

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – January 24, 2001 9:00 a.m. – New Century, KS

Airport Commission

Present: Messrs. Barmby, Dixon, Heaven, Johnson, Viets

Absent: Mr. Pipes, Ms. Thomen

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

Others: John Engelmann, Southwest Johnson County EDC
Jerry Fogel, J.P. Fogel & Company
Bob Cronkleton, KC Star
Ray Olsen, Ray Olsen, L.L.C.
Glenn Brussell, OONAM
H.E. Carson, T-hangar Tenant
Sean Hutman, Executive Beechcraft
Kenneth Perkins, EAA/AOPA
Virginia Barr, League of Women Voters

Chairman Dixon 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. JOHNSON TO APPROVE THE MINUTES OF THE DECEMBER 6, 2000 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (5-0).

II. REPORT OF THE CHAIRMAN:

Chairman Dixon introduced new commissioner Ray Barmby, who replaced outgoing commissioner Marty Nohe. Mr. Barmby is a former Mayor of Olathe and also served on the Olathe City Council. In addition, he served on the CERI board for fifteen years, is a licensed pilot, and was involved in the airport's municipal financing in the mid-1970s.

III. CONSENT AGENDA ITEMS:

There were no consent agenda items.

IV. EXECUTIVE SUMMARY:

A. Review staff reports:

Mr. Metcalfe reported that airport consultant Edwards & Kelcey was currently interviewing travel

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
REVISED AGENDA "A"
One New Century Parkway
New Century, Kansas
Wednesday, January 24, 2001 - 9:00 a.m.

TAB

A

I. **APPROVAL OF MINUTES** of December 6, 2000 meeting.

II. **REPORT OF THE CHAIRMAN:**

A. Introduce new commissioner Ray Barmby.

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. Consider recommending to the BoCC approval of FAA agreements to release four parcels of land from the conditions and restrictions of various quitclaim deeds that originally transferred the federal property at New Century AirCenter to the County.

B. Discuss Capital Improvement Project (CIP) priorities.

C. Consider approving the 2001 marketing plan.

D. Report of the President, Southwest Johnson County EDC.

VI. **BUSINESS FROM THE FLOOR**

VII. **EXECUTIVE SESSION**

Consultation with legal counsel regarding potential litigation.

VIII. **ADJOURNMENT**

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
REVISED AGENDA "A"
One New Century Parkway
New Century, Kansas
Wednesday, February 28, 2001 - 9:00 a.m.

TAB

A

I. **APPROVAL OF MINUTES** of January 24, 2001 meeting.

II. **REPORT OF THE CHAIRMAN:**

A. Discuss identification badges for Commission members.

B

III. **CONSENT AGENDA ITEMS:**

C

IV. **EXECUTIVE SUMMARY:**

A. Review staff reports.

B. Summary of Financials.

C. Consider ratifying the January and the "13th Month" expenditures as presented.

D

V. **DISCUSSION ITEMS:**

A. Consider approving the Capital Improvement Project (CIP) submittal.

B. Discuss budget priorities for 2001.

C. Report of the President, Southwest Johnson County EDC.

VI. **BUSINESS FROM THE FLOOR**

VII. **EXECUTIVE SESSION**

Consultation with legal counsel regarding potential litigation

Executive Director's Performance Evaluation

VIII. **ADJOURNMENT**

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
REVISED AGENDA "A"
One New Century Parkway
New Century, Kansas
Wednesday, March 28, 2001 - 9:00 a.m.

TAB

A

I. APPROVAL OF MINUTES of January 24, 2001 meeting.

II. REPORT OF THE CHAIRMAN:

A. Discuss identification badges for Commission members.

B

III. CONSENT AGENDA ITEMS:

C

IV. EXECUTIVE SUMMARY:

A. Review staff reports.

B. Summary of Financials.

C. Consider ratifying the January, the "13th Month" and the February expenditures as presented.

D

V. DISCUSSION ITEMS:

A. Consider approving the Capital Improvement Project (CIP) submittal.

B. Discuss budget priorities for 2001.

C. Report of the President, Southwest Johnson County EDC.

VI. BUSINESS FROM THE FLOOR

VII. EXECUTIVE SESSION

Consultation with legal counsel regarding potential litigation

Executive Director's Performance Evaluation

VIII. ADJOURNMENT

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
AGENDA
One New Century Parkway
New Century, Kansas
Wednesday, April 25, 2001 - 9:00 a.m.

TAB

A

I. APPROVAL OF MINUTES of March 28, 2001 meeting.

II. REPORT OF THE CHAIRMAN:

- A. Presentation of 10-year service pin to Eddie Sturdevant.
- B. Development Committee appointment
- C. Reminder of BoCC/Airport Commission meeting
- Thursday, May 3, 2001, 1:30 p.m.
- D. Discuss the May 4, 2001 Strategic Planning Retreat.

B

III. CONSENT AGENDA ITEMS:

C

IV. EXECUTIVE SUMMARY:

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

D

V. DISCUSSION ITEMS:

- A. Consider approving the proposed 2002 Airport Fund operating budget.
- B. Report of the President, Southwest Johnson County EDC.

VI. BUSINESS FROM THE FLOOR

VII. ADJOURNMENT

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
AGENDA
One New Century Parkway
New Century, Kansas
Wednesday, May 23, 2001 - 9:00 a.m.

TAB

A

I. **APPROVAL OF MINUTES** of April 25, 2001 meeting, May 4, 2001 Strategic Planning Retreat, and the May 4, 2001 special meeting.

II. **REPORT OF THE CHAIRMAN:**

A. Discuss the May 4, 2001 Strategic Planning Retreat.

B

III. **CONSENT AGENDA ITEMS:**

A. Consider approving an estoppel agreement for deElliott Company, Inc.

C

IV. **EXECUTIVE SUMMARY:**

A. Review staff reports.

B. Summary of Financials.

C. Consider ratifying the April expenditures as presented.

D

V. **DISCUSSION ITEMS:**

A. Review draft Memorandum of Understanding (MOU).

B. Consider approving the Vision Statements for New Century AirCenter.

C. Discuss Airport Commission goals and objectives.

D. Consider establishing project accounts for fund balance expenditures.

E. Consider ratifying requests for additional resources as included in the 2002 budget submittal.

F. Report of the President, Southwest Johnson County EDC.

VI. **BUSINESS FROM THE FLOOR**

VII. **ADJOURNMENT**

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
AGENDA
One New Century Parkway
New Century, Kansas
Wednesday, June 27, 2001 - 9:00 a.m.

TAB

A

I. **APPROVAL OF MINUTES** of May 23, 2001 and June 20, 2001 meetings.

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 May expenditures as presented.

D

V. **DISCUSSION ITEMS:**

A. Consider asking the FAA to cancel the Part 139 Limited Commercial Operating Certificate for New Century AirCenter.

B. Consider approving an extension to the Old Olathe Naval Air Museum lease at New Century AirCenter.

C. Consider retaining a qualified consultant to assist staff in developing a business plan for the railroad operations.

VI. **BUSINESS FROM THE FLOOR**

VII. **ADJOURNMENT**

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
AGENDA
One New Century Parkway
New Century, Kansas

Wednesday, July 25, 2001 - 9:00 a.m.

TAB

A

I. **APPROVAL OF MINUTES** of June 27, 2001 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 June expenditures as presented.

D

V. **DISCUSSION ITEMS:**

A. Discuss a proposal from Matt Messer for privatization of the t-hangars.

B. Consider approving a ground lease for HRM, L.L.C. for 3.5 acres at the northwest corner of Leawood Drive and New Century Parkway.

VI. **BUSINESS FROM THE FLOOR**

VII. **ADJOURNMENT**

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
AGENDA
One New Century Parkway
New Century, Kansas

Wednesday, August 22, 2001 - 9:00 a.m.

TAB

A

I. **APPROVAL OF MINUTES** of July 25, 2001 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 July expenditures as presented.

D

V. **DISCUSSION ITEMS:**

A. Discuss upcoming meeting with the BoCC on September 6, 2001.

VI. **BUSINESS FROM THE FLOOR**

VII. **ADJOURNMENT**

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
AGENDA
One New Century Parkway
New Century, Kansas

Wednesday, September 26, 2001 - 9:00 a.m.

TAB

A

I. **APPROVAL OF MINUTES** of August 22, 2001 meeting.

II. **REPORT OF THE CHAIRMAN:**

A. Nominating Committee for the upcoming Election of Officers.

B

III. **CONSENT AGENDA ITEMS:**

C

IV. **EXECUTIVE SUMMARY:**

A. Review staff reports.

B. Summary of Financials.

C. Consider ratifying the August expenditures as presented.

D

V. **DISCUSSION ITEMS:**

A. Review the September 27, 2001 BoCC presentation.

B. Report of the President, Southwest Johnson County EDC.

VI. **BUSINESS FROM THE FLOOR**

VII. **ADJOURNMENT**

- Tour of the CFS West facility.

(Revised – October 23, 2001)

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
AGENDA
One New Century Parkway
New Century, Kansas

Wednesday, October 24, 2001 - 9:00 a.m.

TAB

A

I. APPROVAL OF MINUTES of September 26, 2001 meeting.

II. REPORT OF THE CHAIRMAN:

- A. Election of Officers.
- B. Discuss combining the November and December Airport Commission meetings.

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 final approval of the site plan and ground lease for First Kansas Bank
- B. Consider final approval of the ground lease for Garmin International
- C. Discuss with Matt Messer and Larry Winn a revised approach to the management of the T-hangars at the airports.
- D. Discuss proposed rate adjustments for 2002
- E. Report of the President, Southwest Johnson County EDC.

VI. BUSINESS FROM THE FLOOR

VII. ADJOURNMENT

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
AGENDA
One New Century Parkway
New Century, Kansas

Wednesday, December 5, 2001 - 9:00 a.m.

TAB

A

I. APPROVAL OF MINUTES of October 24, 2001 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 October expenditures as presented.

D

V. DISCUSSION ITEMS:

A. Discuss T-Hangar Proposal

B. Discuss rail consultant's report

C. Discuss Proposed Rate Adjustments for 2002

D. Discuss Fire District #1 Lease Extension Agreement

E. Report of the President, Southwest Johnson County EDC

VI. BUSINESS FROM THE FLOOR

VII. ADJOURNMENT

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agents, community leaders and business contacts to understand their needs and opinions of air service at New Century AirCenter. A draft report of their findings will be available in April for the Airport Commission's review.

B. Summary of Financials.

Ms. Howell stated that the year-end totals would not be available until the Office of Financial Management closes out the thirteenth month. Expenditures are projected to be below budget and revenues are anticipated to be over budget. Rail revenues came in higher than expected with increased rail car moves.

C. Consider ratifying the December expenditures as presented.

The December expenditure list included line items for repairs of a light pole and fence, which the county's insurance company reimbursed the Airport Commission for the repairs.

MOVED BY MR. HEAVEN, SECONDED BY MR. JOHNSON TO RATIFY THE DECEMBER EXPENDITURES AS PRESENTED. APPROVED (5-0).

V. DISCUSSION ITEMS:

A. Consider recommending to the BoCC approval of FAA agreements to release four parcels of land from the conditions and restrictions of various quitclaim deeds that originally transferred the federal property at New Century AirCenter to the county.

Mr. Metcalfe stated that the airports have several parcels of land on or surrounding the airport that have never been of any great value in terms of development potential or protecting the airfield. There has been discussion over the past few years as to what should be done with the land. In order to open all the options to the Airport Commission, the BoCC needs to execute FAA agreements to release four parcels of land from the original 1973 Quitclaim Deed. The four parcels of land are described as follows:

- Tract "A", consisting of 103 acres for the county's adult corrections center, jail and sheriff's administration office, appraised at \$1.25 million. Responsibility for the land would be transferred to the Sheriff's Department.
- Tract "B", consisting of a triangular-shaped tract commonly referred to as "Triangle Park", west of Moonlight Road. When the Navy shortened Runway 4/22, the tract was no longer needed for a runway protection zone.
- Tract "C", consisting of a 6-acre site approximately four miles south of New Century AirCenter, which housed a navigational beacon when the Navy owned the property and is no longer being used.
- Tract "D", consisting of the property known as the Park-within-a-Park at the northeast corner of Main and Moonlight in Gardner and is bordered by Woodstone Apartments.

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Mr. Barmby asked if selling the properties would trigger any rights for existing tenants to purchase the land. Ms. Dunham stated that the property must be sold publicly, and although there are clauses in some of the leases that refer to tenants rights, they are non-enforceable. Mr. Metcalfe stated that there are no leases on any of the tracts.

Mr. Viets asked if the county would reduce the airport's subsidy if the property were sold. Mr. Metcalfe admitted that there was a possibility that the funds generated by a sale might be used to offset some of the airport's subsidy.

Mr. Barmby asked if the property could be "swapped" with other land. Ms. Dunham stated that trading land is acceptable, although there would be certain requirements that must be met.

MOVED BY MR. JOHNSON, SECONDED BY MR. HEAVEN TO RECOMMEND TO THE BOCC APPROVAL OF FAA AGREEMENTS TO RELEASE FOUR PARCELS OF LAND FROM THE CONDITIONS AND RESTRICTIONS OF VARIOUS QUITCLAIM DEEDS THAT ORIGINALLY TRANSFERRED THE FEDERAL PROPERTY AT NEW CENTURY AIRCENTER TO THE COUNTY. APPROVED (5-0).

B. Discuss Capital Improvement Project (CIP) priorities.

Mr. Metcalfe briefly described how the CIP Committee is formed and how CIP moneys are distributed. Each year, the department's needs increase, while projects that are not being funded are pushed into later years.

Staff reviewed the proposed Airport Commission projects for CIP funding, with staff prioritizing the top airport's top three priorities as: business park collector roads, airfield pavement rehabilitation at New Century AirCenter, and t-hangar construction.

The Airport Commission discussed the airfield pavement rehabilitation project. Airport staff maintains approximately 90 lane miles of pavement between the two airports (*ed*: Mr. Metcalfe inadvertently understated the amount of pavement...it is actually 127 lane miles). Since the FAA funds 90% of airfield projects, there are strict requirements that must be met and pavement must be maintained at a high standard. Airport staff does the best maintenance possible with the resources that are available, and contractors must be hired to perform slurry-sealing and other maintenance. Mr. Metcalfe stated that the Airport Commission is years behind in the maintenance responsibilities on the pavement because they do not finish high in the county's CIP rating system.

