEMS:

There were no consent agenda items.

IV. EXECUTIVE SUMMARY:

A. Review staff reports:

Mr. Perry reported that the Federal Aviation Administration's (FAA) Part 139 inspection was conducted on March 18th. Annually, the FAA conducts an inspection of the facilities at New Century AirCenter as part of our Part 139 Certification for commercial service. Mr. Perry stated

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that two small discrepancies were found, although they are easily fixed. Overall, Mr. Perry felt it was a good review.

Mr. Metcalfe reported that the Blue Valley School District and the developer of Symphony Hills have reached an agreement on a new site for the district's elementary school near Executive Airport. The new site is 1,000 ft. west of the typical traffic pattern of the airport, which Mr. Metcalfe stated is more preferred and believed to be safer. Mr. Metcalfe stated the he was pleased with the changes.

B. Summary of Financials:

Mr. Nohe inquired if staff had received the county's budget proposal. Ms. Howell responded that staff had received the preliminary portion of the budget proposal, however, staff had not received the entire packet.

C. Consider ratifying the February expenditures as presented.

This item was deferred until the April meeting.

V. DISCUSSION ITEMS:

A. Consider approval of staff recommendations for the 2000-2004 Capital Improvement Program.

Mr. Metcalfe reported that the county would roll back the mill levy for the fifth year in a row. The new philosophy of the board felt the county budget was too large and there were areas where staff could trim excesses. County departments have been challenged by the BoCC to be lean on their budgets. There are \$10-12 million in the new programs slated for transportation, so this amount will have to be taken out of other areas. Mr. Metcalfe stated that the county also plans for a 6-1/2% salary increase for employees, which basically uses up the construction growth in the county tax base. Non-salary portions of department's budget will have to be rolled back to support the new programs and salary increases.

Mr. Perry attended the county management meeting in which the budget was discussed. He reported that the lower half of department budgets, which consist of commodities, capital outlay and contractual services, would need to be reduced by up to 15%. Mr. Metcalfe stated that this causes a challenge financially and added that he was not sure if the airport budget would have to be rolled back entirely or just the portion of the budget that had county tax support. Mr. Heaven asked if the airports would receive any of the \$10-12 million from the transportation measure. Mr. Metcalfe was not sure, but assumed it would be focused on road and transit.

Staff prepared a realistic Capital Improvement Project (CIP) proposal that was reprioritized from last year stating real priorities. Mr. Metcalfe reported that one urgent issue was pavement maintenance on both airfields and felt that the county is not fulfilling its agreement adequately with the Federal Aviation Administration (FAA). When grant money is given to the county, a written agreement to maintain those improvements is made. Mr. Metcalfe felt that he does not believe this has been done due to a lack of adequate funding in annual budgets. Safety is a serious

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issue because more than half of the airport pavement is below serviceable quality. Staff distributed pictures of the runways and taxiways at both airports that were severely deteriorated.

Mr. Metcalfe felt that the next challenge was the inventory of readily-developable land at New Century AirCenter. There are only 10-15 acres of readily-developable land with street and utilities at the lot line, and then there is no more immediately available. Mr. Metcalfe stated that the southwest portion of the AirCenter needs service.

Another item that staff felt was a priority was the administration building. A new roof was constructed approximately ten years ago. There is now water underneath the roof, which is causing leaks. The leaks are so bad that the fire detection system to the building had to be shut down due to the leakage problem. Mr. Metcalfe stated many circuits in the electrical system in the building do not have a ground wire. There has been an increasing amount of electrical problems; employees have been literally shocked due to the reversed polarity and other electrical problems in the building. Mr. Metcalfe felt that this is high priority since it is a serious life/safety/fire issue.

Other items on the CIP list are as follows:

- Replacing lead water pipelines by the year 2000. The stated has mandated that all water lines that have lead joints be replaced by the year 2000. Staff was not aware of the requirement until Mr. Helsel researched the issue.
- Rail repair. The Airport Commission has been invited to apply for approximately \$1 million loan, which is available for rail repair from the state at the low interest rate of 3%, over a 10-year period. Airport staff felt it could afford to borrow \$426,000 to repair the deteriorated railroad beds in order to restabilize the track. Work on the rail system is a priority since it needs constant maintenance.
- Updating the airport master plans. The FAA would fund 90% of the estimated \$186,000 to update the airport master plans for both airports. Our portion of this cost would be \$18,600 to complete the project.
- Water system improvements. A \$3.5 million general obligation (g.o.) bond was done for water system improvements recently. The improvements are on-going. However, the two back-up reserve tank and pumps (Buildings 39A and 39B) have not had any work done to them and need to be replaced. Strategically, one back-up system needs to be at the end of the park to provide better coverage.
- Street rehabilitation. Although the roads at New Century AirCenter are dedicated county roads, the County Public Works department had not accepted the roads because they are not up to county standards. Airport staff currently maintains quite a few miles of road and in order for Public Works to take over maintaining them, they will need to be brought up to standards. This will allow the airport to turn over all roads at the AirCenter to Public Works.
- Broom/tractors/mowers. The airport's first broom equipment was acquired last year for the purpose of brushing snow off the runway at New Century AirCenter. The requested broom

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would be placed at Executive Airport for its runway.

Over 1,540 acres of grass is mowed at the AirCenter. The FAA requires that the portion of grass in the runway safety area not be more than 3” tall. Two mowers currently need replaced, as well as a 1981 road grader. Staff feels that the replacement of this grader is past due.

- Building demolition. The building at the AirCenter previously rented to the County Archives Department is scheduled for demolition. However, a company had expressed interest in the building. The mechanical systems in the building are completely out of service and it is estimated that the cost to rehabilitate the system would be \$150,000 - \$200,000. The company would be responsible for these costs. Mr. Metcalfe felt that the demolition might not take place due to the interest in the building. Two other buildings are also suggested for demolition. These small buildings do not serve any purpose and are currently not being used. If demolished, a new equipment barn would take its place in the future.
- Equipment Barn. There are several pieces of expensive equipment that do not fit into the maintenance building and subsequently have to be stored out in the elements. The proposed equipment barn would shelter the equipment from the elements and to allow staff to keep the attachments on the equipment. Additionally, a portion of this facility would be eligible for funding as storage for snow removal equipment bought by previous FAA grants.
- Entrance into Executive Airport. The one-lane 2” asphalt entrance road into Executive Airport needs to be replaced. It was originally constructed with a small (2”) layer and was not intended to handle the volume of traffic it now supports. Staff stated this project is on the FAA list of items that may be eligible for partial funding by grant funds.
- Develop north area of New Century AirCenter. There are no utilities to the north area of the airport. Staff felt that the costs would be less expensive than originally anticipated due to the extension of City of Olathe water and sewer further north of the AirCenter.
- Terminal building at New Century AirCenter. Staff felt that if there were a terminal building available, an airline service would come to New Century AirCenter. Chairman Heaven asked if staff had explored a private developer for the terminal building, which would recover expenses from the gate fees. Mr. Metcalfe stated that three jet-ways would be needed and that configuration could handle 20-25 flights per day. It is estimated that the cost of a new terminal building, associated ramps and parking would be \$20 million for a turn-key facility. Mr. Metcalfe stated that he believed that the airline service would be immediately successful and could cause other airlines to line up at the door. He felt the biggest problem was political in nature. Mr. Nohe stated that the BoCC would be under pressure not to do the deal.

The board summarized their thoughts on the proposed airport CIP submittal. Mr. Metcalfe stated that the airports are probably not eligible for state aviation funding since the moneys are distributed to smaller airports that do not have access to federal funding. Mr. Fogel stated that a benefit district was an option for development. He felt that prospects would go other places if no development is ready. Chairman Heaven stated that he felt the priorities were correct, but suggested that the life/safety/fire issues should be moved up on the list. The Airport Commission

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also felt that the water lead joint replacement is also a priority since it impacts so many people at the AirCenter. Mr. Helsel stated that the state would require that the airport send reports to tenants notifying them of the results of the lead water pipes and also conduct public meetings.

CONSENSUS OF THE AIRPORT COMMISSION WAS TO MOVE THE LIFE/SAFETY ISSUES TO PRIORITIES #1 AND #2, AND TO MOVE THE ROAD ISSUE TO #4.

B. Year 2000 Budget Discussion.

Mr. Perry stated that the meeting he attended regarding the budget depicted shortfalls in the county budget due to the mill levy roll-back. The first items to be looked at for reduction would be those areas that are not core county responsibilities and are “nice to have” types of services. The second area for the reduction is to review areas where there may be duplication of services with other agencies or governmental entities. Included in this would be a review of services that departments may be able to pool for better efficiencies. Mr. Perry stated that even with these reductions, it would most likely still fall short of the cuts needed. Adjustments will have to be made in the departmental budgets to reach the reduced spending levels. Mr. Perry concluded that the general feeling is that there will be pain involved, but nobody was sure how deep it would be.

The county is also committed to keeping valuable employees by providing appropriate compensation. Budget noted that insurance and benefits were included in the estimated personnel increase to the budget. Mr. Metcalfe stated that there is a \$1 million fund for equity adjustments and a reclassification study would be conducted for all county positions. A market analysis would be performed and determine if equity adjustments are warranted.

Mr. Perry stated that the timeline for the budget approval is short. It is expected that staff would receive the budget packets in mid-April and they would be due back to the budget office in 30 days. This means there will only be one opportunity for the Airport Commission to review the budget prior to submission. It was concluded that a special meeting of the Airport Commission might be necessary to discuss the budget implications.

Mr. Metcalfe discussed the impact on the airport’s budget if it had to be cut back. The Airport Commission questioned how they would be able to handle these challenges. Mr. Metcalfe stated that there are some services that the airport provides that are discretionary, not mandatory, such as the \$186,000 payment for traffic control service and a \$220,000 payment to the Fire District for fire protection coverage. Mr. Metcalfe stated that if some of the prospective new business tenants locate at New Century, it would bring in an additional \$87,000 per year. Chairman Heaven stated that there is something wrong with the system if we cannot provide funds for safety of the people that use the airports.

C. Report from President, Southwest Johnson County EDC.

Mr. Engelmann reported on the various prospects. The park-within-a-park concept is moving along. A presentation was made to a retention prospect within the proposed park. A decision is

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expected soon. The city is committed to developing the 33 acres of land within the annexed portion of the Gardner on airport property for future development.

