

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – January 23, 2002, 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: Glenn Brussell, OONAM
Robert Cronkelton, Kansas City Star
Jerry Gregg, Enviromental Co.
Sean Hutman, Executive Beechcraft
Pat Lanser, Jo. Co. League of Women Voters
Mike McNicoll, McNicoll Development, Inc.
Larry Winn III, attorney
Ray Olsen, Ray Olsen, L.L.C.
Max Sielert, Fire District #1
Alan Thomson
Donna Newkirk Zimmerman, EDC

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. DIXON, SECONDED BY MR. HEAVEN TO APPROVE THE MINUTES OF THE OCTOBER 24, 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's recommendations for officers for 2001-2002 are as follows: Phyllis Thomen, Chairman; Oscar Johnson, Vice-Chairman; Don Pipes, Treasurer; and Ray Barmby, Secretary.

MOVED BY MR. DIXON, SECONDED BY MR. HEAVEN TO APPROVE THE NOMINATING COMMITTEE'S RECOMMENDATION OF OFFICERS. APPROVED (5-0).

III. CONSENT AGENDA ITEMS:

No consent agenda items.

IV. EXECUTIVE SUMMARY:

(Revised – January 22, 2002)

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
AGENDA
One New Century Parkway
New Century, Kansas

Wednesday, January 23, 2002 - 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, November, and December expenditures as presented.

D

V. **DISCUSSION ITEMS:**

A. Consider approving lease/purchase agreement for mowing equipment

B. Discuss T-Hangar Proposal

C. Discuss rail consultant's report

D. Discuss Proposed Rate Adjustments for 2002

E. Consider approving the Fire District #1 Lease Extension Agreement

F. Consider renewing the Southwest Johnson County EDC Contract Agreement

G. Consider approving the Southwest Johnson County EDC 2002 Marketing Plan Agreement

H. Report of the President, Southwest Johnson County EDC

VI. **NEW BUSINESS**

A. Poll Airport Commission Board Members for Joint BOCC/Governing Board Meeting to discuss the FY 2003 Budget Calendar. Thursday, February 21, 4:30 – 7:00 p.m. (dinner will be provided).

VII. **BUSINESS FROM THE FLOOR**

VII. **ADJOURNMENT**

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
AGENDA
One New Century Parkway
New Century, Kansas

Wednesday, February 27, 2002 - 9:00 a.m.

TAB

- A*** **I. APPROVAL OF MINUTES** of January 23, 2002 meeting.
- II. REPORT OF THE CHAIRMAN**
- B*** **III. CONSENT AGENDA ITEMS**
- C*** **IV. EXECUTIVE SUMMARY**
- A. Review staff reports.
- B. Summary of Financials.
- C. Consider ratifying the January expenditures as presented.
- D*** **V. DISCUSSION ITEMS**
- A. Report of the chairman of the Development Committee
- B. Discuss timing of railroad projects
- C. Consider approving Authorization No. 3, with Bucher, Willis & Ratliff Corporation for Industrial Park Planning at New Century AirCenter.
- D. Review and approve the Capital Improvement Plan (CIP) for 2003.
- E. Report of the President, Southwest Johnson County EDC
- VI. NEW BUSINESS**
- VII. BUSINESS FROM THE FLOOR**
- VII. ADJOURNMENT**

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
AGENDA
One New Century Parkway
New Century, Kansas

Wednesday, March 27, 2002 - 9:00 a.m.

TAB

A

I. APPROVAL OF MINUTES of February 27, 2002 meeting.

II. REPORT OF THE CHAIRMAN

A. Everett Lee (20 year anniversary)

B

III. CONSENT AGENDA ITEMS

C

IV. EXECUTIVE SUMMARY

A. Review staff reports.

B. Summary of Financials.

C. Consider ratifying the February expenditures as presented.

D

V. DISCUSSION ITEMS

A. Consider approving the Fixed-Base Operator Agreement with Advanced Aviation, L.L.C.

B. Consider approving revisions to the Minimum Standards for both New Century AirCenter and Executive airports.

C. Review staff priorities for 2002

VI. NEW BUSINESS

VII. BUSINESS FROM THE FLOOR

VII. ADJOURNMENT

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
AGENDA
One New Century Parkway
New Century, Kansas

Wednesday, April 24, 2002 - 9:00 a.m.

TAB

A

I. APPROVAL OF MINUTES of March 27, 2002 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 March expenditures as presented.

D

V. DISCUSSION ITEMS

A. Discuss policy for FBOs leasing T-hangars

B. Consider approving sublease and FBO agreement for T&C Aviation Enterprises, Inc.

C. Review strategic priorities

D. Discuss participating in Kansas City SmartPort

E. Approve proposed 2003 budget

VI. NEW BUSINESS

VII. BUSINESS FROM THE FLOOR

VII. ADJOURNMENT

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
AGENDA
One New Century Parkway
New Century, Kansas

Wednesday, May 22, 2002 - 9:00 a.m.

TAB

- A*** **I. APPROVAL OF MINUTES** of April 24, 2002 meeting.
- II. REPORT OF THE CHAIRMAN**
- A. Election of Secretary to replace Mr. Barmby.
- B*** **III. CONSENT AGENDA ITEMS**
- C*** **IV. EXECUTIVE SUMMARY**
- A. Review staff reports.
- B. Summary of Financials.
- C. Consider ratifying the April expenditures as presented.
- D*** **V. DISCUSSION ITEMS**
- A. Report of Development Committee Chairman on Kansas City SmartPort.
- B. Report of the President, Southwest Johnson County EDC.
- VI. NEW BUSINESS**
- VII. BUSINESS FROM THE FLOOR**
- VII. ADJOURNMENT**

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING

AGENDA

Executive Airport
151st & Pflumm Road
Olathe, Kansas

*Please note change
of meeting
location and date.*

Thursday, June 27, 2002 - 9:00 a.m.

TAB

- A** I. **APPROVAL OF MINUTES** of May 22, 2002 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 May expenditures as presented.
- D** V. **DISCUSSION ITEMS**
- A. Discuss Bucher, Willis & Ratliff engineering report on OJC west T-Hangar ramp condition.
- B. Discuss Land Lease Proposal for OJC and IXD T-Hangar Construction
- C. Report of the President, Southwest Johnson County EDC.
- VI. **NEW BUSINESS**
- VII. **BUSINESS FROM THE FLOOR**
- VII. **ADJOURNMENT**

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
AGENDA
One New Century Parkway
New Century, Kansas

Wednesday, July 24, 2002 - 9:00 a.m.

TAB

- A*** **I. APPROVAL OF MINUTES** of June 27, 2002 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. Consider approval of a ground lease for CCHL, L.L.C., a partnership of aircraft owners, for the construction of a private aircraft hangar at Executive Airport.
- B. Consider approval of a ground lease for Roberts & Dybdahl, Inc. for approximately 7 acres at New Century AirCenter for the construction and operation of a wholesale lumber distribution facility.
- C. Report of the President, Southwest Johnson County EDC.
- VI. NEW BUSINESS**
- VII. BUSINESS FROM THE FLOOR**
- VII. ADJOURNMENT**

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
AGENDA
One New Century Parkway
New Century, Kansas

Wednesday, August 28, 2002 - 9:00 a.m.

TAB

A

I. APPROVAL OF MINUTES of July 24, 2002 meeting.

II. REPORT OF THE CHAIRMAN

- A. Introduction of new Airport Commission member (3rd District) – Michael Moore
- B. Bob Perry - 10 year anniversary
- C. Steve Helsel - 5 year anniversary

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. Recommend the Board of County Commissioners accept a rail improvement grant and loan from the Kansas Department of Transportation (KDOT) and establish two rail project accounts with a total authority of \$529,993.
- B. Consider approving the assignment of the Dazey Corporation facility lease to Danisco USA, Inc.
- C. Continue discussion on OJC west T-Hangar ramp condition.
- D. Report of the President, Southwest Johnson County EDC.

VI. NEW BUSINESS

VII. BUSINESS FROM THE FLOOR

VII. ADJOURNMENT

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
AGENDA
One New Century Parkway
New Century, Kansas

Wednesday, September 25, 2002 - 9:00 a.m.

TAB

A

I. **APPROVAL OF MINUTES** of August 28, 2002 meeting.

II. **REPORT OF THE CHAIRMAN**

No Report of the Chairman

B

III. **CONSENT AGENDA ITEMS**

No 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.

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

VI. **NEW BUSINESS**

VII. **BUSINESS FROM THE FLOOR**

VII. **ADJOURNMENT**

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
AGENDA
One New Century Parkway
New Century, Kansas

Wednesday, October 23, 2002 - 9:00 a.m.

TAB

A

- I. **APPROVAL OF MINUTES** of August 28, 2002 meeting.
No Minutes for September - Airport Commission Meeting was cancelled.