C. Consider approving the 2001 marketing plan.

Mr. Engelmann stated that the EDC has performed marketing services for the Airport Commission since 1997 for a fee separate from the "membership" fee paid each year. Over the past few years, the airport's marketing plan has highlighted the benefits of leasing land, as well as New Century AirCenter's multi-modal capabilities. In addition, New Century AirCenter has been on a shortlist for several large users, and because of this, print ads were placed in the *Kansas City Business Journal*, and economic development journals such as *Expansion Management* and *Business Times* to attract larger users.

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Mr. Engelmann recommended that the Airport Commission approve the 2001 marketing plan, which includes ad placements, development and production of *The Progress*, the airport's newsletter, and attendance at the Society of Industrial and Office Realtors Day (SIOR Days). Mr. Metcalfe stated that the New Century AirCenter model is being updated, which will reflect the growth the AirCenter has experienced in the past several years.

MOVED BY MR. HEAVEN, SECONDED BY MR. BARMBY TO APPROVE THE 2001 MARKETING PLAN IN AN AMOUNT NOT TO EXCEED \$24,783. APPROVED (5-0).

D. Report of the President, Southwest Johnson County EDC.

Mr. Engelmann had no additional comments.

VI. BUSINESS FROM THE FLOOR:

There was no business from the floor.

VII. EXECUTIVE SESSION

MOVED BY MR. VIETS, SECONDED BY MR. JOHNSON TO ADJOURN INTO EXECUTIVE SESSION FOR THE SOLE PURPOSE OF A CONSULTATION WITH LEGAL COUNSEL REGARDING POTENTIAL LITIGATION UNTIL 10:10 A.M. APPROVED (5-0).

No action was taken as a result of Executive Session.

VIII. ADJOURNMENT

MOVED BY MR. HEAVEN, SECONDED BY MR. VIETS TO ADJOURN THE MEETING AT 10:10 A.M. APPROVED (5-0).

Oscar Johnson, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – March 28, 2001 9:00 a.m. – New Century, KS

Airport Commission

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

Staff: Metcalfe, Ritter, Dunham, Howell, Perry

Others: Commissioner Annabeth Surbaugh, BoCC
John Engelmann, Southwest Johnson County EDC
Jerry Fogel, J.P. Fogel & Company
Bob Cronkleton, KC Star
Ray Olsen, Ray Olsen, L.L.C.
Glenn Brussell, OONAM
Sean Hutman, Executive Beechcraft
Vince Werkowitch

Chairman Dixon 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. HEAVEN TO APPROVE THE MINUTES OF THE JANUARY 24, 2001 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (6-0-1). MS. THOMEN ABSTAINED FROM THE VOTE DUE TO HER ABSENCE AT THE JANUARY MEETING.

II. REPORT OF THE CHAIRMAN:

Mr. Metcalfe presented Executive Assistant Sara Ritter with a 10-year service pin. Ms. Ritter has been with the Airport Commission for eight of her ten years with Johnson County.

A. Discuss identification badges for Airport Commissioners.

Chairman Dixon stated that staff has researched purchasing identification badges for the Airport Commissioners. Costs for the badges are \$13.00 each with a minimum order of 25 badges.

Chairman Dixon asked why the Airport Commission would need identification badges.

Mr. Barmby stated that he had requested that staff research the cost of obtaining some form of identification, mainly business cards. When Mr. Barmby was Mayor and a City Councilman for Olathe, business cards were available so that when members were out conducting business on behalf of the City, they were able to hand out business cards as a way of identifying who they were. Mr. Barmby felt that business cards would be beneficial for the Airport Commissioners.

Mr. Metcalfe stated that he researched how other county governing boards provided identification

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for its members. Each board member was provided with a plastic identification badge, however the other agencies did not provide members with business cards. Staff researched the costs for providing business cards to each commissioner, and found that it would run \$75.00 per Commissioner (for 500 business cards) due to the three-color logo and the set-up costs associated with running the colored “shells” for each individual.

Ms. Thomen stated that it would be more economical to have each Commissioner print business cards off on their own printer. Mr. Johnson stated that he could see the advantage of both the business cards and the identification badges. He suggested having the logo in black and white on business cards to reduce costs. He also felt that the identification badges were more consistent with other boards and made each member more recognizable.

Mr. Heaven stated that the Commission has never had business cards, but was in favor of the identification badges since it was more consistent with what other boards were doing. Ms. Thomen felt that it was not a necessity for the expense of having them. Chairman Dixon concurred with Ms. Thomen, and called for a motion to carry the item further. Mr. Pipes stated that business cards are a standard way of business protocol and felt that a more economical way, such as having each Commissioner pay for their own cards. Mr. Johnson wanted to see a consensus rather than a formal vote.

Mr. Metcalfe felt that having the identification badges was a good idea since Commissioners met with other governing boards. Mr. Barmby stated that he would pay for his own business cards if it were a question of cost. Mr. Heaven suggested that staff provide the logo to the commissioners who could then pay for business cards at their own expense if they choose.

Due to a lack of a motion, the Chair’s position was that any Commissioner who would like to have business cards do so at their own expense. Hearing no motion for identification badges, the discussion ended.

(NOTE: Sara Ritter has prepared the artwork for printing business cards. Any commissioner interested in having cards may contact Ms. Ritter at 782-5338 to arrange for a copy of the artwork.)

III. CONSENT AGENDA ITEMS:

The consent agenda item concerning the DeElliott estoppel agreement was removed from the agenda and would be discussed at the April meeting.

IV. EXECUTIVE SUMMARY:

A. Review staff reports:

Mr. Metcalfe reported that the JC-Tech project was proceeding and in the conceptual design phase. JC-Tech proposes to construct a facility at New Century AirCenter, but has not been able to structure a financing mechanism between the school and the county because of statutory constraints. However, JC-Tech has found a private developer who would be able to lease the land, build the building and lease it back to JC-Tech. JCCC has committed to move some of its existing

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classes out to the new facility, and airfield access is desired for future aviation classes.

Executive Director Metcalfe reported that he and Airport Commissioners Thomen and Dixon attended the governing boards session at JCCC in March featuring John Carver. Mr. Metcalfe was very impressed with Mr. Carver and the session. Ms. Thomen provided notes from the meeting. Chairman Dixon stated that the essence of the governing board seminar was that boards have a tendency to get too involved in the way the organization and staff functions, as opposed to establishing what the end results are and then leaving it up to staff to perform. Chairman Dixon wondered if the Airport Commission has too many meetings unnecessarily. He felt that the Commission would do well to think about what has been done over the past year and be prepared to discuss at the next meeting if the Airport Commission could get by with conducting bi-monthly meetings. As such, if an item needs to be addressed before the next meeting, then a special meeting could be scheduled.

Chairman Dixon directed Mr. Metcalfe to place on the April agenda an item to discuss changes to the Airport Commission Rules & Procedures, including: 1) truncating the number of meetings, and 2) extending the amount of money that the Executive Director can authorize to be spent (the amount which was originally established in the Airport Commission Rules & Procedures in 1995). Mr. Metcalfe stated that under the *county* policy he has the authority to authorize up to \$75,000 on contracts. He also recommended that the Airport Commission wait until the county has completed their revision of the policies. Chairman Dixon felt that the Rules and Procedures that are followed should reflect the real world as opposed to something written in 1995 and that has not been updated.

Mr. Pipes asked staff to outline in summary form the duties and responsibilities of the Airport Commission so that the Airport Commission has a better idea how to exercise its responsibilities. Chairman Dixon concurred and suggested that staff expand on the Airport Commission Rules & Procedures. Mr. Metcalfe's impression of the key role of the Airport Commission is to be the policy-setting group of the two airports and the business park.

Ms. Thomen felt that the Airport Commission should be accountable to the public with specific times for meetings. Chairman Dixon concurred and felt that as long it was published it would provide ample notice. Mr. Metcalfe stated that there have been times where there were significant issues, such as lease approvals, where another meeting needed to be held in between the regularly scheduled meetings.

The board discussed the need for conducting a strategic retreat. Chairman Dixon directed staff to place on the agenda for next month the discussion of conducting a strategic retreat.

Mr. Barmby asked what motivated staff to consider privatizing the rail operations. Mr. Metcalfe stated that the BoCC has from time to time discussed what are "core" county services, and as the County's Cost Identification Analysis Program grows, reviewing what are the "true" costs are to provide a type of service. There has been some discussion as to whether the rail operation is a service that the county should be providing. Some department directors have taken the initiative and begun to review their programs to determine what services should be continued. As such, staff has had informal discussions on both the rail and water operations and met with persons who have expertise in the rail and water operations about alternatives for providing these services. At

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this time, there have not been any recommendations or any enthusiasm to provide these services any differently than what is already being done.

Mr. Barmby stated that he was in Gardner recently and saw a spur being used and cars being pushed across Old 56 Highway onto airport property. Recognizing that the rail traffic has increased, he asked how the rail traffic is scheduled. Mr. Metcalfe stated that the time the cars arrive on Airport property is almost exclusively at the control of Burlington Northern Santa Fe (BNSF), with some input from the shipper or receiver. Once the car is on our property, airport staff handles the scheduling, which is controlled mostly by the customer. Mr. Barmby asked with the anticipated increase in rail operations, could there be significant rail increase across the highway. Mr. Metcalfe replied that it could; however, BNSF currently only drops off cars once a day.

Mr. Barmby stated that staff had reported in their executive summary that the FAA has issued the final release documents on the four parcels of land at New Century AirCenter. He asked what the next steps are for the land. Mr. Metcalfe stated that the BoCC approved the release documents formally, although the Airport Commission has not made any formal recommendations to the BoCC as to what to do with the land. There are restrictions on the way the land is sold, and any parcel over \$50,000 must be sold through a competitive process (sealed bid or public auction). The Airport Commission must decide on what method to sell the land.

MOVED BY MR. PIPES, SECONDED BY MR. JOHNSON TO DIRECT STAFF TO ARRANGE A STRATEGIC RETREAT (AT THE EARLIEST POSSIBLE TIME AND TO PREPARE NECESSARY PAPERWORK TO PROVIDE COMMISSIONERS WITH WHAT HAS GONE ON BEFORE AT THE LAST RETREAT) WITHIN NINETY DAYS, SUBJECT TO THE COMMISSION AND STAFF'S SCHEDULE. APPROVED (7-0).

Mr. Perry reported briefly on the air service study being performed by Edwards and Kelcey, who do have a clear recommendation on their findings at this time. A draft is expected in late April, with a joint meeting scheduled with the BoCC and the Airport Commission on May 3, 2001 to review their findings.

Mr. Barmby asked why the t-hangar project has been delayed since there is a large number of names on the t-hangar waiting lists. Mr. Metcalfe stated that the Airport Commission actually voted to seek approval from the BoCC in 1998. However, the current revenue bond covenants forbid us to issue any more revenue debt to build t-hangars because all of the revenues generated by the t-hangars are pledged for the coverage on the bonds. In 1999, the Airport Commission requested general obligation bonding, which was not received warmly. Because of this, it was decided to wait until the bonds are paid off (which happens this year) and then begin the design work when the bonds are paid off in September, 2001. Mr. Metcalfe stated that another issue is that county finance staff has not embraced the project to the same extent as the Airport Commission, and it has not been a priority for them. Mr. Viets asked that Commissioner Surbaugh attend the retreat so that the Airport Commission could receive her input. Commissioner Surbaugh stated that she would attend the meeting.

Mr. Olsen, Ray Olsen, LLC, asked airport staff to report on t-hangar development on a proprietary basis. Mr. Metcalfe stated that staff is frequently approached by persons interested in developing

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private hangars. The realities are that the county is the sole provider of t-hangars, and are able to do that rather affordably because the Airport Commission does not pay taxes on the improvements or rent on the land, and there is no profit. Staff is currently meeting with an interested party who would like to build private t-hangars. They also propose to take over and manage the t-hangars at both airports, build new t-hangars, and compensate the Airport Commission for the use of our assets. Mr. Metcalfe has concluded that their proposed compensation to the Airport Commission is grossly inadequate, however discussions continue.

B. Summary of Financials.

Ms. Howell stated that yearend is completed and noted that there is a significant carryover due to leases which increased from the assessed value. Mr. Metcalfe stated that typically towards the end of the year when there is a good sense of how much uncommitted cash is available, staff recommends a one-time expenditure on equipment or rehabilitation. Staff did not do this last year because they would like to establish a reserve account as other agencies do. This will be a topic for discussion in the retreat.

C. Consider ratifying the January, “13th Month” and February expenditures as presented.

MOVED BY MR. HEAVEN, SECONDED BY MR. JOHNSON TO RATIFY THE JANUARY, “13th MONTH” AND FEBRUARY EXPENDITURES AS PRESENTED. APPROVED (5-0).

V. DISCUSSION ITEMS:

A. Consider approving the Capital Improvement Project (CIP) submittal.

Mr. Metcalfe stated that the Airport Commission had reviewed the draft CIP submittal at the January meeting. Since there was no February Airport Commission meeting, staff had to submit the Airport CIP before the deadline.

Mr. Metcalfe reported that staff gave their presentation for the CIP Committee, who reviews every CIP submittal from each department. The Committee told staff that it appears that there won't be a lot of funds available for capital improvement projects if the budget remains flat or if there is a rollback. Before the rollback discussion, the CIP Committee thought that there would be \$5 million available in the CIP fund. If this number remains the same, Mr. Metcalfe felt that the top two airport projects would qualify for funding. If the BoCC issues a rollback, it was unlikely that any projects would get CIP funding.

Mr. Pipes asked what are the restrictions imposed by the county which respect to any excess revenues. Mr. Metcalfe stated that by federal regulations, the money in the airport fund is somewhat sacred. It cannot be diverted out of the airport fund to support other non-aviation county activities. The Airport Commission does receive a subsidy from the general fund each year, and in reality, the county could reduce its general fund support to offset the revenues. This has, in fact, been done in past years to achieve the BoCC's budget objectives.

MOVED BY MR. JOHNSON, SECONDED BY MR. PIPES TO APPROVE THE CAPITAL IMPROVEMENT PROJECT SUBMITTAL AS RECOMMENDED BY STAFF. APPROVED (7-0).

B. Discuss budget priorities for 2002.

Mr. Metcalfe stated that the Airport Commission has a fairly sizable amount of uncommitted cash from last year's budget and would like to get the Commission's direction as to what the moneys should be used for. Ms. Howell distributed a list of capital replacement needs, which described the types of equipment that is maintained by Airport Commission personnel and costs to replace the equipment.