Mr. Engelmann also reported that the food processor project is now being reviewed by their lawyers. A decision is expected soon.

Staff met with an aviation-related prospect which needs five acres of aviation-side land. Mr. Engelmann felt that the meeting went well and anticipates a decision within 30-60 days.

D. Report from J.P. Fogel.

Mr. Fogel stated that he is involved with multiple activities in regards to the Toro Building. One prospect is a rail user and he reported negotiations are underway. Mr. Metcalfe stated that in order to provide rail to the site, it would cost \$200,000 for the rail extension. He felt that the Airport Commission could not cost-justify spending the money for the rail since the airport is already receiving rental payments on the building. Chairman Heaven asked Mr. Fogel to remind the prospect of the budget constraints the county faces.

VI. BUSINESS FROM THE FLOOR:

Mr. Blasco stated that a petition to keep Richards-Gebaur open was in Washington and they were talking to the FAA. He stated that someone from Johnson County has been in Washington talking about closing Executive Airport. Mr. Perry stated that this rumor has been heard a lot lately but is not true. Mr. Metcalfe stated that two years ago, Mid-America Regional Council (MARC) conducted a study in which a computer model was run with Executive Airport closing in 2015 to forecast where the general aviation airplanes would be in the future should a southern KC metro area airport close. At that time, it was not known that Richards-Gebaur would be closing. Mr. Metcalfe stated that he, personally, asked MARC to run the model this way to see what the impact to surrounding airports would be, adding that there was no real threat of closing the airport. When the report was distributed, the model that was printed in the report happened to be the model that showed Executive Airport closing. Mr. Metcalfe felt that this is where some of the confusion of the airport closing came from although there was never any discussion or plans to close the airport anytime in the future. The Airport Commissioners agreed that Executive Airport would remain open. Mr. Blasco asked if Hugh Zimmer had anything to do with the Airport Commission, in which the board responded that he did not.

Chairman Heaven reported that the Executive Director's performance evaluation would be deferred until the April meeting.

Mr. Meisinger commented that the broom equipment the airport purchased for the runways at New Century AirCenter were great for helping to prevent ice formation on the runway. Chairman Heaven congratulated Mr. Meisinger on his acquisition of a new facility at the airport.

V. ADJOURNMENT

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There being no further business, the meeting adjourned at 10:05 a.m.

Larry Winn III, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – April 28, 1999 9:00 a.m. – New Century, KS

Airport Commission

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

Absent: Mr. Winn

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

Others: Commissioner Doug Wood, BoCC
John Engelmann, Southwest Johnson County E.D.C.
Chief Max Sielert, Fire District #1-Johnson County
Nathan Anderson, J.P. Fogel and Company
Ray Olsen, Ray Olsen, L.L.C.
Frank Blasco, EAA/AOPA Pilot
Lyle Bighley,
Chuck Cottengim, Executive Beechcraft
Mike Walsh, U.S. Army

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:

Chairman Heaven announced that due to the lack of a quorum at the March meeting, there were no formal minutes to approve from that meeting. However, approval of the minutes of the February 24, 1999 meeting was needed.

MOVED BY MS. THOMEN, SECONDED BY MR. VIETS TO APPROVE THE MINUTES OF THE FEBRUARY 24, 1999 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (4-0).

II. REPORT OF THE CHAIRMAN:

Chairman Heaven announced that the staff appreciation dinner arrangements were on-going and planned to announce a date soon.

III. CONSENT AGENDA ITEMS:

There were no consent agenda items.

IV. EXECUTIVE SUMMARY:

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A. Review staff reports:

Mr. Perry reported that a private developer had approached airport staff regarding t-hangars. However, the prospect recently sent a letter back to staff stating that they could not afford to construct the t-hangars, citing that they have to charge double what the Airport Commission charges to break even.

The fire station building has been demolished. The removal of the concrete is being planned. Executive Beechcraft has expressed an interest in optioning the land for an additional hangar.

Ms. Howell reported that staff is in the process of recruiting for the receptionist position.

B. Summary of Financials:

Ms. Howell commented on the railroad budget, which is already spent due to immediate repairs that were needed.

C. Consider ratifying the February and March expenditures as presented.

Ms. Howell stated that a purchase order was rolled over for J.P. Fogel and Company to pay for their commission on the Gonzales Communication's project.

MOVED BY MR. VIETS, SECONDED BY MR. DIXON TO RATIFY THE FEBRUARY AND MARCH EXPENDITURES AS PRESENTED. APPROVED (4-0).

V. DISCUSSION ITEMS:

A. Consider approval of staff recommendations for the 2000-2004 Capital Improvement Program.

At the previous meeting, the Airport Commission rearranged the CIP ranking order. Staff has met with the CIP Committee and submitted the airport's CIP per the Airport Commission's recommendations. Chairman Heaven informed the commissioners that were absent at the last meeting that the health/safety items was moved to the top of the list due to the concerns with lead in the water system, as well as a danger of fire and electrocution from the existing electrical system in the administration building. Ms. Thomen asked the chances for getting funding this year for the projects. Ms. Howell felt that the top two or three projects might be considered due to their safety issues. Mr. Metcalfe stated that the CIP Committee has a scoring system for the projects, and early indications that the top two or three may make it onto to their recommendation to the BoCC.

Mr. Viets asked what the pattern is for funding. Mr. Metcalfe stated that the committee tries to spread the "wealth" around the departments as best it can. The airport has been as high as \$2 million and as low as zero, as it is this year. Mr. Metcalfe felt that had it not been for the life/safety issues, the airport would not have any CIP funding.

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The board discussed the roll-over impacts on the airport's budget. Mr. Viets stated that each of the Airport Commissioner's are appointed and have some connection with one of the county commissioners, and should approach them individually on the budget issue. He felt that he would not be doing his job if he didn't speak up on the issue.

MOVED BY MR. NOHE, SECONDED BY MS. MULLIN TO APPROVE STAFF'S RECOMMENDATION FOR THE 2000-2004 CAPITAL IMPROVEMENT PROGRAM AS SUBMITTED. APPROVED (6-0).

B. Year 2000 Budget Discussion.

Mr. Metcalfe stated that staff was instructed by the County Finance Office to reduce the budget by \$100,000. He stated that the project coordinator's position has been eliminated to reduce the budget by \$53,000 including benefits. Reducing the budget capital outlay makes up the remainder of the budget reduction. Mr. Metcalfe stated that if the airport does not receive any capital money next year, we would not have any money to match the FAA grants.

The airport's budget is the same that it has been for the last few years, and represents about an 8% reduction in the bottom half of the budget and an 8-1/2% decrease from the 1999 budget. Mr. Metcalfe stated that the trend over the past several years has been downward and that the budget is at its bare bones. Self-generated revenues are anticipated to be basically flat. Mr. Viets stated that it appeared that the fuel flowage fees were declining. Ms. Howell stated that in the 1999 budget, staff budgeted too low, and this year staff is staying conservative. Mr. Metcalfe stated that also contributing to the lower fuel flowage fees is the flight operations are trending downward modestly, along with flight school operations.

MOVED BY MS. THOMEN, SECONDED BY MR. NOHE TO APPROVE THE BUDGET AS PRESENTED. APPROVED (6-0).

C. Report on status of revised Covenants, Conditions and Restrictions (CCRs) for the business park at New Century AirCenter.

Mr. Metcalfe reported that the draft CCRs were distributed to the resident businesses. One company that responded was not in favor of the draft CCRs, primarily due to the restrictions on wall signs. The Fire District and Wastewater has responded and the Planning Department is still reviewing the CCRs. Staff will report on this issue at the next meeting.

D. Report from President, Southwest Johnson County EDC.

Mr. Engelmann reported on the various prospects. The food processing company has its engineers interviewing local contractors, adding that he felt this was a positive sign. Staff continues to provide the company with utility information. A decision is expected by the end of May.

The company that was interested in the park-within-a-park concept had decided to expand its current operations. However, the city of Gardner is still interested developing the 33 acres of land

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within the annexed portion of Gardner on airport property for future development.

Mr. Engelmann reported that a company, which is a large rail-user, has signed an agreement to lease the Toro building and anticipates employing 40-50 people. The company has small operations in Wichita, Texas, and Utah. Chairman Heaven asked if the company needed an additional rail spur. Mr. Metcalfe stated that there is a possibility of the Airport Commission being able to receive a state low-interest loan rate for rail projects.

The second round of the postcard campaign will be under way soon. The campaign is designed to target local area residents showing them that commuting time would be reduced if they worked in the southwest Johnson County area. Mr. Engelmann continues to work on the quarterly newsletter, and is scheduled to be mailed within the next few months.

D. Report from J.P. Fogel.

Mr. Anderson reported on various projects, adding that 8-10 marketing packages were mailed out. Activity level is high and he felt that the momentum would help their ability to market the AirCenter.

VI. **BUSINESS FROM THE FLOOR:**

Mr. Blasco asked about the hangar ramp rehabilitation and asked if it included the inside hangar floors. Mr. Perry stated that initially it had not been considered, adding that it would not alleviate the problem. The only way to fix the problem with water in the t-hangars would be to completely rebuild them. Mr. Blasco suggested having vents in the roof of the hangars to dry the floors. Mr. Perry stated that he would investigate the idea. Mr. Dixon felt that a great deal of the problem is the percolation. Mr. Olsen stated that he, too, had heard a lot of complaints on the t-hangars.

Mr. Blasco also asked if the Airport Commission had thought about placing a wash area at the airports for the airplanes. Mr. Perry stated that the Environmental Protection Agency (EPA) requirements would be too costly.

Mr. Olsen stated that he attended an Aviation Committee meeting and that a proposal will be presented to the council to move the runway at Richards-Gebaur for a smaller runway for general aviation users in an effort to keep the airport open.

A t-hangar tenant stated that he has been attending meeting for a year was impressed with the Airport Commission. He stated that some pilots are not rich and are reaching the end of their budget to be able to fly their planes. The t-hangar tenant stated that after the Airport Commission increased its t-hangar rates, KCPL then increased their electrical rates. The individual electrical meter bills for the t-hangars have increased significantly. Chairman Heaven stated that the Airport Commission is sensitive to these issues and tries to keep the costs as low as possible to the extent that the budget will allow.

Ms. Mullin discussed subleasing of t-hangars. She stated that a fixed base operator at Executive Airport had chastised her husband because he passed on a large t-hangar. They told him that he could

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get twice as much money for the t-hangar by subleasing it. Ms. Mullin stated that they knew that subleasing was not allowed and had seen advertisements in the paper quite frequently for t-hangar subleases. In conclusion, Ms. Mullin stated that there is certainly a strong market for t-hangars.