- II. **REPORT OF THE CHAIRMAN**
No Report of the Chairman

B

- III. **CONSENT AGENDA ITEMS**
No Consent Agenda Items

C

- IV. **EXECUTIVE SUMMARY**
- A. Review staff reports.
 - B. Summary of Financials.
 - C. Consider ratifying the August & September expenditures as presented.

D

- V. **DISCUSSION ITEMS**
- A. Discuss KCP&L Right of Way at Executive Airport.
 - B. Proposed Ground Lease for Construction of T-Hangars at New Century and Executive Airports
 - C. Discuss future runway at New Century AirCenter
 - D. Report of the President, Southwest Johnson County EDC.

- VI. **NEW BUSINESS**

- VII. **BUSINESS FROM THE FLOOR**

- VII. **ADJOURNMENT**

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
AGENDA
One New Century Parkway
New Century, Kansas

Wednesday, December 4, 2002 - 9:00 a.m.

TAB

A

- I. **APPROVAL OF MINUTES** of October 23, 2002 meeting.
No Minutes for November – Combined meetings for November & December.

II. **REPORT OF THE CHAIRMAN**

- A. Rex Belt – 20 year anniversary

B

- III. **CONSENT AGENDA ITEMS**
No 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. Report of the President, Southwest Johnson County EDC.

VI. **NEW BUSINESS**

VII. **BUSINESS FROM THE FLOOR**

VII. **ADJOURNMENT**

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A. Review staff reports:

Mr. Dixon asked Mr. Metcalfe if he was at liberty to discuss any details of conversations with the City of Gardner on the water system. Mr. Metcalfe stated there really hadn't been any significant conversations at this time. He added that the City of Gardner's Administrator, Stewart Fairburn, had indicated to him that the city was seriously and favorably interested, but they were not prepared to have any discussions at this time.

Mr. Perry, Director of Aviation, stated that he would like to add to his written report that the electrical problems at the tower had been resolved. The problem was how the equipment was installed and it continually was popping the circuit breakers. Long-term, the airport would like to have a new tower built. The current tower isn't our building and therefore we do not have control over maintenance or anything else. A request has been submitted to the FAA that at some point in the future they consider building a tower here at New Century AirCenter as they have at Executive airport. The traffic numbers in 2001 have significantly increased and expectations are that they will remain the same if not increase a little more each year. The chances of getting a new tower here at some point are fair. Legislation is going through Congress right now that would allow AIP funding, which is where we receive our grant money, to be used for tower construction and equipment. It has not yet passed, but if it does then we would have to come up with a 10% match in money and maintain the tower. The best possible option would be if FAA builds and maintains the tower.

Mr. Perry also reported that the ODALS (Omni-Directional Approach Lighting System) on runway 18 at Executive Airport on the north side of 151st street was struck by lightning and we attempted to repair it and could not. Capital Electric was hired to come out and fix it and they could not. They said the system was irreparable because it's over 25 years old and the company that made the circuit boards went out of business. FAA said that we are the only airport in the region that still uses an ODAL system and they do not maintain an inventory of repair parts. A request has been submitted for the FAA to consider grant monies to install a new approach light system. We have also approached the airways facilities and asked them to put it in their budget. That means they would maintain and own the system completely and we would not have to match monies. Depending on funding and with all of the security issues it may be a while before we actually get the funding.

Mr. Johnson asked how much of a safety factor it is that the system isn't operable. Mr. Perry stated that it helps guide the pilots in, but they can still use the localizer when they come in by using their instruments. At night when people are flying night VFR it helps them to line up with the centerline. There still are the runway lights that define the edges and it isn't a big safety issue and there are many airports, especially general aviation airports, that do not have approach lighting systems on their runways, nor do they have some type of instrument approach. Executive airport has approach lighting at each end of the runway. A replacement lighting system would cost around \$300,000 - \$350,000 and is not something that we would be able to fund ourselves. Mr. Metcalfe commented that the absence of the approach lights may cause the FAA to increase the minimums for the Localizer 18 approach, but that was their call.

B. Summary of Financials:

There were no additional comments to the financial reports.

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

MOVED BY MR. BARMBY, SECONDED BY MR. DIXON TO RATIFY THE OCTOBER, NOVEMBER, AND DECEMBER EXPENDITURES AS PRESENTED. APPROVED (5-0).

V. DISCUSSION ITEMS:

A. Consider approving lease/purchase agreement for mowing equipment.

MOVED BY MR. HEAVEN, SECONDED BY MR. JOHNSON FOR APPROVAL OF THE LEASE/PURCHASE AGREEMENT FOR MOWING EQUIPMENT. APPROVED (5-0).

B. Discuss T-hangar Proposal

Mr. Metcalfe recommended that Mr. Winn and Mr. Messer's T-hangar proposal should be declined because it reduces the Airport Commission's income by \$300,000 per year and would require us to reduce our expenditures by \$300,000 a year in order to accommodate the proposal. The airport cannot sustain that kind of reduction. Mr. Winn agreed that it is in JCAC's, short-term, best interest to focus on the cash flow, but also requested a meeting with the BOCC to propose their T-hangar proposal for recommendation on the basis that the BOCC would be an impartial entity.

Mr. Metcalfe stated that in addition to Mr. Winn and Mr. Messer's T-hangar proposal there was a T-hangar proposal by Mr. Mike McNicoll. Mr. McNicoll stated that there is a demand for T-hangars and that he had been on the list for T-hangars for quite some time and would like to see new T-hangars built whether by a private investor or by JCAC. His proposal is to build 54 new T-hangars and to include a self-service gas concession. His proposal would be to build new T-hangars in exchange for a 30-year management contract. Mr. McNicoll would retain all of the revenue and be responsible for all of the expenses and negotiation would need to be made over the specifications of construction and maintenance over the terms of the contract. JCAC would receive 7.5% of the revenue in the form of a royalty and JCAC would retain ownership of the land and improvements while Mr. McNicoll would manage the project for 30 years.

Mr. McNicoll stated that JCAC's royalties would be \$12,000 - \$15,000 per year and the T-hangars would need to rent for at least 20% more than what JCAC is currently receiving (a minimum of \$240 for a small hangar and \$288 for a larger hangar).

Mr. Johnson asked Mr. McNicoll if his market research was local or international. Mr. McNicoll stated that his research consisted of the local market.

Ms. Dunham added that the construction of a hangar to be owned by JCAC would need to go through the county's RFP process. Mr. Metcalfe added that there also was a matter of whether one could give property to the county for purposes of avoiding property taxes. Mr. McNicoll agreed that his objective was to avoid property taxes, but it wouldn't be a gift situation. The T-hangars would be trading value for value.

Mr. Heaven asked if the JCAC really wanted to be in the T-hangar business and now with two

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proposals, this could be an endless process. He recommended for the Development Committee to meet and make recommendation to the Airport Commission as to the philosophy of having privatization of the T-hangars. If the recommendation is accepted whichever way it goes, it will either put an end to these proposals or trigger us going to an RFP where everyone will have a fair chance and then the board will be able to select upon them.

MOVED BY MR. HEAVEN, SECONDED BY MR. JOHNSON TO HAVE THE DEVELOPMENT COMMITTEE MEET AND MAKE A RECOMMENDATION TO THE AIRPORT COMMISSION ON T-HANGAR PROPOSALS. APPROVED (5-0).

C. Discuss rail consultant’s report.

Mr. Barmby asked Mr. Gregg if there was a shortage of TOFC (Trailer on Flatcar) facilities in Kansas City. Mr. Gregg commented there is. The Kansas City Southern is converting Richards-Gebaur airport to handle intermodal traffic to and from Mexico, but in this industrial area the JCAC could handle the surrounding businesses for storage of empty or loaded intermodal cars that could be serviced by JCAC. There’s a lot of potential for revenue to be made if this service were set up in this area. Mr. Heaven commented that after reviewing the report, it indicates if the Airport Commission would do the track maintenance and the other expenses listed in the report, that revenue for 2002 should be \$441,000 as opposed to expenses of \$272,000. It indicates that the JCAC would be very profitable from the beginning.

Mr. Barmby made the recommendation for the Development Committee to meet and make recommendation to the JCAC on retaining the rail consultant.

D. Discuss proposed rate adjustments for 2002.

After reviewing the rail consultant’s report and some discussion of the financial plans and recommendations for proposed rate adjustments for 2002 the following rate adjustments were voted on.

	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)				

MOVED BY MR. BARMBY, SECONDED BY MR. JOHNSON TO INCREASE EXISTING T-HANGAR RATES BY 5% (SMALL-\$210 AND LARGE-\$252). NEW T-HANGAR RATES (1%-QUARTERLY DISCOUNT, 2% SEMI-ANNUAL, AND 3%-ANNUAL DISCOUNT) BEGINNING 2ND QUARTER-2002. APPROVED (5-0).

MOVED BY MR. BARMBY, SECONDED BY MR. HEAVEN TO INCREASE WATER RATES BY 10% (\$3.07) BEGINNING 2ND QUARTER-2002. APPROVED (5-0).