Mr. Viets commented that he has long been a proponent of getting infrastructure in place at New Century AirCenter. Mr. Metcalfe suggested that the Commission commit some of the current cash balance, about \$150,000, on engineering costs and a study to construct county-standard roads, storm sewers, water lines, and sanitary sewer. Mr. Metcalfe stated that there are large parcels of land that are vacant, but no infrastructure or plans to get infrastructure to the site. He added that staff is making incremental decisions trying to accommodate development now that may not make sense in future years. Mr. Viets felt that a portion of the carry-over should be dedicated to this effort and recommended that staff add an agenda item to the retreat to discuss infrastructure needs at New Century AirCenter.

Commissioner Surbaugh stated that the current Commission has taken a position and directed Facilities Director Joe Waters to investigate infrastructure needs countywide with plans to take out buildings and vehicles from the Capital Improvement Program, or rather put them in a separate category. However, Commissioner Surbaugh cautioned the Airport Commission that with the economy in its current state, and the BoCC's commitment to roll back taxes, she does not know if the BoCC as a whole would approve the project.

Chairman Dixon nominated Mr. Pipes and Mr. Barmby, due to their experience in public financing, to accept a committee role to consider the Airport Commission's financing dilemma and report their findings at the upcoming retreat. Chairman Dixon also requested that the committees to consider if it would be easier to come up with a financing strategy if the aviation operations and real estate development were separate and controlled by two commissions. Mr. Viets also requested that the committee research the benefit district strategy.

C. Report of the President, Southwest Johnson County EDC.

Mr. Engelmann had no additional comments to his written report.

VI. BUSINESS FROM THE FLOOR:

There was no business from the floor.

VII. EXECUTIVE SESSION

MOVED BY MR. HEAVEN, SECONDED BY MR. VIETS TO ADJOURN INTO EXECUTIVE SESSION AT 10:50 A.M. FOR THE PURPOSE OF DISCUSSING NON-ELECTED PERSONNEL AND ALSO ATTORNEY/CLIENT RELATIONS UNDER THE KANSAS OPEN MEETING ACT UNTIL 11:10 A.M. APPROVED (7-0).

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The meeting reconvened at 11:10 a.m.

MOVED BY MR. HEAVEN, SECONDED BY MR. JOHNSON TO EXTEND THE EXECUTIVE SESSION TO 11:20 A.M. TO DISCUSS NON-ELECTED PERSONNEL. APPROVED (7-0).

The meeting reconvened at 11:20 a.m.

MOVED BY MR. PIPES, SECONDED BY MR. HEAVEN TO INCREASE THE EXECUTIVE DIRECTOR'S SALARY TO THE MAXIMUM OF HIS SALARY RANGE. APPROVED (6-0-1). MR. BARMBY ABSTAINED FROM THE VOTE DUE TO HIS SHORT TIME ON THE COMMISSION.

VIII. ADJOURNMENT

MOVED BY MR. PIPES, SECONDED BY MR. HEAVEN TO ADJOURN THE MEETING AT 11:20 A.M. APPROVED (7-0).

Oscar Johnson, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – April 25, 2001 9:00 a.m. – New Century, KS

Airport Commission

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

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

Others: Virginia Barr, Jo. Co. League of Women Voters
John Engelmann, Southwest Johnson County EDC
Jerry Fogel, J.P. Fogel & Company
Ray Olsen, Ray Olsen, L.L.C.
Glenn Brussell, OONAM
Ed Wiseman, Black & Veatch Special Project

Vice-Chairman Thomen called the meeting to order at 9:00 a.m. (Chairman Dixon was temporarily unable to read due to recent eye surgery).

(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. PIPES, SECONDED BY MR. DIXON TO APPROVE THE MINUTES OF THE MARCH 28, 2001 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (5-0).

II. REPORT OF THE CHAIRMAN:

A. Presentation of 10-year service pin to Eddie Sturdevant.

Mr. Metcalfe presented Railroad Foreman Eddie Sturdevant with a 10-year service pin.

B. Development Committee appointment.

Chairman Dixon appointed Vice-Chairman Thomen to the Development Committee to fill a vacancy.

C. Reminder of BoCC/Airport Commission meeting, Thursday, May 3, 2001, 1:30 p.m.

Vice-Chairman Thomen reminded the Airport Commission of the joint meeting, which will be held at the BoCC Hearing Room, 3rd Floor, Johnson County Administration Building, Olathe, Kansas. The purpose of the meeting is to hear the results of the Passenger Service Study, which was performed by Edwards & Kelcey.

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D. Discuss the May 4, 2001 Strategic Planning Retreat.

Vice-Chairman Thomen stated that the Airport Commission will conduct a Strategic Planning Retreat on Friday, May 3, 2001 at Deer Creek Golf Club from 7:30 a.m. – 1:00 p.m.

III. CONSENT AGENDA ITEMS:

There were no consent agenda items.

IV. EXECUTIVE SUMMARY:

A. Review staff reports:

Mr. Metcalfe reported that New Century AirCenter has been chosen for a 25,000 – 30,000 sq. ft. distribution facility. The project is currently in the planning and zoning process. Construction is expected with 30 – 60 days. Rose Construction Company is the contractor.

Mr. Perry reported that air operations have increased at New Century AirCenter, which he attributed to more transient aircraft. AeroStadt, a new flight school at the airport, has also picked up an increase in flight students.

Mr. Barmby stated that some airports receive landing fees and asked if this was an alternative for both airports. Mr. Perry stated that there is no landing fee at the airports. Since the airports are public airports, it would have to go through the FAA, and classes of aircraft would have to be treated the same. Mr. Perry stated that he was anxious to get as much traffic in as possible since more take-offs and landings at New Century AirCenter lessen the cost of the contract tower.

Mr. Viets stated that Gonzales Communications has a sign on the front of their building and asked the status of the design guidelines for New Century AirCenter. Mr. Perry stated that the county is in the process of updating their standards. However, there are different expectations between the county's standards and the Airport Commission's standards. Mr. Metcalfe stated that there is a lot of truck traffic at the AirCenter, and companies have decided that they need signs and put them up without approval. Mr. Viets expressed his disappointment with signs located on buildings and felt that monument signs should be encouraged. Mr. Metcalfe stated that the current standards do not allow signage, and if the Commission requests, staff could impose lease violation actions against companies that have signs on their buildings. Mr. Heaven suggested that the Airport Commission could take the position and prohibit signs on buildings, amortize the current companies that have signs, and give them a certain period to remove them. Chairman Dixon stated that if the lease prohibits the signs, why should they be amortized. Mr. Heaven felt that this would be the reasonable and fair thing to do. Mr. Viets suggested that the Development Committee revisit the issue.

Mr. Barmby inquired about the increase rail traffic and asked what it meant in terms of rail traffic across 56 Highway. Mr. Metcalfe stated that the rail traffic will not increase the number of times the track is crossed (which is once a day), but it will most definitely increase in the number of cars per train. Mr. Metcalfe stated that the greater problem is where staff will store the cars once they enter New Century AirCenter. Mr. Barmby asked that staff calculate what it will cost to construct

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additional spurs and investigate storage charges. Mr. Helsel estimated that it would take two weeks to build a spur that would hold twenty-two cars. Mr. Metcalfe felt that staff needed to meet with the rail users to discuss storage issues and rates.

B. Summary of Financials.

There were no additional comments to the financial reports.

C. Consider ratifying the March expenditures as presented.

MOVED BY MR. HEAVEN, SECONDED BY MR. JOHNSON TO RATIFY THE MARCH EXPENDITURES AS PRESENTED. APPROVED (7-0).

V. DISCUSSION ITEMS:

A. Consider approving the proposed 2002 Airport Fund operating budget.

Ms. Howell stated that the county gives departments guidelines to follow when preparing the budget. Robin Cook, Budget Analyst, was present at the meeting to answer any questions that the Commission had. Ms. Howell reported that the only increase to the budget was 5.5% for personnel costs and a 65% increase for health insurance. All other expenses are to remain the same.

Ms. Howell stated that many departments were going to file a Request for Additional Resources for utilities, mainly due increased natural gas prices. She also stated that she planned to file a Request for Additional resources for water also, since the purchase prices have increased.

MOVED BY MR. JOHNSON, SECONDED BY MR. HEAVEN TO APPROVE THE 2002 AIRPORT FUND OPERATING BUDGET AS RECOMMENDED BY STAFF.

Discussion followed the motion. Mr. Pipes asked if there was a “penalty” for exceeding the requirements for a “flat” budget, adding that he wanted to make sure the Airport Commission had everything it needed. Mr. Metcalfe stated that the County Budget Department will try to dissuade us from increasing our budget, and that County Administrator Press would have to review the request. Mr. Metcalfe added that the Airport Commission would have an opportunity to make its case to the BoCC. Chairman Dixon felt that the Airport Commission was giving up before trying.

Mr. Metcalfe stated that it is the county’s policy to not penalize county departments that generate their own revenue, although he is concerned that the county subsidy would be reduced by the same amount of generated revenue, resulting in a flat budget. Mr. Viets stated that if the BoCC would have the political courage to bond fund quality of life projects (including airport matters) that it would gain citizen approval and pass. He felt that the Commissioners should stand together as a Commission and fight for this cause.

Mr. Barmby stated that the Fiscal Committee met with airport staff and bond counsel regarding finances of the Airport Commission. It was decided that bond counsel Norm Gaar would respond

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to a list of questions that the Committee had. Mr. Pipes expressed concern that the Airport Commission has no defined authority or responsibility. Both the financing and responsibility issues are scheduled to be discussed at the Strategic Planning Retreat on May 4, 2001. Mr. Pipes also concurred with Chairman Dixon's comments at the last meeting about frequency of board meetings. He also questioned even having meetings if the Commission has no authority.

Mr. Pipes stated that he heard Mr. Metcalfe speak many times of the airport's needs, and while he understood staff's position, he felt that the Airport Commission is not limited in what it proposes since it is not in the bureaucratic system. He concluded that if the Airport Commission was willing to take a stand, now is the time to make the Airport Commission's needs known. Mr. Metcalfe felt that the Airport Commission has many needs and would like to see the operational and capital items that are needed. He also suggested that if the Commission wanted to delay a decision on the budget to see if the Strategic Planning Retreat renders any suggestions regarding the proposed 2002 budget, staff would have time to change the budget proposal.

MOVED BY MR. PIPES, SECONDED BY MR. DIXON, TO TABLE THE MOTION CONCERNING THE ADOPTION OF THE PROPOSED 2002 AIRPORT FUND OPERATING BUDGET UNTIL MAY 4, 2001. APPROVED (7-0).

MOVED BY MR. HEAVEN, SECONDED BY MR. JOHNSON TO CONDUCT A SPECIAL MEETING OF THE AIRPORT COMMISSION AT 1:00 P.M. ON FRIDAY, MAY 4, 2001 TO DISCUSS THE PROPOSED 2002 AIRPORT FUND OPERATING BUDGET. APPROVED (7-0).

B. Report of the President, Southwest Johnson County EDC.

Mr. Engelmann reported that an investment group that has a virtual speculative building concept has entered into an Option to Lease Land at New Century AirCenter. The group is currently going through the planning and zoning process. Another party with a similar idea is considering New Century AirCenter. Mr. Engelmann stated that his group has plans much larger in scope.

Mr. Engelmann reported that the EDC has been notified that its 5-part postcard campaign won "Best Of Class" at the American Economic Development Council's Marketing Ceremony.

VI. BUSINESS FROM THE FLOOR:

Mr. Pipes encouraged the Airport Commission to review Mr. Metcalfe's 1992 report, the *Management of the Johnson County Airports, A Review of Organizational Authority, Responsibility and Structure*, prior to the Strategic Planning Retreat on May 4th. Mr. Pipes commended Mr. Metcalfe on his well-written and informative report.

Mr. Olsen stated that he would not be able to attend the May 4th retreat, but reminded the Airport Commission that the airports need to be enhanced for the *aviation* community.

VII. ADJOURNMENT

MOVED BY MR. JOHNSON, SECONDED BY MR. DIXON TO ADJOURN THE MEETING AT

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10:15 A.M. APPROVED (7-0).

Oscar Johnson, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – May 23, 2001 9:00 a.m. – New Century, KS

Airport Commission

Present: Messrs. Barmby, Dixon, Johnson, Pipes, Viets

Absent: Mr. Heaven, Ms. Thomen

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

Others: Virginia Barr, Jo. Co. League of Women Voters
Tim Braun
Mary Braun
Bob Cronkleton, Kansas City Star
John Engelmann, Southwest Johnson County EDC
Jerry Fogel, J.P. Fogel & Company
Ray Olsen, Ray Olsen, L.L.C.
Roger Ostmeyer, Back & Veatch Special Projects
Max Sielert, Fire District #1 – Johnson County
Ed Wiseman, Black & Veatch Special Projects

Chairman Dixon 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:

Mr. Barmby brought to the Commission's attention two typographical errors in the minutes of the May 4th Strategic Retreat.

MOVED BY MR. JOHNSON, SECONDED BY MR. PIPES TO APPROVE THE MINUTES OF THE APRIL 25, 2001 AND THE MAY 4, 2001 MEETINGS AS PRINTED AND DISTRIBUTED, AND THE MAY 4, 2001 STRATEGIC PLANNING RETREAT AS AMENDED. APPROVED (5-0).

II. REPORT OF THE CHAIRMAN:

A. Discuss the May 4, 2001 Strategic Planning Retreat.

Chairman Dixon noted for the record that the Airport Commission Strategic Planning Retreat was conducted on May 4, 2001. Mr. Metcalfe stated that there were issues, such as the mission statement, that were discussed during the retreat that did not have final closure. It was decided that the mission statement would be deferred until the Airport Commission met with the BoCC.

III. CONSENT AGENDA ITEMS:

- A. Consider approving an estoppel agreement for deElliott Company, Inc.

MOVED BY MR. PIPES, SECONDED BY MR. BARMBY TO APPROVE AN ESTOPPEL AGREEMENT FOR DEELLIOTTE COMPANY, INC. APPROVED (5-0).

IV. EXECUTIVE SUMMARY:

- A. Review staff reports:

Mr. Barmby asked if staff would be prepared to discuss its recommendation regarding rail services at the June meeting. Mr. Metcalfe stated that staff has had some difficulty in finding a rail consultant and may not be able to have a recommendation at the June meeting.

Chairman Dixon commended Mr. Perry on his recently achieving “Certified Member” status with the American Association of Airport Executives.