VII. EXECUTIVE SESSION

MOVED BY MR. NOHE, SECONDED BY MR. VIETS TO ADJOURN INTO EXECUTIVE SESSION AT 10:05 A.M. FOR 15 MINUTES TO DISCUSS THE EXECUTIVE DIRECTOR'S PERFORMANCE EVALUATION UNTIL 10:20 A.M.

V. ADJOURNMENT

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

Larry Winn III, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – June 23, 1999 9:00 a.m. – New Century, KS

Airport Commission

Present: Messrs. Heaven, Dixon, Nohe

Absent: Mr. Viets, Winn, Ms. Mullin, Thomen

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

Others: John Engelmann, Southwest Johnson County E.D.C.
Chief Max Sielert, Fire District #1-Johnson County
Jerry Fogel, J.P. Fogel and Company
Frank Blasco, EAA/AOPA Pilot/YEP
Lyle Bighley, L.D. Bighley Assoc.
Gordon Evans, Federal Aviation Administration
Doug Robinson, Office of Financial Management

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.)

II. REPORT OF THE CHAIRMAN:

Chairman Heaven announced that due to the lack of a quorum, approval of the minutes of the April 28, 1999 meeting as well as any other approval items would be deferred until the July meeting.

Chairman Heaven stated that the election of officers would be held in August and appointed the following Commissioners to the Nominating Committee: Mark Viets, Chair; John Dixon and Larry Winn.

III. CONSENT AGENDA ITEMS:

There were no consent agenda items.

IV. EXECUTIVE SUMMARY:

A. Review staff reports:

Mr. Perry reported on the installation of communications equipment at the New Century control tower. He also reported on the request by some t-hangar tenants concerning electricity. Currently, the Airport Commission charges two different rates; one where the utility bill for the t-hangars is included in the t-hangar bill and the other where the t-hangar tenant receives a separate monthly bill for electricity from KCPL. KCPL increased their minimum monthly charge from \$3.50 to \$15.00

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per month in addition to the regular usage charge. Several t-hangar tenants have requested that the Airport Commission assume payment of the utility charges and raise the rent to the level of the other t-hangars. KCPL can make the change so there would be only one meter per t-hangar row, resulting in one \$15 per month charge along with the use charge. There would be a one-time charge for the electrical work required to switch over the service, estimated at \$750-1,000 per t-hangar block. Mr. Perry stated that under the current procedures, it is time-consuming for the administrative staff each time a t-hangar tenant vacates a separately-billed hangar because it requires staff to switch the electricity over into the Airport Commission's name and then to the new t-hangar tenant once they vacate the hangar.

Currently, there are three t-hangar rows at Executive Airport where the tenants are responsible for their electricity bills and two at New Century AirCenter. Currently the difference between the rental rates charged at the two types of hangars is \$5 per month. Ms. Howell said that a preliminary study earlier this year put the average electric bill per hangar at \$6-7 per month. Mr. Nohe suggested that the Airport Commission increase the differential to \$7.50 more per month to cover the increase in the electricity charges. Mr. Perry stated that the rates would then change and that the Airport Commission agreed to only have a rate increase every other year, but that the Airport Commission could revisit the issue. Mr. Dixon stated that it was good public relations to help the t-hangar tenants out, plus it would make everyone the same. Chairman Heaven asked if the extra \$2.50 per month would cover the cost, and added that he liked the idea.

It was suggested that the item be placed on the July agenda. Mr. Perry requested that there be two separate action items; one to consider changing all hangars to a central utility bill and the other for increasing the rent to cover additional utility costs. It was also discussed the possibility of issuing a one-time setup fee for the t-hangar tenants that would benefit from the electricity change. Staff estimated that it would cost about \$20-30 per t-hangar tenant to recover the fees involved.

CONSENSUS OF THE AIRPORT COMMISSION WAS TO DEFER THE ITEM UNTIL THE JULY MEETING FOR FORMAL ACTION.

B. Summary of Financials:

Ms. Howell reported that expenditures and revenues are in line with the budget. Under the miscellaneous revenue line, the sale of the Ford Explorer netted \$6,000. Ms. Howell reported on the Parsonitt remediation, and added that an application for reimbursement from the state has been made to cover the costs for the cleanup.

C. Consider ratifying the March and April expenditures as presented.

Ratification of the expenditures was deferred until the July meeting.

V. DISCUSSION ITEMS:

B. Discuss Budget and CIP.

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Doug Robinson, Office of Financial Management, reported that the Airport Commission would meet with the BoCC at 1:00 p.m., Thursday, June 24, 1999 to discuss the budget and CIP requests. Mr. Metcalfe reported that the airport's bottom line has decreased \$230,000 between 1999-2000. The County requested a \$100,000 cut in expenditures in the airport budget. In order to comply with the request, staff eliminated the Project Coordinator's position in addition to other areas. Mr. Metcalfe informed the board that it appears there would be no CIP moneys for the airports next year and that the airport does not have any capital monies. The Airport Master Plan project was approved in the CIP, but the funds would come from an FAA grant and the airport's operating budget. There are no monies available to rehabilitate infrastructure.

Mr. Metcalfe cautioned the Airport Commission that the airport has been notified that two Airport Improvement Project (AIP) grants from the Federal Aviation Administration (FAA) are being worked for this summer that total over \$900,000. We will have to come up with the matching 10% money for those grants. He also stated that he was not sure if the airport would receive grant information for the FY 2000 AIP until Congress has acted on the Federal Appropriations Bill, which may be in January of the year the funds would be distributed. In the meantime, staff has to commit the county budget for Fiscal 2000, and staff has to "guess" what allocations will be received from the Airport Improvement Project (AIP) grants. If grants were given to the Airport Commission, staff would then have to rush to obtain the match money. Mr. Metcalfe stated that there is no money available in the 2000 budget for grant matches other than that in the fund balance. The Airport Commission discussed pavement maintenance, which has been deferred since there was no money available. Mr. Metcalfe warned the Commission that the FAA has threatened that they may no longer fund projects because the county has not maintained the pavement that had been previously funded with FAA moneys. Overall, Mr. Metcalfe felt that the airports have been in a "survival mode" for the past several years.

Mr. Robinson stated that out of 41 CIP projects submitted, only three projects were funded. Out of 61 requests for new positions, only one was approved and that position was self-funded. He noted that the CIP Committee had ranked the airport's life-safety projects high.

A. Consider requesting to the BCC to approve a resolution requesting federal release of land located at New Century AirCenter.

Mr. Metcalfe stated that the Airport Commission has acted on this item before and may not need to take action again. He reported that the FAA release of land was a process the county goes through for non-aviation use of airport land. A resolution from the BoCC along with an appraisal of the property would be sent to the FAA to get the land formally released. The land proposed to be released consists of the jail site, Triangle Park, land on the southwest portion of the AirCenter commonly known as the Park-within-a-Park, and a small 6-acre site south of New Century AirCenter that was used by the Navy for a navigation beacon. Once the FAA has released the land, it becomes eligible for sale. In order to sell the property, state law mandates that the property be sold either by sealed bid or by auction.

CONSENSUS OF THE AIRPORT COMMISSION WAS TO DEFERR THE ITEM UNTIL THE AUGUST MEETING.

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C. Report from President, Southwest Johnson County EDC.

Mr. Engelmann reported on the various prospective projects. Johnson County Transit received a grant to begin a transit service from Paola to New Century AirCenter. Sprint and Shade Foods will be the stopping points. Mr. Engelmann also reported that Sprint North Supply was honored by the state and received a merit award from the Kansas Department of Commerce and Housing.

D. Report from J.P. Fogel.

Mr. Fogel reported on various projects, adding that they anticipate hearing from a North Kansas City company within 60 days. Overall, he is encouraged with the activity.

VI. BUSINESS FROM THE FLOOR:

Mr. Blasco revisited the subject of having the Airport Commission meetings conducted during the evening hours. He also would like a newsletter sent to t-hangar tenants. Mr. Perry stated that he sends out a newsletter on safety issues, and added that with limited staff, there is not sufficient time each month to send out a newsletter.

Mr. Gordon Evans, FAA, reported that the Kansas City Downtown Airport Air Traffic Control Tower was awarded the FAA National Air Traffic Facility of the Year. He also reported on the Aviation Expo '99 at the Downtown Airport.

VII. ADJOURNMENT

There being no further business, the meeting adjourned at 10:00 a.m.

Larry Winn III, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – July 28, 1999 9:00 a.m. – New Century, KS

Airport Commission

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

Absent: Messrs. Nohe, Winn, Ms. Mullin

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

Others: David Peel, Johnson County Planning
Jerry Fogel, J.P. Fogel and Company
Nathan Anderson, J.P. Fogel and Company
Frank Blasco, EAA/AOPA Pilot/YEP
Lee Crites, EAA-IAC
Lyle Bighley, L.D. Bighley Assoc.
Chuck Cottengim, Executive Beechcraft

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.)

V. DISCUSSION ITEMS:

C. Consider retaining J.P. Fogel & Company as consultants in real estate matters.

Mr. Fogel gave a brief report on activities at the AirCenter. MetalWest has withdrawn the 25,000 sq. ft. available space at its building from the market and will be utilizing the space themselves.

Mr. Metcalfe stated that Jerry Fogel and Nathan Anderson have been working on New Century AirCenter for four years and know the product well. The contract between J.P. Fogel and the Airport Commission has expired, and Mr. Metcalfe suggested that the Airport Commission not retain a broker as an exclusive agent. Mr. Fogel suggested that the relationship continue with a retainer agreement that will “retain” J.P. Fogel & Company for specific consultations in increments up to \$25,000 per year. The agreement would be in letter form and acknowledges the relationship as an “on-call” basis. Mr. Fogel stated that he anticipates no more than \$15,000 for 100 hours at \$150.00 per hour and is comfortable with continuing the relationship on a commission basis. Mr. Dixon asked if \$150.00 per hour was a competitive rate, in which Chairman Heaven and Mr. Fogel replied that it was.

Mr. Metcalfe stated the he will work with Legal Counsel and Chairman Heaven on the letter agreement. He reiterated that the Airport Commission is under no obligation to use J.P. Fogel for a certain number of hours.