MOVED BY MR. DIXON, SECONDED BY MR. HEAVEN TO INCREASE FUEL FLOWAGE BY TWO CENTS (TO EIGHT CENTS) BEGINNING 2ND QUARTER-2002. APPROVED (5-0).

MOVED BY MR. BARMBY, SECONDED BY MR. DIXON TO ADD NEW RAIL CAR STORAGE FEE (1ST DAY-NO CHARGE/\$20 A DAY THEREAFTER). APPROVED (5-0).

E. Consider approving the Fire District #1 Lease Extension Agreement.

MOVED BY MR. JOHNSON, SECONDED BY MR. BARMBY FOR APPROVAL OF THE FIRE DISTRICT #1 LEASE EXTENSION AGREEMENT. APPROVED (5-0).

F. Consider renewing the Southwest Johnson County EDC Contract Agreement.

MOVED BY MR. JOHNSON, SECONDED BY MR. BARMBY FOR RENEWAL OF THE SOUTHWEST JOHNSON COUNTY EDC CONTRACT AGREEMENT. APPROVED (5-0).

G. Consider approving the Southwest Johnson County EDC 2002 Marketing Plan Agreement.

MOVED BY MR. DIXON, SECONDED BY MR. JOHNSON FOR APPROVAL OF THE SOUTHWEST JOHNSON COUNTY EDC 2002 MARKETING PLAN AGREEMENT NOT TO EXCEED \$24,958. APPROVED (5-0).

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

VI. NEW BUSINESS:

Summary Analysis of Airport Self-Sufficiency Plan

Mr. Doug Robinson and Ms. Robin Cook from the Johnson County Budget and Financial Planning Department presented to the Johnson County Airport Commission board members a review of the Airport Self-Sufficiency Plan (see attachment) projections and changes as would be presented to the BOCC on January 24. The analysis includes two scenarios: Scenario 1, new T-hangars are constructed, allows the Airport to reduce its estimated tax support to approximately \$29,000 in FY 2007. Excluding cost allocation, Scenario 1 allows the Airport to become self-sufficient in FY 2004. The assumption used at this point is that it can be funded with revenue bonds and not general obligation bonds. The interest rates are a little higher with revenue bonds. The cost of building new T-hangars would roughly be a \$6M project. Scenario 2, not to construct new T-Hangars, requires more tax support than Scenario 1 due to the construction of the new T-Hangars. Scenario 2 does not allow the Airport to become self-sufficient in FY 2003 through FY 2007, even if cost allocation is excluded. The estimated revenues from the new T-hangars would not be sufficient to cover the estimated debt service for the new T-hangars (the shortfall between these items ranges from approximately \$220,000 in FY 2003 to \$179,000 in FY 2007). Mr. Robinson stated that the health insurance expenses were also adjusted to match the county's long-term forecast. The county is using a 25% assumed increase for 2003 and beyond which is more than originally presented based upon information by the county's health care consultant. This is a conservative high-end estimate and will possibly be lowered.

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Mr. Dixon asked Mr. Robinson if he had concerns regarding health insurance doubles every three years. Mr. Robinson replied that it was a concern, but that it was a concern for everybody. He also commented that even large private businesses, such as General Electric, were seeing increases anywhere from 12-20% and are pulling together as a group to talk with hospitals on what they can do to decrease the number of medical errors that result in cost increases. It's something the county will continue to look at.

Mr. Barmby asked Mr. Robinson if he had the comparable interest rates of the bonds that being called on, the 1994 issue and 2010 & 2011. Whether or not we are truly paying off the highest interest rate bonds regardless of their age. Mr. Robinson responded that the interest rates for the 1993 bonds are as follows for 2010 (5.75%), 2011 (5.8%), and 2012 (5.8%). He didn't have the 1994 information, but would make sure Mr. Metcalfe was given the information.

Mr. Metcalfe stated that he was looking for the maximum reduction in payments regardless of interest rates. He is more interested in reducing actual debt service payments from a current cash flow perspective as opposed to long-term interest savings. Springsted's is still close to the number that he had used in his projections. Mr. Barmby asked if the T-hangar rental revenue had been pledged to any debt. Mr. Metcalfe responded that rental revenue is pledged to the existing T-hangar debt and are not encumbered for any other purpose.

VII. ADJOURNMENT

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

Oscar Johnson, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – February 23, 2002, 9:00 a.m. – New Century, KS

Airport Commission

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

Absent: Ms. Thomen

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

Others: Commissioner George Gross, BoCC
Pat Lanser, Jo. Co. League of Women Voters
Ray Olsen, Ray Olsen, L.L.C.
Donna Newkirk Zimmerman, EDC

Vice-Chairman Johnson 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. DIXON, SECONDED BY MR. HEAVEN TO APPROVE THE MINUTES OF THE JANUARY 23, 2002 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (4-0).

II. REPORT OF THE CHAIRMAN

No report.

III. CONSENT AGENDA ITEMS

No consent agenda items.

IV. EXECUTIVE SUMMARY

A. Review staff reports:

Mr. Perry reported that the FAA Runway Safety Action team had recently visited the airports. The FAA will fund the development of brochures for both the New Century AirCenter and Executive airports for the purpose of preventing runway incursions. There will be a couple of web pages on the national FAA web site that will carry more information about the two airports.

Mr. Barmby asked Mr. Perry if there was any feedback from pilots or hangar tenants regarding the notice on rates increasing. Mr. Perry responded that there were two tenants out of 218 that wanted to know why the increase and what the process was.

Mr. Helsel reported that there had been significant damage to the majority of the trees due to the recent ice storm. He thought some of the damage would be covered by insurance.

B. Summary of Financials:

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Mr. Metcalfe reported that 2001 revenues had considerably exceeded budget and that current fund balance was well ahead of projections. This is due primarily to the increase of rail and water activities as well as adjustments on some of the leases. Ms. Howell added that after April 1, rates would be raised and revenue from that is expected to be higher than originally projected.

C. Consider ratifying the January expenditures as presented.

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

V. DISCUSSION ITEMS

A. Report of the chairman of the Development Committee

Mr. Heaven stated the Development Committee's discussions consisted of T-hangars, which included suggestions of condominiums, pole-barn type T-hangars, and possibly doing a RFP for the development of T-hangars at both airports. The Development Committee deferred to the staff to develop suggestions for proposals. In addition, the committee discussed the rail car business and Mr. Barmby offered some input towards further exploration of expanding the rail system and improvements.

Mr. Perry added to the report, regarding open-sided T-hangars, that regulations mandate the floors would have to be asphalt with connecting taxiways. The debt service cost alone would be around \$130 a month per individual space and if you add \$20 a month for electricity and minimum maintenance it would be around \$150 a month. Currently the JCAC is charging \$210 a month for small closed T-hangars. Mr. Perry reported that he had surveyed a representative group of people on the T-hangar waiting list and there really was not much interest in open-sided T-hangars.

Mr. Barmby asked about condominium-izing or offering for sale to each tenant with no strings attached and if an RFP could be written so there would be a first option availability. Ms. Dunham commented that there would need to be an open-bid in place and since it is county owned property the new owner may not have the first option to buy. Mr. Heaven commented on increasing the length of term of all the existing leases and that purchases would be subject to the leases (i.e., a five-year comfort zone where the new owner could not throw you out versus the current 30-day notice).

MOVED BY MR. BARMBY, SECONDED BY MR. HEAVEN FOR APPROVAL OF THE DEVELOPMENT COMMITTEE REPORT. APPROVED (4-0).

B. Discuss timing of railroad projects

Mr. Metcalfe stated that the State of Kansas is encouraging JCAC to apply for a state grant, 30% match-40% grant-30% local match, for railroad improvements. JCAC is responsible for maintaining the grade crossing with signals, etc. The current grade crossing is now 15 years old. The pads have already been replaced once with rubber pads since its construction and our engineers are suggesting concrete blocks instead of the rubber pads for longer durability. Mr.

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Metcalfe also commented on the process of weighing rail cars. With the current scale arrangement it is very labor intensive. Also, the 1940s vintage mechanical scale is about worn out. The JCAC has an opportunity to purchase a digital weigh-in-motion scale where transducers are installed under the existing railroad tracks. This would weigh every car as it is pulled into the rail system and generate a list of what the cars weigh. It virtually eliminates all the labor involved in weighing cars. The grant monies would also include the continued maintenance of the railroad track, ties, ballast, rail, and part of the track switches that need to be rebuilt.

Mr. Johnson asked if a digital weighing procedure would take care of any future adjustments and sizes of rail cars. Mr. Metcalfe stated that it could be set up so the length of the car would not be an issue. Mr. Dixon asked if the existing scale was a strain-gauge type scale. Mr. Helsel stated that it was a beam scale and to lengthen it, because it's in a pit situation, would cost \$75,000-\$100,000 in order to make it work.

Mr. Metcalfe stated that the JCAC would proceed with the application and preliminary work and would report their progress to the board.