Mr. Perry reported on the pavement construction project at New Century AirCenter. The project will impact the t-hangar tenants, with Taxiway Lima being closed for 24 days and t-hangar rows A & B closed for 40-50 days. Staff has proposed to partially abate the t-hangar tenant’s rent for those that are impacted from the rehabilitation, and will also work with the contractor to shorten the closure.

Mr. Barmby asked if non-aviation revenues are deposited into an interest-bearing account, and if so, is that interest credited to the Airport Commission. Mr. Metcalfe stated that none of the interest earned on the airport fund is credited to the airport. Ms. Howell pointed out that interest on the t-hangar security deposits is retained in that account (*Ed. – the balance in the t-hangar account is \$21,800*). Mr. Barmby stated that he had previously read that the FAA requires that aviation revenue be placed into an enterprise aviation account and the interest is to remain in that account. Mr. Metcalfe said that since the Airport Commission receives subsidy from the county, the county keeps the airport fund’s interest. Mr. Metcalfe stated that the proposed Memorandum of Understanding addresses this issue. Mr. Viets requested that staff determine the cash value of New Century AirCenter if it were to be sold as a developed industrial office park, adding that this information would be useful to present to the BoCC. Mr. Metcalfe stated that he would prepare a bulleted list of information for the Commission’s meeting with the BoCC.

Mr. Barmby brought to the Commission’s attention several typographical errors and wording suggestions concerning the Request for Additional Resources forms.

- B. Summary of Financials.

There were no additional comments to the financial reports.

- C. Consider ratifying the April expenditures as presented.

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

V. DISCUSSION ITEMS:

A. Review draft Memorandum of Understanding (MOU).

A draft MOU was presented to the Airport Commission for their discussion. Mr. Metcalfe stated the majority of the verbiage came from a 1986 memorandum of understanding between the Mental Health Board and the BoCC. As a matter of protocol, Mr. Metcalfe suggested that the Airport Commission meet with the BoCC before finalizing and approving an MOU. He also stated that it was very unlikely that this could be done until after the budget process was completed in August. Mr. Barmby agreed with Mr. Metcalfe and suggested that the Airport Commission and the BoCC meet and use the MOU as a reference. Mr. Viets agreed and felt that it makes more sense to outline concepts before trying to finalize an agreement.

The Commission discussed their frustrations and what they would like to see changed as an Airport Commission. Chairman Dixon would like to know the statutory difference in the authority of the Airport Commission versus Parks & Recreation and the Library. He felt that they had more statutory authority and “sway” with the BoCC than the Airport Commission. Mr. Metcalfe felt that this was due to the fact that the airports appeal to a smaller constituency than parks and libraries. Mr. Viets’ concern was the handicap of not being able to accomplish the development of an 800-acre office and industrial park and the inability to invest money to make money. Mr. Metcalfe felt that all of the major concerns came down to money. He thought it would be difficult for the BoCC to allow the Airport Commission to issue debt, or receive more money out of the general fund, when the BoCC’s objective is a partial roll-back or flat budget. Mr. Pipes felt that the Airport Commission was one of the few opportunities that the BoCC has to have a true enterprise fund, adding that land development is a key tool for generating new revenues. Mr. Metcalfe stated that the BoCC is, by default, in the real estate development business, with 1,000 acres of valuable land that costs the county money just sitting there. To be successful real estate developers, the BoCC must invest in the infrastructure of the business park to provide a marketable product.

Chairman Dixon encouraged the Airport Commissioners to attend the budget worksession with the BoCC on June 20, 2001 at 9:00 a.m.

CONSENSUS OF THE AIRPORT COMMISSION WAS TO DELAY THE MEMORANDUM OF UNDERSTANDING PENDING A DISCUSSION WITH THE BOCC, AND DIRECTED STAFF TO PREPARE A LIST OF THE KEY ISSUES FOR THE AIRPORT COMMISSION’S REFERENCE.

B. Consider approving the Vision Statements for New Century AirCenter.

MOVED BY MR. PIPES, SECONDED BY MR. VIETS TO APPROVE THE VISION STATEMENTS FOR NEW CENTURY AIRCENTER. APPROVED (5-0).

C. Discuss Airport Commission goals and objectives.

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The item was tabled until the Airport Commission met with the BoCC.

Chairman Dixon raised the question as to the frequency of the Airport Commission meetings, and suggested that the number of meetings should be reduced and held quarterly. Mr. Metcalfe stated the most immediate concern would be any items, such as lease approvals, that would need to be approved more frequently than quarterly. He also believes that the BoCC presumes that monthly meetings would make staff more accountable. Mr. Johnson concurred and felt that quarterly meetings would lose continuity; therefore, he would vote against quarterly meetings. Mr. Pipes felt that the Airport Commission is acting without authority on lease approvals. Ms. Dunham stated that the Airport Commission has authority to approve standard ground leases and amendments, and is the only entity that would approve standard lease documents. Mr. Metcalfe stated that the Airport Commission also has the authority to approve contracts up to \$75,000.

Mr. Pipes asked if there were certain instances where board members have been sued individually if the board acts without authority. Chairman Dixon stated that this is a concern that should be discussed with legal counsel and the BoCC.

MOVED BY MR. PIPES, SECONDED BY MR. VIETS TO CHANGE THE FREQUENCY OF THE AIRPORT COMMISSION MEETINGS AND CONDUCT QUARTERLY MEETINGS BEGINNING IN JUNE, 2001 ON THE LAST WEDNESDAY OF THE MONTH. MOTION FAILED (2-3).

Further discussion followed the motion. Mr. Johnson is concerned about BoCC's perception of the Airport Commission and did not want to jeopardize that perception by meeting quarterly rather than monthly. Mr. Barmby felt that conducting quarterly or bimonthly meetings sent the wrong message to the BoCC and the public. He also felt that it would hurt the Airport Commission's chances for change on how the Commission operates.

Consensus of the Airport Commission was to continue with the meeting schedule until the Airport Commission meets with the BoCC. If it is decided at that point that the Airport Commission will not have increased authority, then the Airport Commission will revisit the issue of the frequency of meetings.

D. Consider establishing project accounts for fund balance expenditures.

Mr. Metcalfe stated that this item was discussed at the Strategic Planning Retreat on May 4, 2001, in which the Airport Commission directed staff to bring the item before the Airport Commission for formal approval.

Airport staff reviewed the proposed project accounts, which will be funded by the \$917,818 carry-over from the previous year. The Airport Commission discussed the project account for equipment replacement in the amount of \$120,000. Mr. Barmby asked if staff had considered leasing equipment rather than purchasing. Ms. Howell stated that items such as the copier and the tower's radio equipment was already leased, and that staff was researching the feasibility of leasing mowers and other maintenance equipment. She added that a lease payment requires multiple year commitments that will need to be budgeted.

MOVED BY MR. PIPES, SECONDED BY MR. JOHNSON, TO APPROVE ITEM V.D. IN AN

AMOUNT NOT TO EXCEED \$917,818 AND TO AUTHORIZE THE EXECUTIVE DIRECTOR LATITUDE WITH REGARDS TO EITHER REPLACING OR LEASING MAINTENANCE EQUIPMENT IN THE EQUIPMENT REPLACEMENT PROJECT ACCOUNT IN THE AMOUNT OF \$120,000. APPROVED (5-0).

- E. Consider ratifying requests for additional resources as included in the 2002 budget submittal.

Staff previously submitted the requests for additional resources. Mr. Metcalfe stated that the Airport Commission would have an opportunity to discuss specific requests for additional resources, such as infrastructure improvements, with the BoCC on June 20th.

MOVED BY MR. PIPES, SECONDED BY MR. JOHNSON TO RATIFY REQUESTS FOR ADDITIONAL RESOURCES AS INCLUDED IN THE 2002 BUDGET SUBMITTAL. APPROVED (5-0).

- F. Report of the President, Southwest Johnson County EDC.

Mr. Engelmann reported on various projects currently in progress. He also informed the board that he is resigning from the EDC and has accepted a position with Utilicorp United. Mr. Engelmann's last day with the EDC is June 15th. Mr. Metcalfe presented Mr. Engelmann with a plaque and expressed the Airport Commission's appreciation for his service.

VI. BUSINESS FROM THE FLOOR:

Mr. Johnson invited the Airport Commission to a rededication of the historic photo mural at the Johnson County Courthouse on May 31, 2001 at 4:00 p.m.

VII. ADJOURNMENT

MOVED BY MR. JOHNSON, SECONDED BY MR. VIETS TO ADJOURN THE MEETING AT 10:15 A.M. APPROVED (5-0).

Oscar Johnson, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – June 27, 2001 9:00 a.m. – New Century, KS

Airport Commission

Present: Messrs. Barmby, Dixon, Johnson

Absent: Mr. Pipes, Viets, Ms. Thomen

Staff: Metcalfe, Ritter, Dunham, Helsel, Perry

Others: Virginia Barr, Jo. Co. League of Women Voters
Glenn Brussell, OONAM
Tim Braun, OONAM
Bob Cronkleton, Kansas City Star
Ray Olsen, Ray Olsen, L.L.C.
Sean Hutman, Executive Beechcraft

Chairman Dixon 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. BARMBY TO APPROVE THE MINUTES OF THE MAY 23, 2001 MEETING AS PRINTED AND DISTRIBUTED, APPROVED (4-0), AND THE MINUTES OF THE JUNE 20, 2001 AS PRINTED AND DISTRIBUTED. APPROVED (3-0-1). MR. HEAVEN ABSTAINED FROM THE VOTE DUE TO HIS ABSENCE AT THE MEETING.

II. REPORT OF THE CHAIRMAN:

The Chairman noted for the record that the Airport Commission met with the BoCC on June 20, 2001 to discuss the airport's 2002 budget.

IV. EXECUTIVE SUMMARY:

A. Review staff reports:

Mr. Metcalfe reported on the search for a new EDC President. The EDC Executive Committee has placed ads in various publications. Based on a low level of interest generated, the Committee has expanded the search market to include Missouri organizations. Mr. Barmby suggested placing ads in the SEDC and AEDC, which will attract individuals with economic development experience. The Committee has focused initially on the Kansas City area, and would expand the area if necessary.

Mr. Perry reported that Holland Corporation was the low bidder on the airport pavement

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projects. Staff expects a July 9th start date. A 50% t-hangar rent abatement will be provide to t-hangar tenants that will be impacted from the construction. The project has been scheduled around the Kansas Speedway events, although staff is not sure exactly what impact the Speedway will have on the airports.

Mr. Perry reported that the Engineering Selection Committee, comprised of Messrs. Dixon, Metcalfe, Perry, and Public Works Director Andrews interviewed three engineering firms and selected Bucher, Willis & Ratliff as the airport's engineer. The firm will work on airport projects, such as designing grade and pavement strengths for the new t-hangars, as well as the t-hangars themselves.

B. Summary of Financials.

There were no additional comments to the financial reports.

C. Consider ratifying the May expenditures as presented.

MOVED BY MR. HEAVEN, SECONDED BY MR. JOHNSON TO RATIFY THE MAY EXPENDITURES AS PRESENTED. APPROVED (4-0).

V. DISCUSSION ITEMS:

A. Consider asking the FAA to cancel the Part 139 Limited Commercial Operating Certificate for New Century AirCenter.

New Century AirCenter has had a Part 139 Commercial Operating Certificate since the mid 1980's. In order to maintain a Part 139 Certificate, the airport must meet certain requirements, such as standards for marking of runways and taxiways and mowing the grass around the runways, which cannot exceed a specific height. The FAA is in the process of revising the Part 139 requirements for 2002 and will automatically cancel any airport's certificate that has not had commercial service in two years. In addition, new marking standards have also been issued for Part 139 airports in September, 2001. The new standards would require that the Airport Commission spend \$80,000 to bring the airfield markings up to the new specifications. Staff does not see any benefit in making the changes in September if the airport would lose its certification in 2002 anyway, since New Century AirCenter has not had commercial service in the past two years.

Mr. Perry added that the Airport Commission could always get the Part 139 certification back as long as the marking standards are met. Part 135 operations would not be impacted by this change. He also stated that New Century AirCenter would still have the same priorities for Airport Improvement Projects (AIP) since it is classified as a reliever airport, although it would limit AIP access for firefighting equipment and would not be eligible for additional equipment. Mr. Metcalfe stated that without the Part 139 certification, the Airport Commission would not be required to keep the Index A capability for aircraft rescue firefighting services, for which the Airport Commission contracts and pays Fire District #1 \$75,000 per year. He added that the firefighting contract could be renegotiated or cancelled.

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Mr. Perry stated that one requirement in the new marking standards is that glass beads must be placed on the airfield markings to provide better reflectivity. However, the snow-removal equipment used by maintenance staff would tear the beads off over time and they would have to be replaced frequently. The Airport Commission felt that the standards for New Century AirCenter should be kept up shy of the FAA's requirements for the glass beads.

MOVED BY MR. JOHNSON, SECONDED BY MR. HEAVEN TO ASK THE FAA TO CANCEL THE PART 139 LIMITED COMMERCIAL OPERATING CERTIFICATE FOR NEW CENTURY AIRCENTER. APPROVED (4-0).

- B. Consider approving an extension to the Old Olathe Naval Air Museum lease at New Century AirCenter.

The Old Olathe Naval Air Museum (OONAM) leases the old commanding officer's residence to house a collection of memorabilia from the Olathe Naval Air Station days. The Airport Commission has approved its lease on a year to year basis due to the deterioration of the building. However, the OONAM will be investing a significant amount of funds in the building and is requesting a five-year lease with options to renew. Mr. Heaven suggested legal counsel include a relocation clause.

MOVED BY MR. HEAVEN, SECONDED BY MR. JOHNSON TO APPROVE A FIVE-YEAR LEASE EXTENSION WITH THE OLD OLATE NAVAL AIR MUSEUM WITH THE CAVEAT THAT A RELOCTAION CLAUSE BE ADDED IF THE LEASE CURRENTLY DOES NOT HAVE PROVISIONS FOR RELOCATION TO EQUAL OR BETTER FACILITIES. APPROVED (4-0).

- C. Consider retaining a qualified consultant to assist staff in developing a business plan for the railroad operations.

Staff has researched hiring a consultant to develop a business plan for the railroad operations at New Century AirCenter, which would be designed to enhance revenue opportunities for the operations. Mr. Jerry Gregg, a retired chief operating officer of the Kansas City Southern Railway and owner of a consulting company called Enviro-Co, has submitted a proposal to develop a business plan for New Century AirCenter's railroad. Staff is comfortable with his qualifications.