MOVED BY MR. DIXON, SECONDED BY MS. THOMEN TO RETAIN J.P. FOGEL & COMPANY AS A REAL ESTATE CONSULTANT IN THE AMOUNT OF \$150.00 PER HOUR ON AN AS-NEEDED BASIS NOT TO EXCEED \$25,000 PER YEAR. APPROVED (4-0).

I. APPROVAL OF MINUTES:

MOVED BY MR. DIXON, SECONDED BY MR. VIETS TO APPROVE THE MINUTES OF THE APRIL 28, 1999 AND JUNE 23, 1999 MEETINGS AS PRINTED AND DISTRIBUTED. APPROVED (4-0).

II. REPORT OF THE CHAIRMAN:

Mr. Viets, Chairman of the Election Committee, reported that the nominations would be deferred until the August meeting due to Airport Commission appointments. Chairman Heaven informed the board that three Airport Commission positions were subject to appointments this year.

III. CONSENT AGENDA ITEMS:

There were no consent agenda items.

IV. EXECUTIVE SUMMARY:

A. Review staff reports:

Mr. Metcalfe stated that there has been a lot of activity this month. The food processing company has not yet signed a lease, but has submitted preliminary plans to the Planning and Zoning Commission for a building at New Century Parkway and Prairie Village Drive at New Century AirCenter. The company would lease about 12.5 acres and is considering a 230,000 sq. ft. building. They would be a large rail user and have a building similar in design to Steel & Pipe Supply with a small office operation. There would be heavy landscape screening around the building. The Airport Commission will be able to review the aesthetics when the lease is presented for approval. The company has also been in close contact with Johnson County Wastewater as well as Johnson County Environmental regarding pre-treatment plans. Mr. Metcalfe stated that the company has not yet committed in writing. Mr. Viets requested that staff distribute AutoCAD drawings of the AirCenter for reference-purposes.

An aircraft refurbishment company has met with staff and is very interested in constructing a 150,000 sq. ft. hangar operation at New Century AirCenter. The company, who has contracts with many of the major airlines, refurbishes the interior of airliners and also has an operation on the West Coast. Mr. Metcalfe stated that they are a relatively new company that has a weak balance sheet and is investigating private credit enhancements. Mr. Metcalfe stated that double-barreled bonds might be an option. The company has expressed interest in leasing 20 acres, which front on a taxiway with a large ramp. The hangar would hold approximately 2-4 airliners at a time. The location is water and sewer accessible. Mr. Metcalfe stated that New Century AirCenter is basically out of easily developable airfield accessible land.

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Mr. Metcalfe reported on an aircraft modification company in south central Kansas that is interested in relocating its operations to New Century AirCenter. The company installs after-market items on aircraft and is very successful. Mr. Metcalfe stated that the company plans to contact Executive Beechcraft about its building on the west side of the airfield, but would also consider building a 35,000 sq. ft. facility.

Royal Tractor, a resident business at New Century AirCenter, has outgrown its current facility and is in the process of designing a new 75,000-100,000 sq. ft. facility. Mr. Metcalfe stated that Royal Tractor is committed to staying at New Century AirCenter and will request financing opportunities. The cost of the project is expected to be between \$5-8 million.

B. Summary of Financials:

There were no questions regarding the financials.

C. Consider ratifying the April, May and June expenditures as presented.

Mr. Frank Blasco, t-hangar tenant, stated that there were no totals on the monthly expenditures. Mr. Metcalfe stated that staff would add a line for the total in future expenditure listings.

MOVED BY MS. THOMEN, SECONDED BY MR. DIXON TO APPROVE THE APRIL, MAY AND JUNE EXPENDITURES AS PRESENTED. APPROVED (4-0).

V. DISCUSSION ITEMS:

- A. Consider a request by tenants to convert t-hangars that are currently separately billed for electricity to Airport Commission funded, with an increase to those rental rates to equal rents charged other t-hangar tenants whose utilities are provided. Also, consider increasing current t-hangar rates to recover actual costs of providing utility service.

Mr. Perry reported that there are a total of five rows of t-hangars owned by the Airport Commission that are separately metered and the tenants receive a bill from KCPL. Recently, KCPL changed their billing and now charges a base rate of \$13-15 per month in addition to electrical usage. Previously these tenants were paying an average \$5-8 per month. That has changed to an average \$18-20 per month. Mr. Duane Nevins, t-hangar tenant, approached staff and requested that the issue be brought before the Airport Commission to see if they would change the meters over to one central meter per t-hangar where the Airport Commission would pay for the electricity and bill the tenants. Mr. Perry reported that the cost for changing over to one meter would cost around \$1,000 per t-hangar row. The t-hangar rates would change to equal those that are on similar t-hangars where electricity usage is included in the t-hangar bill. There are three rows of t-hangars at Executive Airport that are in the same situation as the two t-hangar rows at New Century regarding their electric bills. Mr. Perry also noted that the heaters in Rows R, S, and T at Executive Airport are still connected and would need to be disconnected if the t-hangars were switched over. He added that he has not received any requests to switch the meters from the tenants at Executive Airport.

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Ms. Howell performed an analysis on the cost of the electric rates and estimated that the average cost per month to cover the electricity would be about \$7.00 per t-hangar. Our additional charge for those hangars where the Airport Commission provides electricity is an additional \$5 per month. The Airport Commission questioned if \$5.00 per month would cover the airport's costs. Mr. Perry stated that when the t-hangar rates were increased at the beginning of the year, the Airport Commission made a statement to not increase the rates for a two-year period, unless an unforeseen event happened. The average increase at that time was \$15 per month and part of this could be seen as an increase to support electricity costs.

Mr. Nevins stated that the t-hangar tenants were blind-sided by KCPL with their change in rates. He believes that the new meters would be a win for t-hangar tenants against KCPL and also would be seen as a good-will gesture on the Airport Commission's behalf. Chairman Heaven asked if there was a way to pass along the costs of the electric meter conversion. Mr. Perry stated that staff would divide the cost of the meter changeover amongst the tenants. Ultimately, Mr. Perry stated that it would be a long-term benefit for the t-hangar tenants.

Mr. Lyle Bighley, t-hangar tenant, requested that the Airport Commission leave the increased amount to \$5.00 rather than \$7.00 or \$7.50 for the t-hangar rows that were changed over to a central meter. He perceived any additional amount as raising the rent again. Mr. Viets stated that the amount should be truly neutral for the Airport Commission totally and the costs should be passed along to the tenants. He suggested that for the time-being, an adjustment of \$5.00 per month be added to those t-hangar rates affected by the utility change, with the consideration that in January 2001, the Airport Commission review adjusting the rate to \$7.00 per month to cover the Airport Commission's cost.

Mr. Dixon asked what the cost would be to disconnect the heaters in the t-hangars. He was concerned with the potential of a tenant leaving a heater running in the t-hangar, resulting in increased electric costs. Mr. Helsel stated that the only cost would be the manpower and that airport staff could disconnect the t-hangars. Ms. Thomen stated that she was in favor of making the change and asked if the t-hangar tenants at Executive Airport have been informed. Mr. Perry stated that he would write letters to each t-hangar tenant that would be impacted and ask for their input before any changes were made.

MOVED BY MR. VIETS, SECONDED BY MR. DIXON, TO AUTHORIZE STAFF TO CHANGE OVER TO SINGLE METERS ON T-HANGAR ROWS A, B, R, S, AND T AT NEW CENTURY AIRCENTER AND EXECUTIVE AIRPORT, WITH THE UNDERSTANDING THAT THE COST OF THE CHANGEOVER BE SPREAD OVER TIME TO THE T-HANGAR TENANTS, WITH STAFF DISCRETION, AND THAT AN ADJUSTMENT OF \$5.00 PER MONTH SURCHARGE BE ADDED TO THE EFFECTED T-HANGARS WITH THE UNDERSTANDING THAT THE DIFFERENTIAL BETWEEN THE ACTUAL COST OF \$7.00 PER MONTH FOR ELECTRICITY AND THE \$5.00 PER MONTH SURCHARGE BE CONSIDERED IN JANUARY, 2001. STAFF IS ALSO DIRECTED TO DISCONNECT THE SPACE HEATERS IN THE T-HANGARS. APPROVED (4-0).

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B. Consider approving a revised 2000 Airport Fund operating budget.

Ms. Howell reported that the county returned \$50,000 back into the airport's budget, which was placed back into the capital outlay portion of the budget (bottom half of the budget). In addition, the BoCC also returned \$18,600 to the airport, which is to be used as the airport's cost of the master plan update for the airports. Ms. Howell stated that it was also originally thought that the airport would not receive CIP funding, but staff was informed that three airport CIP projects, the electrical and roof rehabilitation, lead pipe rehabilitation at New Century AirCenter, and the airfield rehabilitation projects would be funded in 2000. Chairman Heaven stated that he appreciated the BoCC for reconsidering the airport projects.

MOVED BY MS. THOMEN, SECONDED BY MR. VIETS TO APPROVED THE REVISED OPERATING BUDGET AS PRESENTED. APPROVED (4-0).

D. Consider taking appropriate action to prevent the construction of a Days Inn motel in the Runway Protection Zone for Runway 35 at New Century AirCenter.

Chairman Heaven reported that this item would be discussed in executive session.

E. Discussion of rail maintenance issues.

Mr. Helsel reported that due to emergency rail repairs, staff has spent the entire year's budget for rail in the month of February on critical areas of the railroad. Staff was approached by the State to apply for a grant loan. Mr. Metcalfe stated that New Century AirCenter rail system is unique in nature and stands a good chance of getting the grant loan since the moneys are designated for short line rail systems. Staff investigated the grant application procedures and recommends that the Airport Commission apply for a \$300,000 grant loan which would be paid back over a 10-year period at 3% interest. The yearly payments would be around \$21,000 per year. Mr. Helsel stated that the loan would provide us the opportunity to upgrade the railroad and not have the fear of derailing a train, which costs about \$15,000 to get back on the track. A cost-benefit analysis is performed on each request. The grant loan is decided on a case-by-case and area-by-area basis and is not guaranteed. The State would visit the site and inspect materials for each project and would then reimburse the Airport Commission for the 70% of the expenses. The Airport Commission would then be responsible for the remaining 30%.

The repairs to the rail were submitted to the CIP Committee for funding, and were denied. Mr. Metcalfe stated that, in his opinion, the Airport Commission has statutory authority to apply and receive loans even though the CIP Committee did not recommend funding of the project. He also stated that the work to the railroad would still have to be done, anyway. The moneys would be paid back from the operating budget.