C. Consider approving Authorization No. 3, with Bucher, Willis & Ratliff Corporation for Industrial Park Planning at New Century AirCenter

Mr. Metcalfe stated that the preliminary design and planning are now moving into the blueprint and specs stage, which is covered under the master contract, with Bucher, Willis & Ratliff.

Mr. Barmby asked Mr. Metcalfe if there was a cost or fee breakdown for each phase of work completed and whether or not the phases were proposed by Bucher, Willis & Ratliff or if JCAC asked what those costs would be. Mr. Metcalfe stated that the infrastructure work would be around two million dollars and the engineering cost would be around 10-11%, which would not be out of line. Mr. Barmby asked Mr. Metcalfe if the contract is plus out of pocket expenses. Mr. Metcalfe replied that it is a firm bid, a lump sum fee not to exceed \$219,640.

MOVED BY MR. HEAVEN, SECONDED BY MR. DIXON TO APPROVE AUTHORIZATION NO. 3 WITH BUCHER, WILLIS & RATLIFF FOR INDUSTRIAL PARK PLANNING AT NEW CENTURY AIRCENTER IN THE AMOUNT NOT TO EXCEED \$219,640. APPROVED (3-1). MR. BARMBY VOTED NO.

D. Review and approve the Capital Improvement Plan (CIP) for 2003

Mr. Barmby asked Mr. Metcalfe if there were any funds allocated for rehabilitation of the pavements in front of T-hangars. Mr. Metcalfe replied if condominium-izing of T-hangars is what JCAC decides to do then a couple of options would be to redirect funds in 2003 or changing the budget for 2004 to allocate monies toward pavement rehabilitation and less towards equipment replacement.

MOVED BY MR. HEAVEN, SECONDED BY MR. DIXON TO APPROVE THE CAPITAL IMPROVEMENT PLAN (CIP) FOR 2003. APPROVED (4-0).

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E. Report of the President, Southwest Johnson County EDC

Ms. Zimmerman announced to the board that February 28th would be her last day as she has resigned to accept the position of president of the Northeast Johnson County Chamber. Mr. Metcalfe added that the EDC board has met and discussed recruitment efforts to fill the vacancy.

VI. NEW BUSINESS

VII. BUSINESS FROM THE FLOOR

VIII. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:01 a.m.

Ray Barmby, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – March 27, 2002, 9:00 a.m. – New Century, KS

Airport Commission

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

Absent: Mr. Heaven

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

Others: Commissioner George Gross, BoCC
Nicole Daily, Kansas City Aviation Center
Sean Hutman, Executive Beechcraft
Pat Lanser, Jo. Co. League of Women Voters
Ray Olsen, Ray Olsen, L.L.C.
Griff Pickett

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

Mr. Barmby commented that the minutes of the previous meeting on pages 2, 3, & 4 stated January 23, 2002, instead of February 23, 2002. Ms. Thomen stated that they would be corrected.

MOVED BY MR. DIXON, SECONDED BY MR. JOHNSON TO APPROVE THE MINUTES OF THE FEBRUARY 23, 2002 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (4-0).

II. REPORT OF THE CHAIRMAN

A. Everett Lee (20 year anniversary)

III. CONSENT AGENDA ITEMS

No consent agenda items.

IV. EXECUTIVE SUMMARY

A. Review staff reports:

Mr. Metcalfe commented that he had met with another lumber distributor who is interested in locating within the Business Park. They are one of Roberts & Dybdahl's customers. They not a retail operation, but would sell primarily to contractors and builders. They are looking for 20 acres of rail-served land. Mr. Barmby asked if there were any special concerns the fire department might have regarding huge amounts of lumber and the fact that when they catch on fire it can affect nearby buildings. Mr. Metcalfe replied that the building code official, the fire marshal and the fire department personnel have been working with them to help layout their facility so that no lumber

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stack is more than 100 feet from a hydrant.

Ms. Thomen asked Mr. Perry about the FAA web site and the information on our airports. Mr. Perry stated the FAA web site is <http://www.faa.gov>. It will have various links to information about airports around the country.

Mr. Barmby asked Mr. Perry what the background information is regarding the fuel tank by 39A. Mr. Perry stated that there was a series of concrete cisterns for storing fuel when the Navy operated the airfield. Most of them were removed by the Army Corp of Engineers several years ago. There is one by the 39A pump house on the other side of the runway that has not been removed. It did have some fuel residue in it and the Corp of Engineers is working to add it to the list for removal. Mr. Metcalfe added that KDHE is concerned about contaminated ground water from the fuel tank getting into the water tank for 39A. The Corp of Engineers wanted to fill the fuel tank with sand, but KDHE stated that it should be removed.

Mr. Metcalfe stated that we had an arborist come in to do a report on the status of the damaged trees from the ice storm.

Mr. Metcalfe stated that he had met with the rail consultant and would like to retain him, on an hourly basis, for the grant/loan/match application and to decide whether or not the JCAC needs to be an official railroad. JCAC may be required to become licensed by the Federal Railway Authority because railcars are moved across public grade crossings. The upside of becoming a regulated railroad would be to access grant monies and low interest loans. The downside would be that any employee who would work on the railroad would need to be covered by the Federal Railroad Retirement Act. It would double and possibly triple costs in terms of retirement contributions. Mr. Dixon asked Mr. Metcalfe if eliminating the public grade crossings would be a possibility. Mr. Metcalfe stated that they could not be eliminated and that highway 56 is the railway connection to the rest of the world. The other two are Prairie Village Drive and 159th Street.

B. Summary of Financials:

Mr. Barmby asked Ms. Howell if it was a fair assumption to take a couple of months experience and extend it by a flat percentage for the year. Ms. Howell explained there are seasonal aspects to several of our revenue streams and that one cannot apply a flat percentage to project for the full year.

C. Consider ratifying the February expenditures as presented:

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

V. DISCUSSION ITEMS

A. Consider approving the Fixed-Base Operator Agreement with Advanced Aviation, L.L.C.:

Mr. Barmby asked under “Section 2A” of the agreement if the fee was payable by the tenant on the

basis of aviation fuel sold or dispensed or in actuality they would pay upon bulk delivery. If so, then Mr. Barmby asked if the agreement should be modified. Mr. Metcalfe stated that the Airport Commission's policy is that fuel flowage be paid on fuel "dispensed," but it makes the accounting much easier for the FBOs if they pay based on the invoice they receive from their supplier. Mr. Barmby additionally asked if items "A through K" was absolute and nothing other than that is allowed. Mr. Perry replied yes, there would be no other aviation related services allowed. Responding to an example given by Mr. Barmby, Mr. Metcalfe acknowledged that there wasn't anything in the agreement that would prevent an FBO from allowing someone to work on a vehicle in their hangar. Mr. Johnson asked if there ever was an occasion where attention had to be brought for building or fire codes. Mr. Metcalfe stated there have been a few occasions.

MOVED BY MR. DIXON, SECONDED BY MR. BARMBY TO APPROVE THE FIXED-BASE OPERATOR AGREEMENT. APPROVED (4-0).

- B. Consider approving revisions to the Minimum Standards for both New Century AirCenter and Executive airports:

MOVED BY MR. JOHNSON, SECONDED BY MR. DIXON FOR APPROVAL OF REVISIONS TO THE MINIMUM STANDARDS FOR NEW CENTURY AIRCENTER AND EXECUTIVE AIRPORTS. APPROVED (4-0)

- C. Review staff priorities for 2002:

Mr. Metcalfe presented a list of staff priorities for 2002. Mr. Metcalfe invited the JCAC board to review and add items to the current list of priorities. Mr. Metcalfe suggested that a mini-strategic planning discussion be planned for the next board meeting. Mr. Metcalfe noted that with the County's funding level for the airport budget pretty much committed to for the next three years and the Airport Commission having more autonomy in setting financial priorities, it's not too early to begin thinking in terms of the Airport Commission becoming more of a business-type board of directors and getting more involved in setting financial priorities and making capital plans. Ms. Thomen agreed that the plan for self-sufficiency would be a high priority. Ms. Thomen further suggested that the board members review the priorities list in preparation for a discussion at the April board meeting.

Mr. Barmby asked Mr. Metcalfe if the BoCC is aware that the JCAC was beefing up the railroad business. Mr. Metcalfe stated that a monthly executive summary is submitted to the BoCC that includes those updates.

VI. NEW BUSINESS

VII. BUSINESS FROM THE FLOOR

Mr. Metcalfe introduced Mr. Fred Sherman, Community Development Director for the City of Gardner. Mr. Sherman gave an update on the platting and rezoning of land at the southwest corner of the JCAC's property. Mr. Sherman added that the City of Gardner's planning staff is looking at best ways to put together a package in order to make this tract of ground the most marketable, once it goes out for bid to potential developers. Rather than a C-1 classification, which is the most

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restrictive, with a little more planning and engineering on utilities a C-2 classification would be possible and would make the land more valuable. Mr. Barmby asked what the possibility of annexation had to do with the water system. Mr. Sherman responded that the city is looking at making it a win-win situation and are currently in the analysis stage right now. He pointed out that the land being rezoned has been in the city for many years.