The proposal is to spend up to \$25,000, but Mr. Metcalfe is confident that the proposal could be lower (between \$10,000 - \$15,000) and the amount of work could be scoped to still achieve a solid business plan. Mr. Metcalfe met with Mr. Gregg, who believes that \$50,000 – \$200,000 of additional revenue could be generated within a year or two if the railroad was structured properly.

There are sufficient funds available in the operating budget for the project. Chairman Dixon approved of obtaining a retired railroad expert in the field who could provide valuable information and guidance. Mr. Metcalfe will report back to the Commission on the terms of the agreement before it is signed.

MOVED BY MR. HEAVEN, SECONDED BY MR. JOHNSON AUTHORIZE THE EXECUTIVE DIRECTOR TO SPEND UP TO \$25,000 WITH ENVIRO-CO WITH THE STIPULATION THAT THE EXECUTIVE DIRECTOR DO HIS BEST TO KEEP THE SUM AS LOW AS POSSIBLE WHILE RECEIVING THE BEST WORK POSSIBLE. APPROVED (3-1).

VI. BUSINESS FROM THE FLOOR:

Wastewater System Fee

Mr. Barmby opened a discussion about the fees paid by the Airport Commission to the Unified Wastewater Districts. Mr. Barmby felt that the Airport Commission has a valid point that they pay \$150,000 to wastewater in fees for vacant land, and that this point should be brought to the BoCC's attention.

Mr. Metcalfe provided some background information on how that amount was formulated. In 1988, the State threatened to condemn the sewer facility at New Century AirCenter. The BoCC turned the facility over to the Unified Wastewater Districts, who were given one year by the State to bring it up to standards. Wastewater constructed a \$6 million wastewater treatment facility, and then assessed the users a pro-rata portion of the cost. As an example, Lipton (then Shedd's) received a \$1.3 million bill, which they were expected to pay immediately. The larger wastewater users banded together and began negotiating with the County. Ultimately, the airport wastewater subdistrict was included in the county-wide wastewater finance plan where the debt was spread amongst all users. With that, Wastewater treated the Airport Commission like all owners of vacant land within the Wastewater Districts and assessed a system development fee for vacant land.

Mr. Metcalfe stated that the yearly costs initially were higher than the \$150,000 we currently pay. He said that we were able to get the areas around the airfield that would never be developed excluded from the assessment. Growth in this part of the wastewater district, such as the jail with its new lift station, aids the Airport Commission in getting closer to being able to provide some of the necessary infrastructure to open up vacant land. Wastewater has in their long-range plan to extend sewer lines into currently undeveloped areas at New Century AirCenter. Mr. Metcalfe stated that it could be argued that the Airport Commission has derived some benefit from the \$1.8 million it has paid to Wastewater in system development fees. Mr. Barmby felt that Wastewater drives development, and with that the Airport Commission needs a commitment from Wastewater to aid in the development of New Century AirCenter.

New Century AirCenter Infrastructure

Mr. Metcalfe, based on the comments at the pre-budget discussion, prepared a spreadsheet that depicts the return on investment if new infrastructure was put in place at New Century AirCenter. The Airport Commission discussed the four proposed areas to be developed. Chairman Dixon asked how staff had prioritized the development areas. Mr. Metcalfe stated that the priorities were based on market demand, and the payback period was not used as a criteria. He felt that the Airport Commission could lease 10-15 acres within the next year for Area "A".

The Airport Commission discussed the park-within-a-park area (Area "P"). It was proposed to sell the park-within-a-park and use the proceeds to provide infrastructure to Area "A". Mr. Barmby

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said that he would agree to sell the park-within-a-park if for the only reason it would cut the \$150,000 payment to Wastewater. The Airport Commission also discussed keeping the land as a long-term revenue stream to control its own destiny. Mr. Heaven commented that he was not sure if the users were going to pay for increased lease rates because of the limited access into and from the property. The Airport Commission discussed the parties who were interested in the park-within-a-park. Chairman Dixon felt that the Airport Commission should get the BoCC's approval to sell any land.

Consensus of the Airport Commission was to wait until the budget process was completed and then meet with the BoCC (most likely not before September). Mr. Barmby suggested that after the budget process was over, the Airport Commission should meet with the BoCC to: 1) ask for permission to sell the land; 2) inform them that the FAA has released the property and that the Airport Commission would like to sell the land in portions; and 3) explain that the Airport Commission has a plan for the proceeds and where it would be used.

The Airport Commission also directed staff to schedule a Development Committee meeting to be held sometime before the August meeting to further discuss the issue.

VII. ADJOURNMENT

MOVED BY MR. JOHNSON, SECONDED BY MR. HEAVEN TO ADJOURN THE MEETING AT 10:50 A.M. APPROVED (4-0).

Oscar Johnson, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – July 25, 2001 9:00 a.m. – New Century, KS

Airport Commission

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

Absent: Mr. Pipes

Staff: Metcalfe, Ritter, Dunham, Helsel, Perry

Others: Commissioner Annabeth Surbaugh, BoCC
Glenn Brussell, OONAM
Bob Cronkleton, Kansas City Star
Ray Olsen, Ray Olsen, L.L.C.
Larry Winn, Polsinelli, Shalton and Vardeman
Matt Messer, private developer

Chairman Dixon 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. BARMBY, SECONDED BY MR. HEAVEN TO APPROVE THE MINUTES OF THE JUNE 27, 2001 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (4-0-1). MS. THOMEN ABSTAINED FROM THE VOTE DUE TO HER ABSENCE AT THE JUNE MEETING.

II. REPORT OF THE CHAIRMAN:

The Chairman did not give a report.

IV. EXECUTIVE SUMMARY:

A. Review staff reports:

Mr. Metcalfe reported on the search for a new EDC President. The EDC Executive Committee reviewed the resumes received to date and has decided to conduct interviews the week of August 13, 2001. It is anticipated the new EDC President will be announced by September 1st.

Staff met with the rail consultant, who has developed a more defined scope of work. A statement of qualifications will also be provided. Mr. Metcalfe stated that he is convinced that the rail consultant's fee is reasonable considering the research and preparation that the consultant is performing. The fees will be defined in the agreement. Chairman Dixon stated that the fuel fees are higher at New Century AirCenter than last year's

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numbers. Mr. Perry attributed most of the increase to AeroStadt, who has started a flight school at New Century AirCenter, as well as larger jets flying in and refueling. Mr. Barmby asked if Executive Airport's operations are reflective that it is no longer the airport of choice and pilots are flying over to New Century AirCenter more. Mr. Perry stated that since February, Executive Airport lost a flight school, KCH Flying Services. With KCH gone, it took a good number of operations from Executive. Mr. Perry believes that the general business flying community still feels that Executive Airport is the airport of choice due to location; however, more and more pilots are recognizing New Century. Mr. Metcalfe stated that overall, the national trend is down in aviation. The board discussed the Winston Cup and how it would impact the airports. Mr. Metcalfe stated that Kansas City Aviation Center is already receiving reservations for the Winston Cup dates.

Ms. Howell reported that the rail project has been completed and payment is due in August. Mr. Metcalfe stated that staff has been made aware of grant moneys for the rail system. It may require the Airport Commission to become a regulated railroad. Staff will keep the Commission updated on any information as it becomes available.

B. Summary of Financials.

There were no additional comments to the financial reports.

C. Consider ratifying the June expenditures as presented.

Mr. Barmby noted for the record that the expenditures reflect a payment made to Pyramid Construction, in which the owner of the company is his nephew. Mr. Barmby stated that he does not have any financial interest in the company.

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

V. DISCUSSION ITEMS:

A. Discuss a proposal from Matt Messer for privatization of the t-hangars.

Mr. Messer, along with his lawyer and former Airport Commissioner, Larry Winn III, discussed their proposal for the privatization and operation of the t-hangars. Mr. Winn stated that he has spoke with the Airport Commission's legal counsel, Ms. Dunham, and it is her opinion that the concept of privatizing the t-hangars may have to go through the Request for Proposal (RFP) process. Mr. Winn did not agree with Ms. Dunham's interpretation and opinion. He added that he and Mr. Messer were prepared to divulge cost information and financials to the Commission, but concluded that any information provided would then be public, and if an RFP were to be sought, it would allow their research to be available to potential competitors. Mr. Winn stated that a lease is not sent out for an RFP, and does not understand the difference between this agreement and a lease.

Mr. Winn believed that the Airport Commission would have a cash cow should it decide not to build any more hangars when the debt it paid off. However, if more debt is incurred for new hangars that would not be the case. He is convinced that as the BoCC continually tightens the

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“screws” on certain agencies, it will more and more self-evident to the Commission that the BoCC expects the Commission to move to a basic service concept. If there are areas that money could be freed up, it is worthy of the Commission’s consideration.

Mr. Winn stated that there is a waiting list of more than 200 people. He is not sure if the public sector would ever be able to meet that demand, whereas the private sector can build on demand. The private sector has greater flexibility and can build custom hangars to meet the needs of its lessees. Mr. Winn’s concern about the RFP is that it will not compare the same type of service. If the document were crafted as a lease, it would not need to go through the RFP process. He believes that the proposed management agreement provides more tools for the Airport Commission, but is willing to call it a lease agreement to avoid the RFP process. Ms. Dunham stated that the county’s policies require an RFP for a management or service contract. A lease agreement would not require the RFP process. The Commission does have the authority to approve services under the county’s policies.

Mr. Barmby believed that if the Commission were continue to finance t-hangars with tax exempt bond financing and then lease them to a private party it would render the interest on the bonds taxable.

Chairman Dixon asked the Commission if they should privatize all airport operations. Mr. Metcalfe stated that in 1992, privatization of private airports was a hot topic nationally. There were two companies that had been established for some time that were taking over on management contracts, which only made sense if the private operator could make a profit. At that time, Executive Airport was breaking even and New Century AirCenter was losing several hundred thousand dollars per year and the companies were not interested in taking over Johnson County’s airports. Mr. Metcalfe stated that the t-hangars would have to go with the package to take over the airfield to make it financially beneficial for the private company.

Ms. Thomen stated that she does not have an opinion one way or the other on the proposal without getting more information from Mr. Messer. Mr. Metcalfe stated that it would be wise of the Airport Commission to seek additional proposals to see what other options are. Chairman Dixon directed staff to consider options for privatizing the airports, specifically researching the current state of airport privatization around the nation and the market of the area, while having Mr. Messer rethink his method of proposal. Mr. Viets questioned why the Airport Commission would take its most profitable piece of the airport and separate it from other pieces of the airport. He added that he could see privatizing all airport operations, but not just the t-hangars.

Consensus was for staff to research privatizing the airports and have Mr. Messer restructure and his proposal.

- B. Consider approving a ground lease for HRM, L.L.C. for 3.5 acres at the northwest corner of Leawood Drive and New Century Parkway.

Staff has been in discussions with the Russell Hampton Company, a large supplier of service club logo items, to lease ground and construct a building at New Century AirCenter. The

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company has agreed to lease 3.3 acres of land, a portion of which will be discounted since they do not plan to use the entire acreage at this time. Infrastructure is in place and no additional improvements will need to be made on the Commission's behalf. HRM is a holding company newly formed by the principals of Russell Hampton. Ms. Dunham stated the lease is standard in form except for a few additional clauses to satisfy SBA requirements. The building is being financed with an SBA loan.

MOVED BY MR. HEAVEN, SECONDED BY MR. JOHNSON TO APPROVE A LEASE WITH RUSSELL HAMPTON AND COMPANY AS PROPOSED. APPROVED (6-0).

VI. BUSINESS FROM THE FLOOR:

Mr. Heaven announced that he would call a meeting of the Development Committee within the next several weeks to discuss a proposal from a prospective tenant to lease the remaining balance of developable land at New Century AirCenter.

Mr. Viets announced that this would be his last meeting after 27 years as an Airport Commissioner. Chairman Dixon and Executive Director Metcalfe thanked Mr. Viets for being a conscientious and dedicated contributor to the Airport Commission.

VII. ADJOURNMENT

MOVED BY MS. THOMEN, SECONDED BY MR. JOHNSON TO ADJOURN THE MEETING AT 10:15 A.M. APPROVED (6-0).

Oscar Johnson, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – August 22, 2001 9:00 a.m. – New Century, KS

Airport Commission

Present: Messrs. Barmby, Heaven, Johnson, Pipes, Ms. Thomen

Absent: Mr. Dixon

Staff: Metcalfe, Ritter, Dunham, Perry

Others: Commissioner Annabeth Surbaugh, BoCC
Glenn Brussell, OONAM
Ray Olsen, Ray Olsen, L.L.C.
Virginia Barr, League of Women Voters
Sean Hutman, Executive Beechcraft
Scott Beeler, Leawood Drive Associates Attorney
Mike Fishman, Leawood Drive Associates

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

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

I. APPROVAL OF MINUTES:

MOVED BY MR. JOHNSON, SECONDED BY MR. HEAVEN TO APPROVE THE MINUTES OF THE JULY 25, 2001 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (5-0).

II. REPORT OF THE CHAIRMAN:

Vice Chairman Thomen stated that Chairman Dixon was out of the country and that she would chair the meeting. She also reminded the Commission of the upcoming meeting with the BoCC.

IV. EXECUTIVE SUMMARY:

A. Review staff reports:

Mr. Metcalfe reported Ms. Ritter, Executive Assistant, has accepted a position with UtiliCorp United and will be working with former EDC President John Engelmann. Ms. Ritter has been with the county for 10-1/2 years, nine of which have been with the Airport Commission.

Mr. Metcalfe reported that Donna Newkirk has been selected as the new EDC President and will begin work in September.

Mr. Perry reported that the FAA has completed a compliance inspection of Executive Airport. A written report is expected soon.

B. Summary of Financials.

There were no additional comments to the financial reports.

C. Consider ratifying the June expenditures as presented.

Mr. Barmby asked for clarification on the J.P. Fogel & Company commission. Ms. Dunham explained that the commission had been earned under the terms of the brokerage agreement but had only recently been paid due to some protracted discussions about the proper amount.

MOVED BY MR. PIPES, SECONDED BY MR. JOHNSON TO RATIFY THE JULY EXPENDITURES AS PRESENTED. APPROVED (5-0).

V. DISCUSSION ITEMS:

A. Discuss the Leawood Drive Associates amendment.

Ms. Dunham reported that in 1998, this matter came before the Commission when Leawood Drive Associates purchased the Olathe Manufacturing building. At that time, staff had issues with ownership and taxation of the building that had been unresolved. Both parties have researched the issue and concluded that the County rather than Mr. Rogers owns the building, and which results in an incorrect Board of Tax Appeals (BOTA) order. The amendment will resolve the ownership, taxation and building rent issues.