MOVED BY MR. VIETS, SECONDED BY MS. THOMEN TO AUTHORIZE STAFF TO APPLY FOR A GRANT LOAN FOR RAIL REPAIRS. APPROVED (4-0).

C. Report from President, Southwest Johnson County EDC.

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Mr. Metcalfe reported that Mr. Engelmann was on vacation, and gave a brief report on behalf of the EDC. The *Progress* newsletter was delivered and will be mailed out this week. The Johnson County Business Times featured New Century AirCenter in a special insert of its magazine. The insert also featured resident businesses.

VI. BUSINESS FROM THE FLOOR:

Mr. Blasco inquired as to the status of new t-hangars. Mr. Perry stated that the new t-hangars did not make the cut in the CIP process, and added that he felt that the revenue bonds for the current t-hangars would have to be paid off before staff can proceed with constructing new t-hangars. Chairman Heaven stated that the Airport Commission has not given up on new t-hangars, but next year would be a tough year budget-wise. He reiterated the Airport Commission's firm commitment to funding additional t-hangars.

VII. EXECUTIVE SESSION:

MOVED BY MR. VIETS, SECONDED BY MR. DIXON TO ADJOURN INTO EXECUTIVE SESSION AT 10:10 A.M. FOR THE SOLE PURPOSE OF DISCUSSING AN ITEM UNDER THE ATTORNEY-CLIENT PRIVILEGE UNTIL 10:30 A.M. APPROVED (4-0).

VIII. ADJOURNMENT

Chairman Heaven stated that the Airport Commission directed legal counsel to take appropriate action as deemed necessary by the County Legal Department regarding a matter discussed in executive session under the attorney-client privilege.

There being no further business, the meeting adjourned at 10:32 a.m.

Larry Winn III, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – August 25, 1999 9:00 a.m. – New Century, KS

Airport Commission

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

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

Others: Jerry Fogel, J.P. Fogel and Company
Fred Olsen, AirWorks, Inc.
Ed Ansel, AirWorks, Inc.
Ricky Frick, AirWorks, Inc.
Bob Dickens, AOPA
David Preston, Lathrop & Gage
Frank Blasco, EAA/AOPA Pilot/YEP
Tracy Coup, MWATC
John Shortall, Bruner Construction Co., Inc.
Carl Nolte, Kaw Valley Engineering
Randall A. Kronblad, Crowley, Wade, Milstead, Inc.
Tom Moriarty, Stern Brothers & Co.
Ray Olsen, Ray Olsen, LLC
Max Sielert, Fire District #1
Larry Franke, AVCON/BNC
Jeff Shinkle, BCS Design, Inc.
Mark Taylor, Gardner News
Bob Cronkleton, KC Star
Elvyn Jones, ODN

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 MINUTES:

MOVED BY MS. THOMEN, SECONDED BY MR. DIXON TO APPROVE THE MINUTES OF THE JULY 28, 1999 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (7-0).

II. REPORT OF THE CHAIRMAN:

Chairman Heaven introduced new Airport Commissioner Oscar Johnson, who replaced outgoing Airport Commissioner Georgianna Mullin. Mr. Ray Olsen, Ray Olsen, LLC, introduced Bob Dickens from the Aircraft Owners and Pilots Association (AOPA.)

A. Election of Officers.

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Mr. Viets, Chairman of the Nominating Committee, recommended the following slate of officers for the following year:

Marty Nohe, Chairman
Larry Winn, Vice-Chairman
John Dixon, Secretary
Phyllis Thomen, Treasurer

MOVED BY MR. VIETS, SECONDED BY MR. WINN THAT THE NOMINATIONS FOR THE SLATE OF OFFICERS BE ACCEPTED BY ACCLAMATION. APPROVED (7-0).

III. CONSENT AGENDA ITEMS:

There were no consent agenda items.

V. DISCUSSION ITEMS:

- A. Consider granting initial approval of a development project for a 200,000 sq. ft. aircraft modification facility at New Century AirCenter and recommending to the Board of County Commissioners the adoption of a Resolution of Intent to issue \$9,500,000 in “double-barrel” general obligation/revenue bonds.

Mr. Metcalfe announced that this project was one of the most exciting aviation opportunities for the AirCenter during his tenure. AirWorks, Inc., an aircraft modification company, approached staff several weeks ago about constructing a facility at New Century AirCenter. Approval and support of the project is needed by the Airport Commission for submittal to the BoCC.

Mr. Ed Ansel, AirWorks, Inc., felt that this was an exciting proposal and thanked airport staff and others involved with the project for their assistance. Mr. Ansel reviewed the company’s Federal Aviation Administration (FAA) certificates, which allows the company to perform maintenance duties on a wide range of aircraft. He explained the procedures that must be followed while aircraft is in the hangar. An airline company representative stays with the aircraft the entire time that the maintenance is taking place, and a tracking system database is in place to monitor and document each repair made. The customer has access to the database and can track the maintenance process. Mr. Ricky Frick, AirWorks, Inc. stated that a plane comes in for maintenance at night and it ready to be sent back by the next morning. He stated that time was of the essence since it costs the airlines \$300,000 to park an airliner for one day. Over 3,000 installations have been performed and AirWorks has never missed a gate. Customers range from Southwest Airlines, Delta Airlines, American Airlines and AT&T.

Mr. Frick reviewed the history of the privately-held company, which was formed in 1994. AirWorks, Inc. engineers and designs aircraft equipment from scratch. The company has had as few as 125 employees and as many as 400 employees. It is estimated that there would be 288 employees the first year of operations at New Century AirCenter, and 650 employees within the first two years.

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Mr. Olsen stated that AirWorks needs a new hangar immediately, and reported that his company has temporarily leased Executive Beechcraft's hangar. The proposed floor plan and rendering was presented to the Airport Commission for their review and discussion. Mr. Metcalfe stated that the facility would be required to meet FAA 107/108 regulations on security, and would have to have a fenced facility. Mr. Nohe asked what the strategic reasons were for choosing New Century AirCenter. Mr. Olsen stated that most of the aircraft are based in Wichita, St. Louis, Dallas and Minneapolis, resulting in 80-85% of the activity around in this area.

Staff has contracted with CERI for an economic impact study on the project. Mr. Engelmann stated that the impact of the construction would generate over \$8.5 million; the impact of the construction of the facility would be \$16.4 million; annual business travels would generate \$3 million; and the total impact of the facility would be \$119.2 million annually. The study predicted that the project would generate 1600 jobs. Mr. Engelmann stated that the study was not a financial study, but rather an economic impact study. Mr. Winn asked how the company has identified how they would generate employees. Mr. Olsen stated that there is ample supply of aircraft mechanics that would be brought into the community from Wichita. The Airport Commission discussed the average income and availability of employees for AirWorks. The average income for a basic aircraft technician is between \$37,000-45,000 per year.

Mr. Viets asked about any concerns Johnson County Wastewater had with having a neighbor next to their facility. Mr. Metcalfe stated that Johnson County Wastewater, which has a facility adjacent to the proposed site, has very little concern, except for the fact that they are worried that AirWorks may experience odors from the plant. The proposed facility would necessitate a new access road to the wastewater facility and fire department access to the runway.

Mr. Metcalfe stated that staff has had contact with the county finance department and Commissioner Anderson, and has distributed information about the project to all of the BoCC. Mr. Viets asked if the Commission would be approached with a tax abatement request. Mr. Metcalfe replied that if the project were financed with double-barrel bonds, the facility would be exempt by statute since the county would own the building. Mr. Nohe asked what the projected date of completion would be. Mr. Olsen stated that he hoped the facility would be operational by May, 2000.

Chairman Heaven commented that this project is bigger than we realize and added that it will have a wonderful impact, proving that New Century AirCenter can accommodate airlines. He asked if it was time to update the passenger study. Mr. Metcalfe felt that this could be done concurrently with the airport master plan, which is to be scheduled for funding by the FAA in 2001.

Chairman Heaven stated that he would follow up with the BoCC concerning the project.

MOVED BY MR. WINN, SECONDED BY MR. NOHE, TO APPROVE THE DEVELOPMENT CONCEPT FOR AN AIRCRAFT MODIFICATION FACILITY AND REQUEST THAT THE BOCC ISSUE A RESOLUTION OF INTENT FOR DOUBLE-BARREL BOND FINANCING AND FINAL DEVELOPMENT PLAN FOR THE PROJECT. APPROVED (7-0).

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- B. Consider granting initial approval of a development project for a 30,000 sq. ft. aircraft modification facility at New Century AirCenter and recommending to the Board of County Commissioners the adoption of a Resolution of Intent to issue \$1,250,000 in airport special facility revenue bonds.

Mr. Metcalfe stated that staff was approached by Mr. Larry Franke, President of AVCON, concerning the possibility of relocating their aircraft modification business to New Century AirCenter. The company, owned by Butler National Corp., is currently located in Newton, Kansas and needs a larger hangar than what Newton can provide. Mr. Franke stated that customers also want to purchase fuel for the aircraft, which they cannot do at the Newton facility.

Currently, AVCON employs 40 people and performs major structural modification on aircraft, such as cargo doors and aerial mapping cameras. Mr. Franke stated that 50% of the company's business comes from outside of the United States, resulting in a large influx of people and aircraft coming into the country. By expanding their operations, it will allow the company to increase their revenue. The proposed facility would be 160' X 190', allowing for several planes in the hangar at one time. Mr. Nohe asked about the proposed location of their facility and if it would cause them to be land-locked. Mr. Franke admitted that this location would not allow them a major building expansion. Mr. Metcalfe stated that one possibility would be to go east where the tie-down ramp is located.

Mr. Nohe asked how the project would be financed. Mr. Franke asked for general obligation or double-barreled bonds before considering revenue bonds. Mr. Metcalfe stated that if the county issued double-barreled bonds, the building would then be owned by the county. Mr. Nohe suggested that the bond amount should be increased to \$2-\$2.5 million in the event that a debt service reserves fund is required for the purchaser. Mr. Metcalfe recommended that the county retain as much control over the facility as possible. If revenue bonds are issued, a trustee bank could step in if there is a problem, resulting in the county not knowing what the trustee bank could do with the facility. If double-barrel bonds are issued, then the county owns the building and can decide what happens and can dictate the type of building use. Mr. Metcalfe stated that he has spoke with Commissioner Anderson, who suggested that the county assess a fee on AirWorks if general obligation or revenue bonds are issued for providing their credit enhancement. The company would have to pay for a revocable letter of credit anyway. Mr. Winn agreed, and suggested trying for double-barreled bonds first and then revenue bonds if it did not work since this is aviation-related.