Ms. Thomen asked Commissioner Gross to give an update of what the BoCC is working on. Mr. Barmby asked if the finance office was detecting any economic turnaround. Commissioner Gross replied that there are early signs of a slight improvement in revenues, but he did not expect it to be substantial.

VIII. ADJOURNMENT

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

Ray Barmby, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – April 24, 2002, 9:00 a.m. – New Century, KS

Airport Commission

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

Absent:

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

Others: Commissioner George Gross, BoCC
Todd Probasco, Kansas City Aviation Center
Sean Hutman, Executive Beechcraft
Ray Olsen, Ray Olsen, L.L.C.

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

(NOTE: Heading, 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. JOHNSON TO APPROVE THE MINUTES OF THE MARCH 27, 2002 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (5-0).

II. REPORT OF THE CHAIRMAN

No report.

III. CONSENT AGENDA ITEMS

No consent agenda items.

IV. EXECUTIVE SUMMARY

A. Review staff reports:

Mr. Barmby asked Mr. Metcalfe if Roberts & Dybdahl had a storm water plan in place for the storage of lumber and runoff from the gravel. Mr. Metcalfe replied that the county stormwater engineer has been directly involved in the planning of the site. We will end up building a community or regional stormwater detention facility triggered by this development and also the road construction that will begin this summer. The lumberyard runoff will go into this detention facility.

Mr. Metcalfe gave updates on the railcar operation. Mr. Helsel has been gathering information on the digital scale and the remote car tracking system. The cost appears to be in the \$120,000 range, which is lower than expected. The digital scale will weigh the cars as they are pulled into the interchange track. There won't be any need to individually handle the cars to move them to the scale spur. There are electronic identification tags on every railcar that are required by federal regulation. There is a reader on the scale that will read the identification tag on the car to match

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the weight to the car's identification. It will send that data through a dial-up modem or a dedicated wireless connection directly to our accounting database. It will eliminate the hand record-keeping and should eliminate the occasional errors we have had in the past. Mr. Johnson asked Mr. Metcalfe if there was a backup system. Mr. Metcalfe agreed that there should be a plan to capture back-up information. There is a paper record of all the cars received from BNSF.

Mr. Metcalfe reported that he and Cindy Dunham had a conference call with an attorney who specializes in railroad regulation issues and it was decided that the best course of action at this time would be for the Airport Commission not to apply to the Surface Transportation Board (STB) for certification as a common carrier. If we do become a regulated carrier then we would come under the Federal Railroad Retirement Act (FRRRA), which would quadruple the amount of our contribution for retirement for our rail employees. We have two employees that are dedicated to the rail operation, but we have about four or five others that are trained as backups. Any time they spend working on the railroad would require contributions to the FRRRA for them as well. The Federal Employer's Liability Act (FELA), which is the federal government's version of worker's compensation, is more expensive to participate in and there is no liability limit. Under the state workers compensation system, the worker's only recourse for a work related injury is the workers compensation system. Under FELA, they can file a worker's compensation claim and then turn around and sue us for civil damages. There is no cap on that liability. We would also come under the regulatory authority of the Federal Railway Administration. Ms Dunham added there is no penalty, at this time, for not seeking certification by the STB. Mr. Barmby commented that a negative aspect would be the detrimental impact on our efforts for funding. Mr. Metcalfe replied that the attorney offered to call the state on behalf of JCAC and state in his opinion that we are eligible for grants under the federal programming that the state administers. We have heard back from the state and they have accepted the attorney's opinion and they are anxious for JCAC to apply. JCAC is the only short line or regional carrier at this end of the state and they'd like to distribute monies around the state.

Mr. Metcalfe stated the Gardner planning commission approved rezoning and preliminary platting on Moonlight and 56 Highway. The application is now scheduled to be heard by the city council in May.

Mr. Perry stated that he would be meeting with T-hangar tenants on May 1 to discuss water issues and new T-hangars.

Mr. Metcalfe stated that we have in the past budgeted for seasonal employees to help with groundskeeping during the growing season, but this year we have decided to see if we can get along without them.

B. Summary of Financials:

C. Consider ratifying the March expenditures as presented:

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

V. **DISCUSSION ITEMS**

A. Discuss policy for FBOs leasing T-hangars:

Mr. Metcalfe stated that it has been our practice to allow FBOs to lease T-hangars, and from time to time it has been an issue. The concern is that the FBOs make their T-hangars available to individual aircraft owners for a fee or rent, which is subleasing and is specifically prohibited in our T-hangar lease agreements. Mr. Metcalfe's suggestion would be to discuss putting a policy in place and invite the FBOs to next month's Airport Commission meeting. Mr. Metcalfe's opinion is that FBOs should not be allowed to lease T-hangars. He feels that they are depriving other aircraft owners on the waiting list. Ms. Dunham added they had definitive proof that Air Associates has violated their lease by subleasing their T-hangar and proceedings toward eviction are in process. Mr. Heaven asked if JCAC had any requirements of placing the aircraft's N-number in the T-hangar lease. Mr. Perry replied that we do require the lessee to furnish us the N-number when he signs the hangar lease, and we regularly inspect the hangars to check the numbers. We get a variety of answers when the numbers do not match. Mr. Olsen asked Mr. Perry if use was a consideration because some of the T-hangars are used for other things rather than aircraft. Mr. Perry stated that having other items in storage was fine as long as there was an aircraft in the T-hangar. When he does his inspections and finds no aircraft in a hangar, he contacts the lessee to determine why. Mr. Metcalfe suggested that a definition of subleasing be added to the lease agreements stating that if you allow someone to use your hangar and they pay you for that use, then it is subleasing. The board members agreed that JCAC should stringently enforce the sublease policy. They did not specifically take a position on whether FBOs should be allowed to continue to lease T-hangars.

B. Consider approving sublease and FBO agreement for T&C Aviation Enterprises, Inc.:

Mr. Metcalfe stated that Air Associates, the FBO on the east side of Executive Airport, is being acquired by T&C Aviation Enterprises, Inc. The parties have requested JCAC's approval of subleasing Air Associates' facilities to T&C Aviation Enterprises, Inc. T&C is also requesting approval of an FBO agreement to allow them to operate the FBO. The documents are not yet in final form, although all key aspects have been agreed to by all parties. Ms. Dunham has reviewed the draft documents and has discussed some minor changes with the parties' attorneys. Mr. Metcalfe and Ms. Dunham recommended that the Commission approve the transactions subject to final approval of the documents by Ms. Dunham, and authorize the chairman to sign.

MOVED BY MR. BARMBY, SECONDED BY MR. DIXON FOR APPROVAL OF THE SUBLEASE AND FBO AGREEMENTS FOR T&C AVIATION ENTERPRISES, INC., EXCLUDING ANY LANGUAGE PRE-APPROVING THE ASSIGNMENT OF AIR ASSOCIATES LEASES TO T&C. APPROVED (5-0)

C. Review strategic priorities:

Mr. Metcalfe and staff identified focal points that are important to the future success of JCAC's self-sufficiency plan. Mr. Metcalfe stated that JCAC would need to meet or beat revenue projections (that is the absolute key to JCAC's success) and continue to market our real estate and close deals. There may be other revenue opportunities such as offering grounds-keeping services to resident businesses. Mr. Barmby commented that he believed the rail business would be a great

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opportunity for JCAC. Mr. Dixon asked Mr. Perry if the FAA had given any indication that there would be any money available for a master plan update in 2003. Mr. Perry replied that CIP money is scheduled for 2003. However, because of airport security enhancements to commercial airports since September 11th, it may be 2004 before JCAC receives any money.

Mr. Barmby asked Mr. Metcalfe about researching opportunities for grant funding of infrastructure projects. He further asked if there is a source that JCAC might tap into regarding researching or grant writing. Mr. Metcalfe stated that staff is in the early stages of exploring those possibilities.

D. Discuss participating in Kansas City SmartPort:

At Commissioner Doug Wood's suggestion, Mr. Metcalfe visited with the president of Kansas City SmartPort to discuss the advisability of JCAC participating in their program. There are various levels of membership, with the \$10,000 level including a seat on the board of directors. Currently, there is no Johnson County or Kansas representation on their board (Yellow Freight is on the board, but as an industry representative). Mr. Dixon asked Mr. Metcalfe what his opinion was on becoming a Kansas City SmartPort board member. Mr. Metcalfe stated that he believed it would be valuable to have some influence as a Kansas representative on the board. Mr. Barmby felt that the value of the networking alone would be worth it. Mr. Heaven asked Mr. Metcalfe if there was a limit to the number of members that could serve on the board. Mr. Metcalfe commented that he wasn't sure, but he was invited to attend the next board meeting on May 8 and he would report back to the Commission at the May meeting. Mr. Metcalfe felt that if Kansas City SmartPort is focused mainly on Kansas City, then perhaps we should not participate. Mr. Barmby stated that the networking aspects such as Yellow Freight, trucking, rail, and trailers and containers on flatcars would be valuable. Mr. Johnson asked if a staff or board member would be allowed to attend the May 8th meeting. Mr. Metcalfe replied that he didn't know but would find out. Consensus was that Mr. Heaven, as chairman of the Development Committee, would be a good representative for the Commission. (NOTE: The president of KC SmartPort said a commission member would be welcome. Mr. Heaven will be attending.)