Ms. Dunham reported that the Legal Dept. is satisfied by the findings and will jointly go back to BOTA with Leawood Drive Associates to correct the order.

MOVED BY MR. PIPES, SECONDED BY MR. HEAVEN TO APPROVE THE LEAWOOD DRIVE ASSOCIATES AMMENDMENT. APPROVED (5-0).

B. Discuss upcoming meeting with the BoCC on September 6, 2001.

The Commission discussed what topics should be brought before the BoCC at their upcoming meeting. Consensus of the Airport Commission was to propose to the BoCC that they adopt a resolution delegating authority as stated in the statute. Mr. Pipes stated that in order to continue service the Commission, he would like to know the BoCC's expectations of the Commission.

The Commission also discussed constructing additional t-hangars, establishing a capital reserve fund and privatizing the airports. Consensus of the Airport Commission was to reschedule the meeting for a later date in order for staff to properly research and prepare supporting documentation.

MOVED BY MR. JOHNSON, SECONDED BY MR. HEAVEN TO DIRECT STAFF TO RESCHEDULE THE MEETING WITH THE BOCC TO ALLOW MORE TIME TO PREPARE A PRESENTATION. APPROVED (5-0).

VI. BUSINESS FROM THE FLOOR:

Ms. Dunham introduced new County Legal Services Director Larry McAulay.

The Airport Commission expressed their appreciation to Ms. Ritter for her service to the Airport Commission.

VII. ADJOURNMENT

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

Oscar Johnson, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES –September 26, 2001 9:00 a.m. – New Century, KS

Airport Commission

Present: Messrs. Dixon, Barmby, Heaven, Johnson, Pipes, Ms. Thomen

Absent: None

Staff: Metcalfe, Dunham, Perry, Howell, Helsel

Others: Commissioner Annabeth Surbaugh, BoCC
Glenn Brussell, OONAM
Ray Olsen, Ray Olsen, L.L.C.
Virginia Barr, League of Women Voters
Bill Raynor
Ford Nelson, Armstrong Teasdale LLP
Hannes Zacharias, Johnson County
Max Sielert, Fire District #1
Jim Dean, First Kansas Bank
James Christenson, First Kansas Bank
Robert Cronkelton, Kansas City Star
Donna Newkirk, EDC

Chairman Dixon 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. JOHNSON TO APPROVE THE MINUTES OF THE AUGUST 22, 2001 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (6-0).

II. REPORT OF THE CHAIRMAN:

Chairman Dixon appointed Mr. Heaven as the Nominating Committee for the upcoming Election of Officers.

EXECUTIVE SUMMARY:

A. Review staff reports:

Mr. Metcalfe introduced Ms. Donna Newkirk, the new EDC President, and Mr. Hannes Zacharias, the new Assistant County Administrator.

B. Summary of Financials.

There were no additional comments to the financial reports.

C. Consider ratifying the August expenditures as presented.

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

V. DISCUSSION ITEMS:

A. First Kansas Bank site plan.

Mr. Metcalfe noted that we have been in discussion with First Kansas Bank regarding the NE corner of Moonlight and 56 Hwy. One year ago, we gave First Kansas Bank an option on the land to allow them time to get a lease document finalized, a traffic study done, and to bring back a plan for this board to review.

Ford Nelson Jr. from the law firm of Armstrong Teasdale LLP, representing First Kansas Bank, came forward to make a presentation on the bank's plan.

Mr. Nelson displayed a drawing and described the material as all brick with some stone and precast accent. The plan calls for 4,500 square foot with a drive-up. Mr. Nelson noted that the plan is very similar to Southgate Bank at 77th and State Line Road, currently Bank of America. Mr. Nelson stated that the bank believes this to be a nice looking facility and would be a good marquee point. The bank is looking at a \$750,000 investment.

Mr. Nelson said that this drawing is the basic footprint that was presented previously to the commission. There is approximately 2,000 more square feet than originally submitted. The plan presented is the plan that was used for the traffic study. Mr. Nelson stated that the traffic study dictates the site layout. The entrance is across from the shopping center entrance and this dictates what can be done in relation to laying out the site. This site is 1 to 1.5 acres. Mr. Nelson stated that if the bank can get the concept approved, he believes the legal issues can be worked out.

There was some discussion regarding a two-story building versus a one-story building. Mr. Nelson noted that the two story cuts into parking that needs to be available for the restaurant. If retail were going in on the backside, then a two-story would block that visibility.

Mr. Barmby asked about the distance of the entry and if a signal would be necessary. Mr. Nelson said the driveway is 300 feet from the intersection. The traffic study shows that as the parcel is developed, the driveway would become a right turn in and out only, and no signal would be required.

Mr. Pipes asked Ms. Dunham about the authority of the Airport Commission to enter into lease

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agreements, as granted by the Board of County Commissioners. Ms. Dunham noted there is statutory authority, and since the Board of County Commissioners has not taken any action to limit the Airport Commission's authority, it was her opinion that the Airport Commission has the authority to enter into standard agreements.

Mr. Heaven questioned the change in the plan from a one story to a two-story. Mr. Nelson reviewed restaurant parking needs and the configuration of the site. Mr. Nelson brought out a second concern and that is control. If they cannot purchase the site, how much do they want to invest?

Mr. Metcalfe asked the commission if this change in scope still meets with their expectations? Mr. Metcalfe further pointed out that there are still some legal issues that have to be worked out. Ms. Dunham stated that they are getting closer on those legal issues. Ms. Dunham further stated that they have been stuck on the sale of the land issue.

Mr. Metcalfe brought up that the sale of land is a key issue in the September 27, 2001, meeting with the BoCC. Mr. Metcalfe further noted that the leases do have some standard language that says the lessee has the first option to buy; however, the legality of this provision has not been tested. Ms. Dunham further noted that "unless prohibited by law" is also included in the lease.

There was some additional discussion surrounding the site plan, other options, such as selling or leasing to one developer that in turn would develop the entire site.

Mr. Nelson noted that their option expires at the end of October and that is why they feel a sense of urgency on this matter.

There was some additional discussion regarding the meeting with the BoCC selling the land and other options and taking best, qualified bids. Mr. Heaven also felt that all legal issues should be cleared up by the next meeting when this item will be brought back to the commission.

MOVED BY MR. DIXON, SECONDED BY MR. JOHNSON TO POSTONE A DECISION UNTIL AFTER THE MEETING WITH THE BOARD OF COUNTY COMMISSIONERS, (9/27/01) IN ORDER TO DETERMINE AVAILABLE OPTIONS. APPROVED (5-0-1), MR. PIPES ABSTAINING

B. Review the September 27, 2001 BoCC presentation.

Mr. Metcalfe noted that the meeting with the BoCC has been moved to 2:30 p.m. Chairman Dixon noted he could not be at the meeting; therefore, Vice Chairman Thomen would be the spokesperson for the commission.

Everyone was given a copy of the proposed presentation to the BoCC for the Airport to become self-sufficient by the year 2006. Mr. Metcalfe explained to the commission that the proposal focuses on the financial aspects of getting to self-sufficiency. Mr. Metcalfe went step-by-step reviewing the numbers and explaining how he arrived at them. Mr. Metcalfe encouraged the commission to ask questions and test the logic in the plan so that they would be ready to go before the BoCC.

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One piece of the plan is selling the released Airport property. The commission would have to get the BoCC to agree to the sale and then allow the Airport to use the proceeds to pay down the existing debt. There was considerable discussion around the sale of land and carving out of the bank site and how that would affect the value. Mr. Metcalfe noted that the sale of the released land at the airport was key to making his proposal for self-sufficiency work. Mr. Metcalfe noted there is a cushion of \$353,000 built into the plan and that the cushion might cover changes made due to carving out of the bank parcel.

Mr. Metcalfe went over the plan explaining his logic regarding revenues and expenditures. Mr. Metcalfe changed some of the numbers in the computer model so the commission could see how various assumptions would make the numbers change. Mr. Metcalfe noted that in the proposal, the airport would continue to get capital support from the county in increments of \$600,000, \$400,000, and \$200,000 over the next three years. By the year 2006, the county would no longer provide funding to the airport.

Additionally, Mr. Metcalfe discussed building new t-hangars. Mr. Metcalfe pointed out that the numbers actually look better if we do not build t-hangars; however, this plan has factored in the building of new t-hangars. Mr. Metcalfe pointed out that Mr. Barnby reviewed those numbers and believes them to be accurate. Mr. Metcalfe stated that he has proposed a premium charge for new t-hangars and a premium at OJC. This prompted some discussion on t-hangars and growth in aviation.

Mr. Metcalfe continued going over numbers, revenue projections and expenses. Mr. Metcalfe used a three- percent inflation factor for operations and minor capital expenditures. Mr. Metcalfe also used a five- percent growth factor for personnel merit and benefits. Mr. Metcalfe adjusted some figures for the commission to see how changing assumptions change the bottom line.

Mr. Pipes stated that he has no real concerns over forecast and projections, but did express concerns regarding the Airport Commission's authority to execute any actions absent any directives from the BoCC. Mr. Pipes also pointed out that historically any additional revenue that the airport receives; the county lowers its support by that same amount.

Commissioner Surbaugh, BoCC, noted that as part of this proposal, the Airport Commission is asking the BoCC to commit to a certain level of funding in future years. Mr. Metcalfe noted that the BoCC would need to say that it is their intent to honor our request for support in the amounts of \$600,000 in 2003, \$400,000 in 2004, and \$200,00 in 2005; similar to how they give commitment to the CARS program.

Mr. Metcalfe pointed out that this proposal does not look at what a new management model would look like. There would be some significant legal questions that would need to be answered regarding a Port Authority, privatization, or some other authority.

Chairman Dixon felt that the Airport Commission needed to emphasize to the BoCC that historically the Airport has met or exceeded revenue projections that they have made.

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There was some wrap-up discussion along with a decision to take the proposal to the BoCC as prepared.

C. Report of the President, Southwest Johnson County EDC.

Ms. Donna Newkirk gave a brief bio of herself noting that she was with the Emporia Chamber for 12 years and most recently an Area Manager for a publications company.

Ms. Newkirk is trying to get out and meet all of the members and invited each commissioner to send prospects her way.

VI. BUSINESS FROM THE FLOOR:

Mr. Metcalfe reported that Donna and he interviewed candidates for the Executive Assistant's position and they found someone they plan to offer the position.

Mr. Metcalfe discussed a concept that he has been working on with a developer, Rick Watkins; what they are calling a "virtual building." The plan is to have this building designed, bid, and ready to build so that when a tenant wants to occupy the building he can have the building up in approximately eight months. Mr. Metcalfe then showed a six-minute video that Mr. Watkins and the airport jointly produced to market this project.

Mr. Johnson invited all in attendance to an open house at the county museum on Lackman. The open house is designed to raise the level of awareness for the museum. The event will be September 27, 2001, from 4:30 p.m. to approximately 6:30 p.m.

VII. ADJOURNMENT

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

Oscar Johnson, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – October 24, 2001, 9:00 a.m. – New Century, KS

Airport Commission

Present: Messrs. Dixon, Barmby, Heaven, Johnson, and Ms. Thomen

Absent: Mr. Pipes

Staff: Metcalfe, Dunham, Perry, Howell, Helsel, and Bellinger

Others: Commissioner Annabeth Surbaugh, BoCC
Glenn Brussell, OONAM
Ray Olsen, Ray Olsen, L.L.C.
Virginia Barr, Jo. Co. League of Women Voters
Max Sielert, Fire District #1
Matt Messer, private individual
Tom Meisenzahl, Kansas City Air Center
Robert Cronkelton, Kansas City Star
Donna Newkirk, EDC

Chairman Dixon 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. JOHNSON TO APPROVE THE MINUTES OF THE SEPTEMBER 26, 2001 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (5-0).

II. REPORT OF THE CHAIRMAN:

A. Election of Officers.

Mr. Heaven reported that the Nominating Committee would like to defer until the next Airport Commission meeting.

B. Discuss combining the November and December Airport Commission meetings.

MOVED BY MS. THOMEN, SECONDED BY MR. HEAVEN TO COMBINE THE NOVEMBER AND DECEMBER AIRPORT COMMISSION MEETINGS TO WEDNESDAY, DECEMBER 5TH. APPROVED (5-0).

III. CONSENT AGENDA ITEMS:

No consent agenda items.

IV. **EXECUTIVE SUMMARY:**

A. Review staff reports:

Mr. Metcalfe introduced Ms. Blanka Bellinger, the new Executive Assistant.

Mr. Barmby asked if the Johnson County Airport Commission had a total figure of aircraft sales? He further stated that the total number of aircraft sales, provided to the county commission, would make a significant difference on sales tax. Mr. Perry stated that he did not have those figures, but could call brokers that sell aircraft for that information. Mr. Meisenzahl responded that it would be possible to get the sales of aircraft information, but generally that 98% are sold out of state, which would mean no Kansas sales tax would be collected on them.

Commissioner Surbaugh asked the JCAC if the airport operations were back to normal. Mr. Perry stated that operations are pretty much back to normal. Flight operations were down about 2,000 for the month of September at each airport. He further stated that last year New Century had about 58,000 operations and expectations were to be in the low 60s for 2001. At the Executive Airport last year there were about 93,000 operations and expectations were to be in the mid-high 80s for 2001. The decline in numbers are due to the September slowdown and a flight school that no longer is doing flight training at Executive.

Mr. Barmby asked how Advance Aviation will operate as self-fueling facility. Mr. Perry responded that the Skyway Aviation hangar (formerly Mid-States Millwork hangar) is just to the north of the Confederate Air Force hangar. Skyway is entering into a lease arrangement with Advance Aviation. They are in the process of changing the interior of their hangar to include some shop and office space they will rent to Advance. Skyway/Advance Aviation will be installing a 12,000-gallon fuel tank with a card reader to be used by individuals for self-fueling. The hours of operation will be 24 hours a day.

B. Summary of Financials:

Ms. Howell stated that the Airport Commission's budget is in the process of being republished. The process should happen at the end of November. At that time the expenditure authority will be increased to accommodate the projects that will be funded from carryover fund balance as approved by the Airport Commission last spring.

Mr. Barmby asked if the Airport Commission has been running a 10% spread of excess revenue as predicted for the year? Mr. Metcalfe stated the projected carryover has exceeded \$200,000.

Mr. Barmby asked what the \$1,000 payment to Skyway was for. Mr. Helsel responded that the payment was to Hamilton Inspections for the inspection of a new water connection for Skyway. The cost will be covered by Skyway's connection fee.