Mr. Franke stated that the company would like to be operational by the first quarter in 2000, and estimated that 50 employees would be starting with ultimately 75-100 employees. Salaries ranges from \$15-25 per hour plus fringe benefits. Mr. Dixon inquired about the financial stability of the AVCON and the parent company as of April 30th, which is the end of the fiscal year. Mr. Franke stated that AVCON made a profit last year, but admitted that he had not seen Butler National's financial sheets. Consensus of the Airport Commissioners was that the project should proceed with the stipulation that a credit review be performed on both companies.

Mr. Winn stated that the Airport Commission should stay on top of the airport-related land use. Mr. Metcalfe felt that New Century AirCenter is in a much better shape than Executive Airport

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ever was. The Airport Commission requested an update from legal counsel on the Olathe zoning lawsuit. Ms. Dunham stated that Mr. Rick Lind, County Legal Department, has been handling this matter and she will request that Mr. Lind provide the Airport Commission with an update.

MOVED BY MR. VIETS, SECONDED BY MR. NOHE TO GRANT INITIAL APPROVAL FOR THE PROPOSED DEVELOPMENT, SUBJECT TO REVIEW AND APPROVAL OF FINAL DEVELOPMENT PLANS, REQUIRING FURTHER RESEARCH ON FINANCING ALTERNATIVES FOR THE PROJECT AND SUBJECT TO A CREDIT REVIEW OF THE PRINCIPLE COMPANIES. APPROVED (6-0-1). MR. DIXON ABSTAINED FROM THE VOTE.

- C. Request the BoCC declare as surplus to the needs of the airport certain parcels of vacant land at New Century AirCenter, and authorize the Airport Commission to request from the Federal Aviation Administration (FAA) release of said parcels from the covenants, conditions and restriction of quitclaim deed of November 19, 1973.

Mr. Perry stated that some of the parcels of land in this action item had been approved several years ago. Additional pieces of land were then added to the release request. Staff recommended the following parcels be disposed of: 103.57 acres in the northwest portion of New Century AirCenter and is the new site of the adult detention facility, the sheriff's headquarters building and the community corrections facility. The value of the land would be paid for by what the county currently provides in current subsidy. The land would be set aside and put in the county's name and would not be considered "airport" property. The second parcel is 18.31 acres located west of Moonlight Road, commonly referred to as "Triangle Park". The remaining parcels are 6.2 acres located at 191st St. and Cedar Niles Rd., 2.5 miles south of New Century AirCenter, and 49.39 acres east of Moonlight Road and north of 56 Highway in the southwest corner of New Century AirCenter and located within the city of Gardner.

In order for the property to be disposed of and/or used by others, it must be released from the restrictions of the November 19, 1973 quitclaim deed transferring the property from the Federal government to Johnson County. Mr. Perry stated that one option would be that once the FAA has approved the release, the property could be sold with the moneys going into the airport fund account to be used only for airport-related purposes. Mr. Winn approved of the release requests, but felt that the property should not be sold for the time being.

MOVED BY MR. NOHE, SECONDED BY MR. DIXON TO REQUEST THAT THE BOCC DECLARE AS SURPLUS TO THE NEEDS OF THE AIRPORT CERTAIN PARCELS OF VACANT LAND AT NEW CENTURY AIRCENTER, AND AUTHORIZE THE AIRPORT COMMISSION TO REQUEST FROM THE FEDERAL AVIATION ADMINISTRATION RELEASE OF SAID PARCELS FROM THE COVENANTS, CONDITIONS AND RESTRICTIONS OF QUITCLAIMM DEED OF NOVEMBER 19, 1973. APPROVED (6-0).

- D. Consider authorizing the Executive Director to sign an agreement, jointly with Tom Kaleko, Gardner city administrator, to authorize Bucher, Willis & Ratliff (BWR) to prepare development guidelines, standards and a concept plan for the "park-within-a-park" at the southwest corner of

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New Century AirCenter. The \$10,080 project is to be funded 50/50 by Gardner and the Airport Commission.

Mr. Metcalfe stated that Bucher, Willis and Ratliff has submitted an agreement for drafting development guidelines, standards and a concept plan for the 54-acre parcel at the southwest corner of New Century AirCenter referred to as the “Park-Within-A-Park”. The total cost of the agreement is \$10,800 which is proposed to be split 50%/50% between the airport and the city. Funds are available for this project. Ms. Dunham stated that the agreement should be subject to legal counsel’s review and approval.

Mr. Nohe suggested that the Airport Commissioners and City Council members should participate in a design charette. Mr. Fogel suggested that he also be involved in the discussions.

MOVED BY MR. NOHE, SECONDED BY MR. WINN TO APPROVE AND AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN AN AGREEMENT JOINTLY WITH TOM KALEKO, GARDNER CITY ADMINISTRATOR, TO AUTHORIZE BUCHER, WILLIS & RATLIFF TO PREPARE DEVELOPMENT GUIDELINES, STANDARDS AND A CONCEPT PLAN FOR THE “PARK-WITHIN-A-PARK” AT THE SOUTHWEST CORNER OF NEW CENTURY AIRCENTER. THE \$10,800 PROJECT IS TO BE FUNDED 50/50 BY GARDNER AND THE AIRPORT COMMISSION. APPROVED (6-0).

E. Report from President, Southwest Johnson County EDC.

Mr. Engelmann reported that the food processing representatives would be in for a final time to consider New Century AirCenter for their site. The 17-acre project continues to grow and consists of a \$45 million capital investment.

Staff continues to work closely with resident businesses at the AirCenter and city on the postcard campaign.

IV. EXECUTIVE SUMMARY:

A. Review staff reports:

Chairman Heaven reported that he, along with Messrs. Winn and Metcalfe, appeared before the Charter Commission to give a report on the functions of the Airport Commission. The Charter Commission was established to determine the need for boards.

B. Summary of Financials.

Ms. Howell reported that the water and rail revenue is down. Expenditures appear low, but should increase within the next few months.

C. Consider ratifying the July expenditures as presented.

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Ms. Thomen inquired about the refund of a t-hangar tenant's 3rd quarter rent. Mr. Howell stated that the tenant paid rent for a quarter, but vacated his t-hangar early, thus resulting a refund of the amount he did not use.

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

V. BUSINESS FROM THE FLOOR:

Mr. Nohe suggested that the Airport Commission should have a retreat to revisit the goals of the Airport Commission and to discuss what impacts the prospective projects would have on the airport.

Mr. Blasco informed the Airport Commission a Young Eagles Flight Rally at Executive Airport would be held on the last Saturday in September. The Young Eagles Pilots Association has set a goal to give 1 million children a free ride in an airplane by the year 2003. At this point, they have given over 500,000 rides.

Mr. Dickens stated that encroachments of residential areas are eating airports all over the United States. He inquired if the county would be purchasing the land where the Days Inn was proposed to be. Chairman Heaven replied that they were.

Ms. Thomen thank Chairman Heaven for his service as Chairman for the past year.

Mr. Olsen asked about additional t-hangars. Mr. Perry stated that the bonds on the current t-hangars expire in 2001, and staff would begin working on the project in 2000.

VII. ADJOURNMENT

There being no further business, the meeting adjourned at 10:46 a.m.

Larry Winn III, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – September 22, 1999 9:00 a.m. – New Century, KS

Airport Commission

Present: Messrs. Heaven, Dixon, Johnson, Nohe, Viets, Winn

Absent: Ms. Thomen

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

Others: Jerry Fogel, J.P. Fogel and Company
Bob Dickens, AOPA
Frank Blasco, EAA/AOPA Pilot/YEP
Ray Olsen, Ray Olsen, LLC
Max Sielert, Fire District #1
Lee Crites, IAC-EAA
Gordon Evans, FAA
Chuck Cottengim, Executive Beechcraft
Tim Chandy, Executive Beechcraft
Mac Ayer

Chairman Nohe 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 MINUTES:

MOVED BY MR. HEAVEN, SECONDED BY MR. WINN TO APPROVE THE MINUTES OF THE AUGUST 25, 1999 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (4-0).

II. REPORT OF THE CHAIRMAN:

Chairman Nohe presented Mr. Heaven with a gavel plaque commemorating his service as chairman for the past year.

III. CONSENT AGENDA ITEMS:

There were no consent agenda items.

IV. EXECUTIVE SUMMARY:

A. Review staff reports:

Mr. Metcalfe reported that the BoCC has adopted a resolution of intent for the AirWorks proposal.

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After the 60-day protest period, a public hearing will be held to authorize the sale of the bonds. Staff will begin the process of retaining an independent firm to perform a financial research on AirWorks.

Mr. Perry reported that emergency pavement repair was performed on the runway at New Century AirCenter due to a joint blowout on the runway. The blowout caused a 6-8” rise in the concrete. Only a portion of the runway was closed while repairs were made. Estimated cost of the repairs was \$20,000.

B. Summary of Financials.

There were no questions regarding the financials.

C. Consider ratifying the August expenditures as presented.

There were no questions regarding the expenditures.

MOVED BY MR. WINN, SECONDED BY MR. JOHNSON TO RATIFY THE AUGUST EXPENDITURES AS PRESENTED. APPROVED (6-0).

V. DISCUSSION ITEMS:

A. Consider approving the final payment for the sewer and water extension along East Leawood Drive to serve the Gonzales Communications site and future development to the east.

Mr. Metcalfe stated that upon the approval of the Gonzales Communications development on East Leawood Drive, the Airport Commission agreed to have Gonzales extend sewer and water laterals to their site and future developments to the east. The Airport Commission would reimburse them at the conclusion of the project. The engineer's estimate for the project was \$46,000, the amount mentioned in the lease agreement. Upon further engineering and site investigation it was determined that in order to do the extensions properly it would cost \$86,000. The major portion of the increased costs resulted in having to bore under the parkway and increased pipe sizes. Ms. Howell stated that funds for the additional expense were being taken from various already-completed project accounts where moneys were still available. A payment has been made in the previously approved amount of \$46,000.