E. Approve proposed 2003 budget:

Ms. Howell commented there were adjustments made to the revenue projections of the proposed 2003 budget based on the self-sufficiency plan. On the expenditure side, the County is not including a merit pool in the initial budget. Because the airport budget includes a flat sum for county support which will not be adjusted for any merit pool, staff has included a contingency line item of 3%. An additional line item for revenue contingency of \$100,000 was added as a precautionary measure. Mr. Barmby asked if the debt pay-down is the normal pay-down of the debt pursuant to the schedule of the bonds or is it an accelerating payment of principle. Ms. Howell replied that it is an acceleration of payments in principle (currently in the Self-Sufficiency plan). Mr. Barmby asked if CIP funds were allocated for the west T-hangar water problems. Mr. Perry replied that the only resolution to the T-hangar water problems is to tear the hangars to the ground, because they were not built correctly 31 years ago, and to rebuild. Mr. Metcalfe added that those T-hangars are the oldest hangars at Executive Airport. Although serviceable, there are corrosion problems because of which a few years ago the bases had to be of 18-20 of the vertical steel structural members had to be cut out and replaced because they had rusted so much that they were compromised.

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Capital improvement requests were discussed and Mr. Metcalfe stated that the snow removal capability at Executive airport has been marginal. Typically, when the weather is bad enough, most of the airplanes use New Century AirCenter versus Executive because Executive does not have an ILS. He further added that JCAC could possibly do without new snow trucks at Executive for another year. The front-end loader is serviceable, but it is getting pretty old. Mr. Metcalfe stated that a new road grader would be necessary as it's used in snow removal to clear out ramps and clean-up around T-hangars. It's a more precise instrument for snow removal around buildings, lights, and areas that are unpaved that need grading from time to time. Mr. Dixon commented that it was an item that could be available by renting or leasing. Mr. Metcalfe replied that JCAC has one that's relatively new, 7-8 years old, and one that was built by Royal Tractor as a prototype, for which parts are no longer available. Typically two graders are needed when there is snow removal. He added that renting a grader would probably not provide the quick availability we would need for snow removal. The county Public Works department keeps a couple of spares and has offered them to JCAC for a modest cost. Mr. Dixon asked Ms. Dunham if there would be a bidding problem if an arrangement were to be made, before the fact, for an agreement to rent on a short-term basis. Ms. Dunham replied that there wouldn't be a problem if the bidding process were started now for this next winter.

MOVED BY MR. DIXON, SECONDED BY MR. BARMBY TO APPROVE THE PROPOSED 2003 BUDGET. APPROVED (5-0)

VI. NEW BUSINESS

Mr. Barmby announced that he was resigning from the Johnson County Airport Commission board. He will be moving to Atchison, Kansas and no longer will reside within Johnson County.

Mr. Heaven suggested that the Development Committee meet to discuss new development around the airports and the feasibility of an excise tax to be assessed for airport purposes. Ms. Bellinger will coordinate and notify all Development Committee members when this will occur.

Mr. Metcalfe reported to the board members that New Century AirCenter is again running an ad in the *FrontRunner* magazine. *FrontRunner* is a full-color magazine published in conjunction with the NASCAR racing season at the Kansas Speedway. It is distributed at the speedway during race events and is also mailed to a targeted group of business people. The ad we ran last year produced several contacts regarding our real estate development. We are running a new ad in the 2002 *FrontRunner*. Because we were one of the inaugural advertisers last year, JCAC is being offered a suite, 32 tickets and 15 parking passes for the Kansas Speedway races on the May 31 and June 1. Mr. Metcalfe and Chairman Thomen will develop a list of folks to be offered tickets.

VII. BUSINESS FROM THE FLOOR

VIII. ADJOURNMENT

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

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, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – May 22, 2002, 9:00 a.m. – New Century, KS

Airport Commission

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

Absent:

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

Others: Commissioner George Gross, BoCC
Greg Kindle, Southwest Johnson County EDC
Ray Olsen, Ray Olsen, L.L.C.
Ray Barmby, Economic Development Funding

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

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

I. APPROVAL OF MINUTES

MOVED BY MR. DIXON, SECONDED BY MR. JOHNSON TO APPROVE THE MINUTES OF THE APRIL 24, 2002 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (4-0).

II. REPORT OF THE CHAIRMAN

A. Election of Secretary and Treasurer to replace Mr. Barmby and Mr. Pipes.

Chairman Thomen proposed that Mr. Heaven be elected Secretary and Mr. Dixon be elected Treasurer.

MOVED BY MR. JOHNSON, SECONDED BY MS. THOMEN TO APPROVE ELECTION OF MR. HEAVEN AS SECRETARY AND MR. DIXON AS TREASURER. APPROVED (4-0).

III. CONSENT AGENDA ITEMS

No consent agenda items.

IV. EXECUTIVE SUMMARY

A. Review staff reports:

Mr. Metcalfe reported that BWR (Bucher, Willis & Ratliff) has fallen at least 90 days behind on engineering on the road and infrastructure construction project for reasons that they haven't been able to explain. Mr. Metcalfe and Mr. Perry are considering recommending that the contract with BWR not be renewed next year. Because of the delay, it appears unlikely that the project will be done this year.

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Mr. Perry stated that there will be a number of west T-Hangar tenants at the next Airport Commission meeting in June to discuss water issues with the T-Hangars and ramps. Bucher, Willis & Ratliff is doing a study to give JCAC a better idea of what is the cause of water infiltration around the ramps. Mr. Metcalfe asked Mr. Perry if he would discuss the meeting he had with the west T-Hangar tenants. Mr. Perry replied that Larry Winn had asked him to meet with several T-Hangar tenants at Executive Airport. The tenants' general complaints were about water infiltration on the ramps and in the T-Hangars. Mr. Perry further stated that the T-Hangars in that specific location are 31 years old. They weren't built correctly to include proper sub-surface drainage. The engineer's analysis will include recommendations on how to alleviate those problems. A few of the tenants stated the problems increased after JCAC added slurry-seal to patch the asphalt. It was their opinion the sealing of the ramps around the hangars just drove the water into the hangars. The next JCAC board meeting will be held at the Executive Airport on Thursday, June 27 to enable the Airport Commissioners to see the problems first hand.

Mr. Helsel commented that the rail car volume has greatly increased. The Heartland Cement Company has begun bringing in a lot of cement, as is usually done this time of year, and we're becoming quite backlogged with places to put the railcars. An application has been submitted to the state and part of the proposal will be to eliminate some of those problems. Mr. Metcalfe added that storing railcars is becoming a major source of new revenue.

Mr. Barmby asked Mr. Metcalfe what the current status of the sale of the land, the excess property and the current status of the lease with the First National Bank. Mr. Metcalfe stated that the city council of Gardner had met and approved the rezoning application. The next step would be to prepare a package to include a resolution for the board of county commissioners to declare the property surplus and authorize JCAC to sell it. A marketing package will be widely distributed to people who would be interested in purchasing the property themselves or being agents for others who may be interested in the property. The buyers would need to be pre-registered and pre-qualified, possibly to include requiring a cashier's check if they are the successful bidder. The bank has filed their final development plan with the city of Gardner. There are two issues that the city of Gardner has with that proposal. First is the access off of Moonlight. The city's engineering people are saying that it's technically all right to do the curb cutoff at Moonlight. However, the city's planning people are saying for long-term planning it may not be a good idea. It may or may not be a deal-breaking issue with the bank, but it would certainly affect the value of our land. The other issue is the sewer. The nearest sewer connection is on the property of Gardner National Bank, and an easement would be needed from Gardner National Bank to the First Kansas Bank. The first indication was that Gardner National Bank would not grant an easement for the sewer connection. If access across Gardner National Bank's site cannot be gained, it would require a lift station on JCAC's site that would pump up Moonlight for about a half of a mile. Mr. Barmby asked if there was a clause or covenant in the lease of the bank that would keep the lease alive and to keep the process moving. Ms. Dunham replied that there were a number of deadlines in the lease, including making sure construction begins by a certain date. Mr. Metcalfe added that part of the hold up was beyond their control. JCAC, at the city of Gardner's encouragement, delayed the rezoning application by 30 days while additional planning and engineering was done to allow an upgrading of the zoning from a C-1 to a C-2, which greatly enhances the value of the land. The

bank should be able to break ground within their deadline.