B. Consider ratifying the September expenditures as presented.

MOVED BY MS. THOMEN, SECONDED BY MR. BARMBY TO RATIFY THE SEPTEMBER EXPENDITURES AS PRESENTED. APPROVED (5-0).

V. **DISCUSSION ITEMS:**

A. Consider final approval of the site plan and ground lease for First Kansas Bank.

Ms. Dunham stated the ground lease was a standard lease agreement except for the provision of a right of first refusal. Ms. Dunham said that she has concerns regarding the way the Bank wants the right of first refusal clause worded in the agreement and would not recommend approval at this time. Her recommendation is to remove the first right of refusal as it is currently prohibited by law. Mr. Ford Nelson, attorney for First Kansas Bank, noted that there is no provision that he's aware of regarding the right of first refusal as is given to all lessors in the standard agreements. Mr. Johnson asked Ms. Dunham if there was a statute. Ms. Dunham stated there is a statute. However, we haven't sold property before with this issue. This is the first property that has been released by the FAA from the quitclaim deed. Mr. Metcalfe stated that the right of first refusal really doesn't make any difference, as the bank would either have to match the highest bid or be the highest bidder. Mr. Nelson stated that this should apply to all properties.

Mr. Barmby asked Mr. Metcalfe if at one time there were commercial developers interested in being on the bidder list? Mr. Metcalfe replied there is a growing list of commercial developers interested in being on the bidder list; probably as a result of newspaper articles. Concerns have been expressed as to the impact on the value of the remaining land if we make the land subject to the existing bank lease.

Mr. Nelson commented there didn't seem to be much sense in putting in a clause, where it appears that there is a right, when in fact there isn't. Mr. Nelson stated that it makes more sense to remove the clause of right of first refusal from the lease agreement rather than having a stipulation that says that there isn't a right. Chairman Dixon asked Mr. Nelson if he was willing to agree to this modification about a right of first refusal? Mr. Nelson replied that is what he is suggesting.

Chairman Dixon asked Ms. Dunham if there would be any legal problems? Ms. Dunham stated that it would eliminate her concerns for a sale under the statute and then having to deal with a right of first refusal. Chairman Dixon asked Mr. Heaven if there was a law that would imply that there was a right of first refusal in the lease. Mr. Heaven opined that there was none.

Chairman Dixon asked what the staff's position would be on removing the right of first refusal clause from the lease agreement. Mr. Metcalfe stated that recommendation for approval would be made upon the removal of the clause. Ms. Dunham asked Mr. Nelson if he would clarify that the bank would not have right of first refusal at a public auction or at any other time? Mr. Nelson commented that he knew of no hidden right of first refusal that wouldn't be by contract; as Mr. Heaven had stated.

Chairman Dixon noted that the right of first refusal issue had been resolved.

Mr. Barmby asked Mr. Metcalfe if we would offer to sell 5 acres or 5 acres minus the bank site? Mr. Metcalfe commented that we would plat the bank's lot and offer it for sale individually. The bank will be able to bid on their lot along with other interested parties.

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Mr. Barmby asked if the land should be rezoned C0 for the bank's lot and then C2 for the other? Mr. Metcalfe commented that the agreement would be for whatever zoning the City of Gardner recommends. It's their master plan that the entire Hwy 56 and Moonlight frontage be zoned as retail-type of commercial.

Mr. Barmby asked if that would also take into account the 70-foot piece that would be carved out and made available for the widening of Moonlight Rd? Mr. Metcalfe commented that before the 5-acre site was surveyed the Airport Commission went to the city and asked how much right-of-way should be allowed for the widening of Moonlight. They said use 70 feet from the centerline, which is how the west boundary of the bank's lot was established.

Mr. Barmby asked Mr. Metcalfe if he still had concerns from the original proposal offered last year? The plan has gone from a two-story to a one-story and there would be no office space available for rent or lease. Mr. Metcalfe stated that he personally was somewhat disappointed, but it is the board's decision as to whether it is acceptable. It's really a city issue. As current owners of the land we can express our preferences as to what should go there, but once we sell the land we really don't have any concerns.

Chairman Dixon asked if there was any other discussion.

MOVED BY MR. HEAVEN, SECONDED BY MR. JOHNSON FOR APPROVAL OF THE LEASE WITH THE DELETION OF PARAGRAPH 1.2, WHICH IS ENTITLED RIGHT OF FIRST REFUSAL. APPROVED (3-1-1). MR. BARMBY VOTED NO AND CHAIRMAN DIXON ABSTAINED.

B. Consider final approval of the ground lease for Garmin International.

Mr. Metcalfe stated that the lease agreement was a standard ground lease with the addition of a clause that provides for a payback for their construction of improvements on our behalf. Garmin is extending a public north/south taxiway northward to intersect with their private taxiway to their ramp as a private project. They are also extending the water and sewer mains from 159th Street to the north boundary of their lot on our behalf. There is a clause in the lease that provides for paying back of the costs for those improvements through rent credits and possible lump-sum payments.

MR. HEAVEN MOVED FOR FINAL APPROVAL OF THE GROUND LEASE FOR GARMIN, SECONDED BY MR. JOHNSON. APPROVED (5-0).

C. Discuss with Matt Messer and Larry Winn a revised approach to the management of the T-hangars at the airports.

Mr. Winn previously presented a summary of lease terms to the attorney, Cindy Dunham, for proprietary lease negotiations. Mr. Winn stated that they would like to advance the proposal for discussion of specific lease terms or have the board as a matter of public policy determine that leasing of T-hangars is something that the board is not considering at this time.

Mr. Winn read through the proposal:

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1. Hangar Services proposes to lease all of the existing T-hangars at both airports. Our intent is to sublease T-hangars to all aircraft owners.
2. We intend to build new T-hangars that demand warrants. The new T-hangars will be built on land leased from JCAC. The areas that the airport deemed to be satisfactory for future T-hangar construction would be designated in the lease agreement itself.
3. Hangar Services proposes an initial percentage rent based on gross receipts from the T-hangars. An audited annual accounting of receipts will be provided to JCAC. In addition, we're proposing additional rental payments to the airport based upon new hangars that are coming in line. You'll see that at the appropriate time, it's a sliding scale as we're able to release more and more hangar space or get higher rent or whatever it is to generate additional income. You all will share with us in the additional income. All those calculations will be provided in the exhibit that we're going to give to Cindy.
4. We propose the term of the lease to be 30 years and then would be provisions for extensions consistent with the existing ground leases, but also based on future construction investments.
5. Hangar Services will repair, maintain, and replace existing T-hangars as necessary.
6. Hangar Services will provide annual maintenance to existing asphalt, but will not be responsible for repairing existing asphalt or correcting the drainage problems, that we all know, unfortunately, so well.
7. JCAC will provide hangar services and all pertinent information concerning current leases, lease holders, and the waiting list of prospective tenants. A spreadsheet will be given that will explain what the annual gross payments to be, what will be set aside for maintenance, and what we believe our expenses to be as well as proposed annual increases.
8. We've taken the time to meet with a number of pilots who are longstanding tenants of the airport. The pilots do not have a good collective position on this issue other than the fact that they are good business people and prefer to have the finest possible T-hangar operation at the least possible cost. That doesn't seem to be inconsistent with capitalism.

Mr. Winn further commented that probably 50% of the current T-hangar tenants at both airports are longstanding, tend to be older, and would be less receptive to T-hangar price increases. On the other hand, these same people have a substantial investment in their airplanes, very high maintenance cost of their planes, fuel cost, insurance cost, and therefore if they had a better product would be willing to pay some additional rent for a superior product.

Mr. Winn stated that they would be interested in exploring the possibility of grandfathering some of those tenants who are happy with what they have and would not expect or did not desire to pay for any higher level service, maintenance or options that could be added to their T-Hangar.

Mr. Winn commented they were enthused about adding flexibility to the menu of T-hangars styles, services and accessories that could be provided. They're concerned that, in addition to water problems that we're all aware of, some of the hangars are deteriorating because of the lack of maintenance, showing signs of rust and those types of concerns. However, Mr. Winn and his client believe the customer service provided for by the Airport Commission has been at least adequate or better than adequate.

Mr. Winn stated, in addition, they believe the present firm demand for T-hangars exceeds slightly the projected new T-hangar construction. There is a substantial demand for specialized T-hangars

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(i.e. those that may be oversized for large twins and small jets, those that are heated, etc.) The pilots they had talked to believe the events of Sept. 11 may spur even a greater interest in a fractional ownership of planes in the industry. This may also generate additional opportunities for larger hangar construction to accommodate larger corporate planes.

Lastly, Mr. Winn commented they would not endeavor to try to complete an apples-to-apples comparison of the airport's existing T-hangar operation with this proposed privatized operation. The concepts are materially different as to make this a meaningless exercise. As the spreadsheets have shown, we intend to commit as a part of our lease agreement extremely high levels of replacement and reserve funds. This is something that the airport hasn't been able to do with any great regularity because of budget restraints. In some instances the commission has been able to postpone maintenance and routine maintenance until things reached a point where it could be capitalized and included in a larger bond issue. Mr. Winn stated that they had no ability to control when, if ever, and under what circumstances the airport builds new T-hangars.

Mr. Winn stated that it might be significant, whether in addition to this infrastructure reinvestment, in reality if there would be money left over to do some of the things with T-hangars. Maybe it needs to be decided in conjunction by an analysis of our staff of our monetary proposal. The board needs to decide if there are any circumstances under which they wouldn't consider privatization. The main thing that Hangar Services would bring to the table is perhaps a great concern that the number of existing T-hangar pilots and operators would have of business as usual. Our goal is to see if we can work with those folks to keep them where they are and I notice that you're looking at increase today, which is very appropriate. You get what you pay for and we can operate on that basis. If you have one of the old T-hangars that hasn't been very well maintained, we probably could leave in that T-hangar with little or no rent increases. If you want more features, we would expect people to pay for those and we would expect that they would want to pay for those types of services. Do you have any questions for us at this time?

Mr. Barmby asked Mr. Messer and Mr. Winn whether any of the pilots' had expressed an interest in buying their own hangar? Mr. Winn replied no, but thought about 40-50% of the tenants tend to be older, some retired, with older and smaller planes and they have all the capital investment they need. Mr. Barmby noted that there is significant interest on the part of companies large and small in buying their own plane since September 11. A corporation who may have a turbo prop or Citation might wish to own their own hangar. Mr. Winn commented that the majority wouldn't want to tie up capital on land they don't own. Mr. Metcalfe commented that the Airport Commission does get approached from time to time, where tenants would like to build their own hangar at their own expense on leased ground. Mr. Winn commented that is what they see as the wave of the future; more and more condo-type of the airplanes.

Chairman Dixon asked if there were any other questions for Mr. Winn and Mr. Messer and that he was looking forward to seeing the economics as a result of the spreadsheets that Mr. Messer will be giving Ms. Dunham.

Mr. Metcalfe agreed that before forming a recommendation, he needed to review the economics; and that he was open to any proposal that provides an advantage to the Airport Commission.

Mr. Metcalfe commented that given the Airport Commission's 5-year projections, if Mr. Messer's

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proposal would yield less than projected net revenues from the T-hangar business, it would affect financial plans.

D. Discuss proposed rate adjustments for 2002.

Mr. Metcalfe presented financial plans and recommendations for proposed increases/rate adjustments and implementation of January 1, 2002 are as follows:

	Current	+5%	+10%	+15%	Lee's Summit
T-Hangars:					
Small	200	210	220	230	253
Large	240	252	264	276	279
	+3%	+6%			
Water	2.9%	2.99	3.07		
Fuel Flowage	.06	.08			
Rail Car Storage (new)	\$20.00 a day (BNSF \$50.00 - \$100.00)				

Mr. Metcalfe noted that staff is currently in discussions with the City of Gardner and City of Olathe for possibilities to take over the water system. He also noted that the rate increases being discussed now have not been budgeted for 2002. The water rate of \$3.07 would be slightly above Olathe's rate, but below Gardner's rate.

Chairman Dixon asked why the airport would give up the water system and keep the debt liability? Mr. Metcalfe replied that there are other liabilities and responsibilities related to water quality, testing, continuity of service, etc., and the hassle factor of operating a public water utility. There are other entities whose primary business is being a water utility, whereas for us, we are doing it by default. Chairman Dixon commented that the airport does have the right to adjust rates, which compensates for the hassle factor and potential liability factor. Mr. Metcalfe stated that's true up to a point, but primarily because of the huge debt load we can't get our water rate high enough to where it makes business sense for us to be in the water business. We'd be so far above everybody else. He said he wasn't sure where the threshold of pain is for our water users, but he would guess that we're near it. Water cost is certainly a marketing issue, and we could price ourselves out of the market. He wasn't sure what the water users' remedies would be; they certainly don't have an alternative because we have a monopoly. Each time we've raised the rates, no matter how much, we've always gotten complaints from the big water users such as Lipton, Danisco, Sprint, and now CFS. Their average monthly water bills run \$5,000.00 or more.

Chairman Dixon asked if the wastewater fee is included in the water fee? Mr. Metcalfe stated that it was not, but it's based upon water consumption. We provide the Wastewater District our meter readings and that's how they calculate the sewer bills.

Mr. Metcalfe stated that the fuel flowage fee at our airports is the lowest in the region. Downtown Airport is the most comparable to ours, and they are at 7.3 cents and going to 9 cents next year. Fuel flowage doesn't generate a huge amount of money for us, but going from 6 cents to 8 cents is a 33% increase and we think it's justified because we've not raised our rates for decades.

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Mr. Metcalfe stated the Airport Commission hadn't wrapped up the railway study primarily because we haven't been able to pinpoint someone in the BNSF to talk with. The railroad is in the midst of restructuring and we've finally identified someone to talk to. We have a contract with BNSF to deliver the cars on their behalf for which they pay us a fee. Our consultant is telling us that there are some opportunities there to rearrange that agreement so we can get more of the revenue stream. Right now it just defaults to the railroad. There are also some car handling practices that should be done differently. We don't yet have a recommendation on how we might restructure our overall agreement. One opportunity that's definitely there right now is, if a car is inbound to one of our rail users and for some reason they can't accept it right away, it stays at the rail yard. BNSF gets anywhere from \$50 to \$100 per day to store the car for them, depending on what's in the car. Because we had some capacity and we added some last year with the state loan, we are storing cars out here when we have room. Currently we have 18 rail cars on our tracks waiting to be delivered to one of the businesses here and we don't charge for that. The rail-using businesses have figured that out, because 1-2 years ago you very seldom saw rail cars sitting on our tracks. They are starting to store more cars here and because it occupies tracks that we pay for and have to be maintained, it seems reasonable to us that we charge some fee, because the rail-users are actually saving money by storing the cars here rather than the BNSF yard. We've arbitrarily selected \$20.00 a day because it probably is below their threshold of pain and less than what they would be paying the railroad. We don't know how high we could go without driving away the business. If we see demand go down, then we may adjust it. If we see that it doesn't affect demand, we'll know we're below the threshold of pain. In the financial model we used \$10.00 a day, so \$20.00 is a little more ambitious.