Mr. Metcalfe stated that the new extension would also serve the AirWorks site. Mr. Heaven asked if some of the moneys would be recovered from the AirWorks project. Mr. Metcalfe stated that connection fees would be assessed, and that a portion of the costs would be recovered.

MOVED BY MR. HEAVEN, SECONDED BY MR. WINN, TO APPROVE THE TOTAL COST OF \$85,163.33 AND AUTHORIZE THE OFFICE OF FINANCIAL MANAGEMENT TO MAKE FINAL PAYMENT. APPROVED (6-0).

B. Consider accepting a railroad loan in the amount of \$210,000.00 from the Kansas Department of Transportation Rail Division.

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Mr. Metcalfe stated that the airport submitted a request in the 2000 CIP for railroad rehabilitation. Several areas of the railroad are in immediate need of repair due to the increased rail traffic and age of the track itself. At the time, the county's policy was that any large project must be included in the CIP submittal. The request was reviewed by the CIP Committee and was not recommended for funding.

Mr. Helsel described the areas of the railroad that need immediate rehabilitation on the roadbeds, ballast and cross-ties. He added that with the track in deteriorating condition there is the potential for derails, which costs around \$5,000 per derail.

Mr. Metcalfe stated that the Kansas Department of Transportation Rail Division has a low interest loan program in which it distributes moneys throughout the state. Staff is proposing a \$300,000 project, of which \$210,000 would be covered by the loan and the remainder by a required 30% match of \$90,000. Staff has identified sources of funds to cover the match. The contract requires that the work be completed by December, 2000. The term of the note is 10 years, resulting in a yearly loan payment of \$24,333.36.

Chairman Nohe asked about the economics of the rail business. Mr. Metcalfe stated that on a cash flow basis, it loses money, but on a full-accrual, profit-center basis, it is marginally "profitable." This is primarily due to accounting for capital expenditures on a cash basis rather than amortizing them over the life of the asset or improvement. Mr. Metcalfe added that with the food processing company seriously considering New Century AirCenter, the rail revenue would increase 20% per year. The company has stated that it would have a "Take or Pay" Agreement to guarantee a certain number of rail cars per year. Danisco-Cultor uses just-in-time materials management, where they receive service within 20 minutes. Mr. Metcalfe stated that Danisco has indicated it would cost them \$150,000 if they were without rail service. The Airport Commission discussed what the consequences were if rail service was interrupted, and suggested that staff investigate business interruption insurance.

MOVED BY MR. DIXON, SECONDED BY MR. JOHNSON TO ACCEPT A RAILROAD LOAN IN THE AMOUNT OF \$210,000 FROM THE KANSAS DEPARTMENT OF TRANSPORTATION RAIL DIVISION. APPROVED (6-0).

C. Discuss t-hangar strategy for Executive Airport.

Mr. Perry stated that in the FY2000 Capital Projects submittal, a project was submitted to debt finance a block of new t-hangars at Executive Airport and New Century AirCenter. The request was not approved; however, a pavement maintenance project was approved that would rehabilitate a ramp around the west t-hangars at Executive Airport. The t-hangars surrounding the ramp are 28 years old and the site that they are located on has continuing drainage problems. Numerous t-hangar tenants have complained over the last several years about the increased water problems. Mr. Metcalfe discussed an option that would re-direct the pavement maintenance project to the east t-hangars at New Century AirCenter, which was the next highest pavement priority. In addition, staff hoped to gain BoCC approval to build a block of hangars at Executive Airport and move the existing tenants in the west t-hangars over to the new t-hangars. Once the west t-hangars were vacated, it was suggested that they be removed, allowing for the ground to be available for

development of new, replacement hangars.

Mr. Dixon suggested using an overlay and seal for the west t-hangars to see if the problem could be corrected, and also suggested that staff contact Musselman & Hall to solicit their input. Mr. Perry thought that the doors would have to be adjusted if this method was used. Mr. Metcalfe stated that another challenge would be to figure how to move the tenants that would be displaced from their t-hangar while doing the overlay and seal. Mr. Perry stated that staff would also contact the airport's engineer that is on retainer for input. Mr. Dixon felt that the west t-hangars are still functional. Mr. Metcalfe stated that there is not an easy fix other than tearing down the t-hangars and starting over since the water problem could not be fixed with the t-hangars standing. Mr. Winn directed staff to consult with an engineer and contractor for various options.

CONSENSUS OF THE AIRPORT COMMISSION WAS TO REFER THE ITEM BACK TO STAFF FOR FURTHER INVESTIGATION.

D. Discuss concept for a softball training facility at New Century AirCenter.

Mr. Metcalfe stated that staff had been approached by Mr. Mac Ayer, who is interested in leasing 3.6 acres and constructing an all-season softball training facility near 159th and Moonlight Road at New Century AirCenter. Mr. Ayer stated that he has discovered a need for an indoor softball facility where video tapes of players were performed and clinics could be held. An outdoor softball field would also be constructed. Mr. Ayer felt that even if the concept did not work, he would be able to convert the building into a warehouse facility.

Mr. Winn stated that he does not object to the land use, but felt that it is important that the building could be converted easily. Mr. Heaven asked about utilities. Mr. Metcalfe stated that the sewer would need to be extended 400-500'. The Airport Commission directed Mr. Ayer to provide the commission with a site plan. Chairman Nohe suggested that staff consult with Johnson County Parks & Recreation for their input.

CONSENSUS OF THE AIRPORT COMMISSION WAS THAT THE CONCEPT OF THE PROJECT WAS ACCEPTABLE.

E. Discuss current policy for broker's commission.

Mr. Metcalfe stated that the current policy for broker's commission was adopted several years ago, and since J.P. Fogel & Company's contract had expired, he would like to revisit the policy to see if it warrants a revision. Mr. Fogel stated that a broker needs to feel that they are welcomed, and suggested leaving the policy as adopted.

Mr. Metcalfe stated that a company at the AirCenter considered relocating its operations and developed a relationship with a broker. The company has since decided to stay at the AirCenter but relocate its operations to another part of the AirCenter. The broker has now asked how he will be getting his commission. Mr. Metcalfe stated that the policy does not specifically state how a broker can receive a commission on an existing resident business that is relocating to another portion of the AirCenter. The Airport Commission discussed the possibility of renegotiating with

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the broker on an amount other than 6%. Mr. Fogel felt that this situation should be reviewed on a case-by-case basis and felt that the broker should receive the 6% commission. Mr. Winn agreed. Mr. Heaven felt that item #5 in the policy gives the Commission some flexibility with this situation. The Airport Commission felt that the broker's commission should be kept at 6% in this case.

CONSENSUS OF THE AIRPORT COMMISSION WAS TO MAINTAIN A POSITIVE RELATIONSHIP WITH THE BROKERAGE COMMUNITY AND TO KEEP THE POLICY AS PREVIOUSLY ADOPTED.

F. Report from President, Southwest Johnson County EDC.

Mr. Engelmann reported that New Century AirCenter was represented at SIOR Days on September 15, 1999.

Staff met with a prospect that is interested in developing a spec building at the AirCenter. The prospect is considering an option to lease land. He also reported that a telecommunications company is interested in being located next to Gonzales Communications.

V. **BUSINESS FROM THE FLOOR:**

There were no additional comments.

VII. **ADJOURNMENT**

There being no further business, the meeting adjourned at 10:11 a.m.

John Dixon, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – October 27, 1999 9:00 a.m. – New Century, KS

Airport Commission

Present: Messrs. Heaven, Dixon, Johnson, Nohe, Pipes, Viets, Ms. Thomen

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

Others: John Engelmann, SWJEDC
Jerry Fogel, J.P. Fogel and Company
Frank Blasco, EAA/AOPA Pilot/YEP
Ray Olsen, Ray Olsen, LLC
Max Sielert, Fire District #1
Bob Wiley, First Kansas Bank
James Christensen, First Kansas Bank
Mike Carey, Quick Trip
Gary Broulet, Quick Trip
Andy Schlagel

Chairman Nohe 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 MINUTES:

MOVED BY MR. JOHNSON, SECONDED BY MR. DIXON TO APPROVE THE MINUTES OF THE SEPTEMBER 22, 1999 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (6-0).

II. REPORT OF THE CHAIRMAN:

Chairman Nohe welcomed newly appointed Airport Commissioner Don Pipes.

The Nominating Committee recommended the following slate of officers due to the vacancy of the Vice-Chairman position, which was previously held by former Airport Commissioner Larry Winn:

Marty Nohe	-	Chairman
John Dixon	-	Vice-Chairman
Phyllis Thomen	-	Secretary
Oscar Johnson	-	Treasurer

MOVED BY MR. HEAVEN, SECONDED BY MR. JOHNSON TO APPROVE THE NOMINATING COMMITTEES RECOMMENDATION FOR THE ELECTION OF OFFICERS. APPROVED (7-0).

Chairman Nohe suggested changing the November and December Airport Commission meeting dates

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since they fall during the week of the holiday. It was suggested to combine the two meetings and hold a meeting on December 8, 1999.

MOVED BY MS. THOMEN, SECONDED BY MR. JOHNSON TO COMBINE THE NOVEMBER AND DECEMBER MEETINGS AND CONDUCT A MEETING ON DECEMBER 8, 1999. APPROVED (7-0).

Chairman Nohe announced the Development Committee members for the following year:

Pete Heaven, Chairman
John Dixon
Don Pipes
Marty Nohe
Mark Viets

Chairman Nohe reported that the Development Committee conducted a meeting on October 14, 1999. Most of the items would be discussed later in the agenda.

III. CONSENT AGENDA ITEMS:

There were no consent agenda items.

IV. EXECUTIVE SUMMARY:

A. Review staff reports:

There were no questions regarding staff reports.

B. Summary of Financials.

There were no questions regarding the financials.

C. Consider ratifying the August expenditures as presented.

Mr. Viets asked about the final payment on the fire station construction. Mr. Perry reported that a portion of the costs was held for final payment upon completion of both the ADA requirements and a final warranty walk-through inspection.

MOVED BY MR. DIXON, SECONDED BY MS. THOMEN TO RATIFY THE SEPTEMBER EXPENDITURES AS PRESENTED. APPROVED (7-0).

V. DISCUSSION ITEMS:

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A. Consider approval of the transfer of the KCH, Inc. hangar lease to Air Associates of Kansas, Inc.