B. Summary of Financials:

C. Consider ratifying the April expenditures as presented:

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

V. DISCUSSION ITEMS

A. Report of Development Committee Chairman on Kansas City SmartPort:

Mr. Heaven commented that he and Mr. Metcalfe attended the Kansas City SmartPort meeting on May 8th and they were the only Kansas representation at the meeting. The majority of the attendees were from Kansas City and other parts of Missouri. The group's goal is to promote intermodal transportation, primarily through shipping. A number of the larger shipping companies such as Yellow Freight and BNSF, as well as Cohen-Esrey and any number of the larger industries are involved. JCAC has been invited to serve on the board. A few of the perks would include being on their web site, with tens of thousands of hits every month by people trying to move goods through the area (contact, storage, and free trade zone) and growing all of the time. We would also be able to use their logo on our literature, which we think would add value to our materials and demonstrate that we are part of the network. The bottom line is that Kansas City SmartPort is a group of movers and shakers in the transportation area and Mr. Heaven's recommendation is that JCAC join as members. The fee is \$10,000 and based upon some of our other public relations activities over the years, and the expenses of those, it would be money worth spent. Mr. Heaven gave an example of how, if one were interested in shipping something from Taiwan, you would go to their web site and it basically builds the means by which to get your shipment through using air, rail, truck or boat. Mr. Dixon asked Mr. Heaven if the web site was a freight-forwarder. Mr. Heaven replied that the web site in itself was not a freight-forwarder, but you could get to pages that were, such as Yellow Freight. Mr. Barnby asked Mr. Metcalfe if JCAC was a foreign trade zone. Mr. Metcalfe stated that there was an agreement that at anytime we would want to become a satellite of Greater Kansas City Foreign Trade Zone, we would sign an agreement and send them a check for \$25,000 and JCAC would immediately become a foreign trade zone.

MOVED BY MR. HEAVEN, SECONDED BY MR. JOHNSON TO APPROVE JCAC BECOME A KANSAS CITY SMARTPORT MEMBERS. APPOINTMENT OF MR. METCALFE AS THE OFFICIATING BOARD MEMBER WITH MR. HEAVEN AS AN ALTERNATE MEMBER. APPROVED (4-0).

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

Mr. Kindle, new president of the Southwest Johnson County Economic Development Corporation, announced that he looked forward to working on New Century's marketing efforts with Mr. Metcalfe and his staff.

VI. NEW BUSINESS

VII. BUSINESS FROM THE FLOOR

Mr. Metcalfe reminded the board members of the Kansas Speedway Suite for the NASCAR races and that there were additional tickets for May 31 and June 1. Refreshments are courtesy of the JCAC Golf fund and Southwest Johnson County EDC.

Mr. Gross stated that there would be some interesting discussions and challenges for the BoCC at the next meeting regarding budgets.

VIII. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:37 a.m.

Lewis A. Heaven, Jr., Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – June 27, 2002, 9:00 a.m. – Olathe, Kansas

Airport Commission

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

Absent:

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

Others: Greg Kindle, Southwest Johnson County EDC
Ray Olsen, Ray Olsen, L.L.C.
Ray Barmby, Economic Development Funding
Pat Lanser, League of Women Voters
Daniel Blackford, Daniel Blackford Company
Larry Winn III, Attorney
Keith Nease, Tenant
Phil Duffy, Tenant
Tim Wollesen, Tenant
Griff Pickett, Tenant
Jim Neese, Tenant

Chairman Thomen called the meeting to order at 9:05 a.m.

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

I. APPROVAL OF MINUTES

MOVED BY MR. DIXON, SECONDED BY MR. JOHNSON TO APPROVE THE MINUTES OF THE MAY 22, 2002 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (5-0).

II. REPORT OF THE CHAIRMAN

Chairman Thomen introduced the new Airport Commission board member, David Shepard, filling the position of 1st District, replacing Mark Viets. She further announced that Mr. Heaven had been reappointed from the position of 4th District to the At Large position, replacing Ray Barmby.

III. CONSENT AGENDA ITEMS

No consent agenda items.

IV. EXECUTIVE SUMMARY

A. Review staff reports:

Mr. Barmby asked what ideas Mr. Metcalfe and members of his staff had regarding their trip to review the rail operation system at Minnesota. Mr. Metcalfe responded that Progressive Rail is a private company and operates the rail system within an industrial park. Progressive Rail also has purchased industrial ground and is in the process of developing their own industrial park

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just a few miles away from where they are servicing now. Progressive Rail does all of the switching for the industrial park and co-markets it with the developer. They actively recruit businesses that use rail and go after businesses that currently are using truck but could better utilize a rail system. The key to their success is a trans-loading facility. A building that is designed specifically for rail cars to be pushed into the building. Mr. Metcalfe further stated that the floor of the building is dock-high for the rail cars and it's a warehouse in which floor space is rented to various businesses that could make use of rail carload lots and can store within the building to sell, as they need to. Progressive Rail operates all of the material handling equipment from unloading the cars to staging the material. Mr. Kindle added that it is a logistical trans-loading facility, a one-stop shop. Mr. Metcalfe gave an example of how Progressive Rail, just the day before their meeting, presented to a company a complete analysis in which they had charts that showed transit time, rail cars versus trucks, from various growing areas in California to the Minneapolis market. Mr. Metcalfe commented the amount of research that was done to show this company how they would be better off using rail opposed to truck was very impressive. Progressive Rail had incubated several businesses within their warehouse in which these businesses had later graduated to buildings in the industrial park. The key to their operation is their very aggressive marketing and the trans-loading facility. Mr. Barmby asked if this was something that New Century AirCenter would possibly pursue. Mr. Metcalfe responded that there are two channels being looked at. We, New Century AirCenter, can do this ourselves (emulate what Progressive Rail is doing) or that Progressive Rail sets it up on our property. Progressive Rail is very interested in doing the latter as well as BNSF.

Mr. Barmby asked Mr. Metcalfe if item# 5, sale of the excess land, was close to being complete and if the sale would be the first of July. Mr. Metcalfe stated there wasn't a critical path to follow for the sale date. The main issues are to have all documentation finalized before announcing a sale date.

Mr. Barmby asked Mr. Helsel when he thought funding by the state would occur. Mr. Helsel replied that he had a conversation with John Maddox of the Kansas Department of Transportation, and we should know something within the next day or two.

Ms. Howell announced that she, Mr. Metcalfe, Chairman Thomen, and Mr. Olsen attended the budget meeting at the Board of County Commissioners meeting. Mr. Metcalfe commented that a little over 10% was proposed, a \$600,000 grant, and unless there was a major issue with the county budget itself that it would be added to JCAC's budget.

B. Summary of Financials:

C. Consider ratifying the May expenditures as presented:

Mr. Metcalfe commented that the fuel flowage at New Century AirCenter would probably be a little lower than what was budgeted due to the flying academy at New Century AirCenter, Air Associates, has gone out of business.

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

V. DISCUSSION ITEMS

A. Discuss Bucher, Willis & Ratliff engineering report on OJC west T-Hangar ramp condition.

Mr. Perry stated that he had met with a group of T-Hangar tenants about a month ago to discuss concerns regarding T-Hangar ramps and the general conditions of the facility at Executive Airport. Joe Moses of Bucher, Willis & Ratliff, presented a preliminary report of their evaluation and Terracon's monitoring results of the conditions at Executive Airport. There is a lot of surface water migrating through the cracks as well as other areas that are causing the subsurface water issues at Executive Airport. Mr. Moses added that BWR could show JCAC ways to fix the problems. The pavement and the interface between the pavements and the buildings could be sealed a little better. The building is old and allows water to come in through the columns. The combination of saturated base rock underneath the pavement and water getting into the buildings is not allowing the water to drain out. One of the recommendations (cost and feasibility hasn't been looked at yet) to help the situation is to put parameter drains around each building to help drain the base rock under each building. Mr. Moses stated that would not be the only fix needed because water is coming in around the seals, doors, and across the top of the buildings. Mr. Moses added that it would be two to four weeks before he would have cost and feasibility information. Mr. Dixon asked what the cost of the study was. Mr. Perry replied that the cost for BWR and Terracon was \$12,000. Mr. Winn reaffirmed the frustration and concerns of the west T-Hangar tenants. Ms. Thomen thanked Mr. Winn for his comments and invited everyone to tour the west T-Hangar site with the Airport Commission Board and staff members.

B. Discuss Land Lease Proposal for OJC and ISD T-Hangar Construction.

Mr. Perry introduced Mr. Winn and Mr. Blackford who would propose land leasing for the purpose of constructing new T-Hangars for both New Century AirCenter and Executive Airport and. Mr. Blackford, of Heartland Aviation, presented a proposal for land lease and the construction of new T-Hangars for New Century AirCenter (153,000 square feet) and Executive Airport (310,800 square feet). Mr. Barmby asked Mr. Blackford, concerning his lease with the tenants, if there would be a covenant that would prohibit the use of the hangar for anything other than use of the airplane (no cars, car repair, furniture, or anything other than the airplane). Mr. Blackford replied that he would discourage long-term storage. Mr. Johnson asked Mr. Blackford what is his definition of long-term storage. Mr. Blackford replied it would be anything over 30 days. Ms. Thomen thanked Mr. Winn and Mr. Blackford for coming and encouraged them to meet with Mr. Metcalfe and Mr. Perry for further discussions.