Mr. Barmby asked if the storage fee was in addition to the switching fee? Mr. Metcalfe responded that it was, and we will probably come back and suggest an increase to the switching fee as well. We get \$75.00 a move and the going rate for terminal railroads like ours is more like \$225-\$250.00 a move.

Mr. Barmby asked how the price of fuel at Executive Airport compared with Downtown Airport today? Mr. Metcalfe replied that he thought it was a little bit less, which Mr. Meisenzahl confirmed.

Mr. Barmby asked, from a revenue standpoint, what it would do going from 6 cents to 7 cents instead of a 2 cents jump? Mr. Perry stated that fuel flowage revenue currently was approximately \$40,000.00 a year at New Century and \$39,000.00 at Executive Airport. Mr. Barmby noted that it would raise an additional \$6,000.00 at 7 cents.

Mr. Johnson stated that the Chairman raised a very good question regarding using the rail consultant to at least give us some idea as to what's marketable and he felt it's something that we need to revisit. If we take this recommendation of \$20.00 it appears that maybe we're not fully utilizing the consultant's knowledge if we're just going to arbitrarily pick out a number. Mr. Metcalfe commented that the reason he had proposed something is because this is something new and everything else will be an adjustment of an existing practice. He felt that we need to send something out to the rail users as soon as we can so they can anticipate it. We don't have to implement this January 1, 2002. We can wait until we have the final rail consultant's report and then pick a date next year. It doesn't really have a measurable affect on our financial projections; a delay of a few months is not going to even show up. Mr. Johnson stated that he would like to

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wait for the full report.

Mr. Barmby stated that he believed the consultants would probably compare New Century as sort of a rail-operated facility much like the BNSF yards. One thing they're not going to take into account is that NCAC would be competing with a whole host of land areas that offer rail service. He felt that we make the EDC's job a lot more effective if we don't match the railroads and can always show that you can save money by coming here. If we pump the \$20.00 too high we may lose our competitive advantage today.

Mr. Meisenzahl commented that aviation services for New Century Airport versus Executive Airport would be an apples-to-oranges comparison. Executive is still the airport of choice. However, Executive doesn't have the services it needs. They don't have an ILS system, and need a 5,000-foot runway, not a 4,000-foot runway. Chairman Dixon asked if that was in the master plan? Mr. Meisenzahl stated that it was. The airport is limited to what they can do with 4,000 feet. They don't have the services for precision landing systems that Downtown Airport and New Century Airport has. He suggested leaving Executive airport at .06 cents and raise New Century to .07 cents until we're able to have the same services at Executive.

Chairman Dixon asked to review the commission policy that would increase every two years to meet the level of inflation. Mr. Metcalfe commented that five years ago the board was contemplating a 14% across the board increase in T-hangar rates. We published it to the aviation community before the board met on it and a lot of the pilots showed up to talk about it. There are a lot of pilots who are marginally able to afford to fly and literally \$10.00 or \$15.00 per month more could put them over the edge. The board at the time was sensitive to that issue. We went ahead with the 14% increase, but the board committed to only adjust the rates every two years and then constrain ourselves to inflation. That's the current policy on existing hangars. Mr. Olsen pointed out that it was subject to a 6% maximum every two years or 3% per year or inflation, whichever is less.

Mr. Barmby asked if the proposal would take the current rent of a hangar to \$252.00? Mr. Metcalfe stated the only increment that's being addressed right now is the premium, the differentiation between what we charge for T-hangars here versus T-hangars at Executive Airport, recognizing that the demand is much higher at Executive Airport. The financial model also included a 10% premium on new hangars at both airports. Tenants in new hangars at Executive would be paying 20% more than tenants in old hangars at New Century.

Mr. Olsen stated that he didn't like it because of all of the pilots who are not able to afford to keep them. There is a greater demand at Executive for the hangars than at New Century. The hangars on the west side of the field are in bad shape and to charge a premium for them is not right. Those are problem hangars that we've already addressed and can't fix them. Mr. Metcalfe noted that they were the oldest hangars we have and the most troublesome in terms of keeping folks reasonably content. But also the newest block of hangars is at Executive on the east side. A pricing structure could be developed that would factor in age and condition and location to all of the hangars and we could wind up with 8-10 different rates.

Mr. Heaven commented that if you base the matrix on current rates, then you're going to show nothing but decline on a good number of the hangars. Mr. Metcalfe stated that he would develop a

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financial model and plug in the ‘got-to-have’ bottom line and then have formulas that will generate rates that will yield that bottom line based on the various factors.

Chairman Dixon stated that the board would wait for the matrix data. On the subject of water, he asked what happens if everybody has to pay \$3.05 or \$3.07 per 1,000 gallons? Chairman Dixon commented that revenue needed to be generated specifically to make a profit on the water system. We need to pay off the debt of that water system or sell it and get rid of the debt.

Mr. Barmby asked if there was any information regarding water loss? Water loss can be very expensive if water is going through a pipe that doesn’t get to a meter. Mr. Helsel commented that the KDHE would like to keep water loss at 12% or below as a normal operating factor and we believe we are in that range. A lot of water loss in the past has been from using unmetered water for construction projects. We’ve bought a meter now to charge people for that. There used to be a 30% loss factor, but with the improvements we have made over the last several years, we are now below 15%. We are required to track that on a yearly basis and report to KDHE.

Mr. Barmby asked if the Fire Department uses water free of charge? Mr. Helsel replied that they do. When they do their flow test they have a good idea of how much water they use to a certain degree. They use about 5,000 gallons maximum for each hydrant flow test.

Mr. Barmby asked who the large water users were? Mr. Helsel stated they were Lipton, Danisco, and soon to be CFS. Mr. Metcalfe commented that when Sprint cycles their landscape irrigation system they use 200,000 gallons with each cycle.

Chairman Dixon commented that he would like to see a plan to pay off the water system debt of \$4 million in a reasonable period of time; an incremental plan is what is suggested.

Mr. Barmby asked Chief Sielert what is the fire protection standpoint? Chief Sielert stated that the Fire Department was really pleased with the water system here at New Century.

Chairman Dixon asked when the next T-hangar rate increase was due and what the commitment was to the renters? Mr. Metcalfe stated that the next rate increase is due in January 2003.

Chairman Dixon stated that the board would decide at the next meeting scheduled for December 5th on T-hangars, fuel flowage, and water, and rail car storage.

Mr. Metcalfe stated that the consultant’s report would be ready by the December meeting.

E. Report of the President, Southwest Johnson County EDC.

Ms. Newkirk stated that the EDC is dealing with what will be happening over the next couple of years with regard to the economy, policy issues for the November roundtable, and that the State of Kansas will announce aggressive incentives very soon. The EDC Membership Drive with the theme “Keep things Poppin” will begin November 9th.

Mr. Barmby asked if the EDC was a dues paying member of the KCADC? Mrs. Newkirk replied that the EDC was. Mr. Metcalfe added that both the JCAC and EDC budget would split the

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KCADC dues of \$3,000.

Mr. Barmby asked what the EDC membership levels were. Ms. Newkirk stated that there are 5 levels from \$150.00 up to \$2,000.00.

VI. BUSINESS FROM THE FLOOR:

Mr. Meisenzahl asked if there were any plans for increased security measures for both airports such as fencing, security systems, etc.? Commissioner Surbaugh stated that she had concerns as well. Mr. Meisenzahl commented that it was a concern and he wanted to make sure whatever procedures and programs being adopted were uniform across the board. Chairman Dixon stated that the board had a responsibility to follow that lead and proceed with the suggestion.

Mr. Olsen stated that he would be gathering information and recommendations at the next Airports Council International - North America Division Security meeting, in town Sunday through Tuesday, primarily for the purpose of gathering information and making recommendations to the Federal authorities. He would make a report on his findings at the next Airport Commission meeting in December.

Mr. Johnson asked what was being done in the interim? Mr. Olsen commented that making sure the facilities and airplanes were locked. Some of the General Aviation Airports don't have fencing. Requirements for badge ID and the FBOs knowing who they are.

Mr. Johnson commented that there were citizens that could be potentially dangerous if the opportunity was there and we can't leave much of anything to chance with unsecured areas and to do whatever is necessary. Mr. Metcalfe stated that if somebody really wanted to get into a hangar or an airplane, we couldn't go far enough to prevent it. We can do things to discourage the opportunistic person or vandalism-type of things, but it's going to cost money and inconvenience. It would be very expensive to secure the two airports in order to have every access point controlled and require ID to get through it. He felt that would be going beyond what is reasonable and the hassle factor that it would create would drive business away. People would not use the airports because of the hassle factor. We can certainly start thinking about it with the board's support. We'd have to hire a consultant, because we don't have the expertise. Mr. Metcalfe felt that it could easily cost more than a million dollars to button up the two airports.

Mr. Metcalfe stated that the sheriff's department had increased their visibility around the airfield dramatically after September 11. Mr. Meisenzahl also noted that the Olathe Police had been touring the Executive Airport, as well. He stated there is already an awareness program at KCAC and they have company meetings in which they encourage all employees that if they're not sure a person should be there they should approach them or find a manager. He further added that Executive Airport has two folks at night and one person during the day whose primary responsibility is to tour the airfield to ensure security of the aircraft.

Mr. Barmby stated that there are all sorts of monies and grants for such type of funding efforts for security. Mr. Perry stated that the primary source of money is the FAA's Airports Improvement Program. There will be a lot more money coming out of the AIP for security, but it will be used primarily for the commercial airports. The general aviation airports will not be seeing AIP money

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because the FAA will be focusing on commercial airports since September 11.

Mr. Metcalfe stated that the FAA had some legislation being proposed in Congress. When they address general aviation, which is everything other than military or scheduled airlines, their focus and expectations will be on the aviation service providers, the charter operators, and the people who have the terminal buildings that the private pilots and their passengers pass through.

Chairman Dixon commented that it primarily was an FBO/FAA interface problem at this point in time. We can't lose sight of the fact that these are two general aviation airports and in the scheme of aviation; general aviation airports are on the bottom. The effect that FAA can have on them is marginal. If we're going to lead the nation and spend money for fences around our airports and place security guards running in and out of them, then, we'd probably be the only two general aviation airports in the country doing such a thing. Consequently, if would-be terrorists observe that we have a tight security system, they would just go someplace else where the security doesn't exist, such as Gardner airport or Paola.

Mr. Johnson stated that if we took the initiative then other people would see that we are being proactive. Wouldn't constituents rest a little easier knowing there are some proactive things being done rather than doing a two-year study? We don't want to run on a fear factor, but the reality is that if we spend a million dollars it would be worth even one person's life.

Chairman Dixon stated that the airport staff is coordinating with the FBOs and we can take it a step further by requiring the renters to lock their planes, hangars, and buildings.

Mr. Metcalfe noted that he had recently flown for the first time since September 11. He said he is convinced that it would be difficult for someone to get into a small plane and approach a metropolitan area to do significant damage. There were Air Force fighters all around; not that he was the focus, but they were everywhere. You could hear the message traffic between the controllers and the tactical aircraft. He said there was a 5-minute period that the controllers could not raise a particular aircraft on the radio. After a series of progressively more sternly worded radio calls to the pilot with no response, they vectored an Air Force fighter towards the unresponsive plane. The pilot soon came back on the frequency in a very frazzled voice. As an aviation professional and former military fighter pilot, Mr. Metcalfe believes that the military and the FAA are doing everything that can be done to know who's in the sky. You can't fly within 25 miles or so of any metro area of the country without being under positive air traffic control. You still have to be in contact with the approach control. He and Mr. Perry, also a retired Air Force pilot, believe that the risk of some terrorist activity being initiated from our airports is extremely low, but no amount of money we could spend would be enough if the perpetrators were determined.

Mr. Barmby asked that in view of the suggested hangar rents, if Mr. Metcalfe would gather information for an estimate of a security service that could in some respect visit our airports and check to see if every aircraft and hangar are locked and make sure that every tie-down is locked.

VII. ADJOURNMENT

There being no further business, the meeting was adjourned at 11:25 a.m.

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Oscar Johnson, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
REVISED AGENDA "A"
One New Century Parkway
New Century, Kansas
Wednesday, February 28, 2001 - 9:00 a.m.

TAB

A

I. APPROVAL OF MINUTES of January 24, 2001 meeting.

II. REPORT OF THE CHAIRMAN:

A. Discuss identification badges for Commission members.

B

III. CONSENT AGENDA ITEMS:

C

IV. EXECUTIVE SUMMARY:

A. Review staff reports.

B. Summary of Financials.

C. Consider ratifying the January and the "13th Month" expenditures as presented.

D

V. DISCUSSION ITEMS:

A. Consider approving the Capital Improvement Project (CIP) submittal.

B. Discuss budget priorities for 2001.

C. Report of the President, Southwest Johnson County EDC.

VI. BUSINESS FROM THE FLOOR

VII. EXECUTIVE SESSION

Consultation with legal counsel regarding potential litigation

Executive Director's Performance Evaluation

VIII. ADJOURNMENT

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
AGENDA
One New Century Parkway
New Century, Kansas

Wednesday, December 5, 2001 - 9:00 a.m.

TAB

A

I. APPROVAL OF MINUTES of October 24, 2001 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 October expenditures as presented.

D

V. DISCUSSION ITEMS:

A. Discuss T-Hangar Proposal

B. Discuss rail consultant's report

C. Discuss Proposed Rate Adjustments for 2002

D. Discuss Fire District #1 Lease Extension Agreement

E. Report of the President, Southwest Johnson County EDC

VI. BUSINESS FROM THE FLOOR

VII. ADJOURNMENT

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
AGENDA
One New Century Parkway
New Century, Kansas

Wednesday, December 5, 2001 - 9:00 a.m.

TAB

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E. Report of the President, Southwest Johnson County EDC

VI. BUSINESS FROM THE FLOOR

VII. ADJOURNMENT