Mr. Metcalfe stated that this concept was presented to the Airport Commission earlier this year. KCH plans to construct a hangar facility and sell the leasehold interest in their current building to Air Associates, which is also located at Johnson County Executive Airport. KCH is working with the City of Olathe on building permit issues, and would like to go ahead and transfer the lease to Air Associates. Mr. Metcalfe verified that both KCH and Air Associates' accounts are in good standing, adding that the approval of the transfer would be subject to the successful closing of the purchase transaction on December 1, 1999.

Mr. Metcalfe stated that there has been some discussion between the county and the City of Olathe regarding right of way fees. The City requested that KCH have a portion of the land dedicated to the City for right of way for future expansion of 151st Street and that KCH make a contribution to a fund for this purpose. Staff does not believe that KCH should have to donate to this fund since it is county-owned land. Because the donation has not been received, the City has not issued KCH's building permit.

Mr. Metcalfe also stated that the history between the Airport Commission and Air Associates have not always been amicable. However, the issues have been resolved and Air Associates and staff have formed a good working relationship. It is the desire of Air Associates to become a full-service Fixed Base Operator (FBO), and they have agreed to sign an agreement that they will meet the minimum standards for a FBO operation. Air Associates has relayed to staff that they are prepared to spend between \$100,000-150,000 to refurbish the KCH building. The Airport Commission discussed their concern for the condition of the building and consensus was to furnish Air Associates with a list of the items that they would like to see renovated. Mr. Metcalfe stated that he would provide Air Associates with a list of items before their December 1, 1999 closing date.

MOVED BY MR. HEAVEN, SECONDED BY MR. DIXON TO APPROVE THE TRANSFER OF THE KCH, INC. HANGAR LEASE TO AIR ASSOCIATES OF KANSAS, INC. SUBJECT TO THE FOLLOWING ITEMS: A SUCCESSFUL DECEMBER 1, 1999 CLOSING, AIR ASSOCIATES SIGNING OF AN FBO AGREEMENT, AND REVIEW AND STAFF APPROVAL OF AIR ASSOCIATES' CONTEMPLATED RENOVATIONS TO THE FACILITY. APPROVED (7-0).

B. Consider approving a development concept for and accepting a "letter of intent to lease" the northwest corner of Moonlight and 56 Highway from First Kansas Bank and Trust Co.

C. Consider approving a development concept and approving a proposed lease for the northeast corner of Moonlight and 56 Highway from Quick Trip Corporation.

Mr. Metcalfe stated that First Kansas Bank has had discussions with Quick Trip regarding a joint venture. Mr. Mike Carey, Quick Trip, stated that their concept was to work with the bank to develop the entire site with each company entering into a land lease. Mr. Broulet, Quick Trip, discussed the preliminary plans for the site, which would consist of a 21,000 sq. ft. anchor tenant. Quick Trip has also had preliminary discussions with the City of Gardner regarding the proposal.

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Mr. Metcalfe stated that staff was excited by the opportunity, but suggested that the Airport Commission defer both proposals until the comprehensive study was completed by Bucher Willis & Ratliff (BWR). The study was commissioned in a joint effort between the Airport Commission and the City of Gardner to identify aesthetic standards for the property. It is anticipated that the study will be completed within 60 days. Mr. Viets concurred, and stated that BWR may have suggested guidelines for the site that should be considered, but added that the study should be completed quickly. Mr. Schlagel, land planner for Quick Trip, stated that Quick Trip was prepared to make the study a collaborative effort and be involved in the committee with BWR. However, Quick Trip would like to go ahead and initiate the zoning process so not to delay the project any further, clearly recognizing that final approval would go back to the Airport Commission. One option would be to approve the joint concept and allow the companies to seek rezoning on the Airport Commission's behalf and report back to the Airport Commission once the BWR study is complete. Mr. Metcalfe stated that he felt comfortable with authorizing Quick Trip to proceed with the zoning application but subject to the BWR study. Ms. Dunham stated that the letter of intent which was received states that the landlord is keeping the property off the market during negotiations. Chairman Nohe suggested that the letter of intent should not be signed, but rather that the Airport Commission act on good faith. Mr. Metcalfe stated that staff would pledge that any inquiries would be directed to Quick Trip.

MOVED BY MR. DIXON, SECONDED BY MR. JOHNSON THAT IT IS THE INTENT OF THE AIRPORT COMMISSION TO WORK IN GOOD FAITH WITH QUICK TRIP AND FIRST KANSAS BANK SUBJECT TO THE BWR STUDY AND REZONING ISSUES AND ALLOWED THE COMPANIES TO ENTER INTO THE ZONING PROCESS ON THE AIRPORT COMMISSION'S BEHALF. ANY INQUIRIES ON THE PROPERTY WILL BE REDIRECTED TO QUICK TRIP. APPROVED (6-0-1). MR. HEAVEN ABSTAINED FROM THE VOTE.

- D. Consider approving the form and content of a ground lease for a 215,000 sq. ft. food manufacturing facility to be located on 17.5 acres (m/l) at the southwest corner of Prairie Village Drive and New Century Parkway.

Mr. Metcalfe stated that this item was discussed at the Development Committee meeting on October 14, 1999. The company has requested that their name be kept confidential for competitive reasons, and staff has allowed the company to start construction without a signed lease. The company has asked that staff present the form and content of the ground lease for the Airport Commission's approval. The current plan is to come back to the Airport Commission in early spring for formal approval of the lease and formally announce their name at that time. Mr. Metcalfe stated that the company would also be asking for a 5 year 50% tax abatement, which will then go to the BoCC for approval.

Ms. Dunham stated that she is generally satisfied with the lease after numerous iterations. She noted what she considered to be the key points of the lease and those that are different from our standard form. In addressing the issue of what would happen if the tax abatement was not granted, a clause has been added stating that if the tax abatement is not approved, the company has grounds to terminate the lease. Mr. Viets felt that if this should happen, there should be a clause in the lease that stated that it is the Airport Commission's option to make the company restore the

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site to its previous condition at the company's expense. Mr. Nohe stated that there should be some letter agreement signed by both parties on the restoration of the site.

Ms. Dunham addressed the language on assignments and mortgages, stating the company was concerned with having the Airport Commission approve the assignments and mortgages. The company proposes that the Airport Commission give the company the right to assign, sublease or transfer the lease to a parent company or an entity that does not substantially change the use of the site with only a notification to the Airport Commission. Any other assignment or sublease would be brought to the Airport Commission for approval. Under the mortgage section of the lease, the company asked that they would not need to come before the Airport Commission if they are getting a mortgage from a federally regulated or state regulated commercial bank or lending institution. Again a notification to the Airport Commission is required.

Mr. Metcalfe stated that the construction permit for the project was issued to Vinyard Construction under the name "Project Eagle". He also reported that in the lease, the company has agreed to a "Take or Pay" agreement in water and rail operations. The company will commit to 540 rail cars per year, but anticipates that they actually would have 1,000 rail cars per year. Mr. Metcalfe stated that the Airport Commission has two guaranteed streams of income in the water and rail, in addition to the land rent.

Ms. Dunham pointed out that if all the renewal periods were renewed, the lease would be for a period of 100 years. Mr. Metcalfe stated that the rent schedule would be a standard rent structure. Ms. Dunham stated that the hazardous substance section in a standard lease contains a clause requiring pollution liability coverage. Although it has never been required, it is in the standard lease documents. The company is requesting that the clause be removed. Ms. Dunham stated that at this point, the clause is not in the lease documents. Mr. Heaven suggested that the insurance be required in the event of a change in use or an assignment, whether a permitted or automatic assignment. Chairman Nohe concurred.

Ms. Dunham described the proposed letter of agreement between the company and the Airport Commission. The letter of agreement, submitted by the company, states that the Airport Commission will allow the company to go on site and begin construction, as well as, in its best efforts, keep the company's identity confidential.

MOVED BY MR. HEAVEN, SECONDED BY MR. VIETS TO APPROVE THE FORM OF THE LEASE AS AMENDED AND DISCUSSED. APPROVED (7-0).

MOVED BY MR. VIETS, SECONDED BY MR. JOHNSON TO AUTHORIZE THE EXECUTIVE DIRECTOR TO NEGOTIATE THE FINAL FORM OF THE LETTER OF AGREEMENT SUBJECT TO LEGAL COUNSEL'S REVIEW. APPROVED (7-0).

E. Status of AirWorks project.

Chairman Nohe stated that a Financial Review Committee, comprised of Commissioner Anderson, Chairman Nohe, Lee Metcalfe, Planning Director Roger Kroh, Legal Counsel Cindy Dunham, Bob Gale (an industry expert in airliner maintenance) and Bob Wiley (a commercial lender with First Kansas Bank) was created to determine the credit worthiness of the AirWorks proposal. The

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committee met on Oct. 26 and generated a list of questions and additional information requests. Mr. Metcalfe informed the committee that he had just learned that AirWorks is in the process of acquiring the California-based Santa Barbara Aerospace, a significant competitor of AirWorks'. Chairman Nohe stated that this dramatically changes the landscape of having the New Century site as AirWorks flagship facility. The committee also reviewed AirWorks financials, which revealed a relatively weak early history. Their financial wherewithal has improved, but it is marginal to move ahead. The committee suggested that Executive Director Metcalfe approach the company to get personal guarantees and review their personal financials. Overall, Chairman Nohe stated that it puts a lot of dark shadows on the proposal. Mr. Metcalfe stated that Commissioner Anderson felt that this new development takes the wind out of his sails. Mr. Metcalfe agreed with what the committee decided, but he felt that requiring personal guarantees would chase AirWorks away.

Chairman Nohe stated that the committee found it disturbing that the presentations made by AirWorks implied that they were qualified and doing business in A,B,C and D certificates. He added that it does not appear that they have those licenses, and that they were planning on using the Santa Barbara facility's certificates. No action was taken by the Airport Commission at this time.

F. Report from President, Southwest Johnson County EDC.

Mr. Engelmann reported that on November 12, 1999 the EDC will be conducting a Targeted Industry Study, which will be the basis for marketing efforts for several years. CERI has been hired to provide information and input on targeted industries.

New Century AirCenter had a prospect visit on November 9, 1999. The prospect is interested in locating its 50,000-100,000 sq. ft. industrial and manufacturing facility.

Mr. Metcalfe stated that Mr. Engelmann was elected President of the Kansas Industrial Developers Association.

V. BUSINESS FROM THE FLOOR:

There were no additional comments.

VI. ADJOURNMENT

There being no further business, the meeting adjourned at 10:31 a.m.