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

Mr. Kindle stated that he would be meeting with Lori Whitaker of KC SmartPort primarily in an effort to better understand their role and how EDC can incorporate that into New Century's marketing strategy.

VI. NEW BUSINESS

VII. BUSINESS FROM THE FLOOR

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Mr. Olsen extended an invitation for everyone to come out and join the air show scheduled at the downtown airport on August 17 and 18.

Ms. Thomen asked for a motion to go into Executive Session until 10:00 a.m. to discuss personnel issues.

MOVED BY MR. JOHNSON TO GO INTO EXECUTIVE SESSION UNTIL 10:00 A.M. TO DISCUSS PERSONNEL ISSUES.

VIII. ADJOURNMENT

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

Lewis A. Heaven, Jr., Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – July 24, 2002, 9:00 a.m. – Olathe, Kansas

Airport Commission

Present: Messrs. Dixon, Heaven, Johnson, Shepard, Shadwick and Ms. Thomen

Absent:

Staff: Metcalfe, Dunham, Perry, Howell and Bellinger

Others: Glenn E. Brussell, OONAM
Commissioner George Gross, BoCC
Greg Kindle, Southwest Johnson County EDC
Pat Lanser, League of Women Voters

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

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

I. APPROVAL OF MINUTES

MOVED BY MR. DIXON, SECONDED BY MR. HEAVEN TO APPROVE THE MINUTES OF THE JUNE 27, 2002 MEETING AS CORRECTED (TO INCLUDE LARRY WINN III ON OTHERS LIST), PRINTED AND DISTRIBUTED. APPROVED (5-0).

II. REPORT OF THE CHAIRMAN

Chairman Thomen introduced the new Airport Commission board member, Jay Shadwick, filling the position of 4th District, replacing Pete Heaven.

III. CONSENT AGENDA ITEMS

No consent agenda items.

IV. EXECUTIVE SUMMARY

A. Review staff reports:

Mr. Dixon asked Mr. Metcalfe if \$371,000 from the Rail Division of Kansas Transportation was the approval of item #3 of the Facilities Management report and how did it get passed through budgeting at the state level. Mr. Metcalfe replied it was and that most of the funds were federal funds.

Mr. Metcalfe reported that prospect activity has increased greatly from his original report. Mr. Perry added to his report, item #2, that the Bucher, Willis & Ratliff report was now complete and Joe Moses was here to answer any questions regarding the report. Mr. Heaven asked if the city of Olathe was acquiring a right-of-way for the expansion at 151st & Pflumm. Mr. Perry

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replied that the city of Olathe is only expanding the intersection at Pflumm & 151st. They will be taking 25-30 feet on the south and east side of 151st. Mr. Heaven asked if the city of Olathe would be paying for the right-of-way. Mr. Perry replied the city of Olathe has proposed paying \$1.00 and that information has been turned over to our legal counsel. Mr. Metcalfe commented that compensation was a double-edged sword and the city of Olathe contends that JCAC would have to pay the excise fee (street development) if JCAC would aggressively try to pursue additional monies for the right-of-way land.

B. Summary of Financials:

C. Consider ratifying the June expenditures as presented:

Mr. Dixon asked Ms. Howell how long \$11,000 worth of fuel would last. Ms. Howell commented that the use of fuel is greater during the summer months than throughout the rest of the year. Mr. Dixon asked if the fuel expenditures were normally that high. Ms. Howell replied that normally fuel expenditures were not that high. Mr. Metcalfe added that it could possibly be just a matter of timing due to the fact that NCAC fuels the locomotive every 1½ to 2 months.

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

V. DISCUSSION ITEMS

A. Consider approval of a ground lease for CCHL, L.L.C., a partnership of aircraft owners, for the construction of a private aircraft hangar at Executive Airport.

Ms. Dunham commented that there is one addition to be added to the ground lease agreement for CCHL, L.L.C. They will do fueling for themselves and for those people that hangar within their facility “only.” That is the only difference between the standard ground lease and a fixed-base operator ground lease. Mr. Metcalfe commented that the CCHL, L.L.C. has a site plan for a second hangar building and the drawings will be in his office if anyone would like to review them. CCHL’s plan is to move LifeNet Helicopter into the building and it will also include living quarters for the flight crews of the life flight helicopters.

MOVED BY MR. JOHNSON, SECONDED BY MR. HEAVEN TO APPROVE THE GROUND LEASE AS PROPOSED FOR THE HANGAR DESIGN OF CCHL, L.L.C. APPROVED (6-0).

B. Consider approval of a ground lease for Roberts & Dybdahl, Inc. for approximately 7 acres at New Century AirCenter for the construction and operation of a wholesale lumber distribution facility.

Mr. Metcalfe gave a brief background on Roberts & Dybdahl, Inc. They acquire lumber directly from the mills and distribute them to the retailer’s such as Lowe’s and smaller retail lumber companies. They will begin using 3-5 rail cars per week and then ramp up to 8-10 per week. That will be a significant amount of rail volume for NCAC. Rail volume is good because NCAC has high fixed costs but in the rail operation there is low variable costs. Roberts

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& Dybdahl will do their own financing. Ms. Thomen asked if there would need to be work for them to receive access on 155th Street. Mr. Metcalfe replied that engineering has fallen behind schedule and a temporary access, with prior authorization from Johnson County, will need to be made from Moonlight and 167th west of the airport. Six to eight semi-trucks per day would be all Roberts & Dybdahl are going to start with. Mr. Johnson asked if there were any unresolved issues. Ms. Dunham replied there were a few minor issues such as certain rail services that NCAC will provide as part of the lease agreement.

MOVED BY MR. HEAVEN, SECONDED BY MR. JOHNSON TO APPROVE THE LEASE AGREEMENT WITH ROBERTS & DYBDAHL, INC. AS PROPOSED AND MODIFIED (PER THE DISCRETION OF MR. METCALFE AND MS. DUNHAM AS THEY HAVE DESCRIBED THOSE MODIFICATIONS) AND AUTHORIZATION FOR THE CHAIRMAN TO SIGN. APPROVED (6-0).

- C. Bucher, Willis & Ratliff report for the Johnson County Executive Airport west T-Hangar drainage.

Mr. Perry recapped the issues regarding the drainage and water problems with T-Hangar ramps on the west side of Executive Airport. The T-Hangars were constructed in 1971 and have had water problems off and on since then. JCAC contracted with BWR to use Terracon to do an analysis of what is happening under the ramp. The final report from BWR also includes Terracon's analysis and recommendations (located at the back of the report). Mr. Perry stated that the report summarizes the issues that water migration is under the asphalt and it travels through the base rock. Because there is a lot of clay in the area the water tends to migrate and act as a sponge. In 1992, edge drains were placed around the ramp and also included borings through trench drains. However, the water problem is still occurring and it seems to be trapped within the base rock. The recommendation from BWR is to use a french drain (a subsurface drain – a gravel filled trench with a perforated pipe installed in the bottom) around the footprint of each of the four T-Hangar buildings to try to drain the water out from underneath and catch some of the water that migrates under the buildings. Current construction estimate costs for this procedure would be \$55,000. Mr. Metcalfe stated that JCAC does have money available in the Pavement Maintenance account. Mr. Dixon asked Mr. Moses if BWR had rainfall events of May and June. Mr. Moses replied that the data was not included in the report, but would make it available. Mr. Dixon asked if an evaluation was done of putting in several well points and trying to drain the subsurface versus using french drains. Mr. Moses replied that a gravity-type drainage system would be more of what BWR would recommend on a normal basis versus an ongoing dewatering system that would have to be maintained and monitored. Mr. Johnson asked Mr. Moses if there is a model he could show with positive results that would relate to the problems occurring at Executive Airport. Mr. Moses commented that there is, but Executive Airport is a unique site in that it has a non-typical hillside. Mr. Shepard commented that according to the last meeting, he understood that the subsurface water is not causing the problems. Mr. Moses stated that it is the ground water within the clay that is running a lot lower than the subsurface water and is saturating the soil. Mr. Shepard asked if the drains would be lower than the lowest part of the T-Hangars. Mr. Moses replied that it would and gave an example of how the pavement and the base rock (granular material) would mesh to prevent any leaks. Mr. Johnson asked if there was a timeline as to when the city of Olathe would be widening the streets at 151st and if it would affect any runoff, more or less, of the west

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T-Hangars. It was suggested by Mr. Dixon to wait until further information was received from the city of Olathe (Mr. Metcalfe will contact them) for further discussions.

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

Mr. Kindle commented that the Southwest Johnson County Economic Development Corporation's website is now online and available at <http://www.swjocoks-edc.com>. In addition, there is a link to the Johnson County Airport Commission's website (<http://jcac.jocoks.com>). Mr. Kindle added that he and Mr. Metcalfe met with Kansas City SmartPort (<http://www.kcsmartport.com>) president, Lorie Whitaker, to discuss ways to incorporate New Century's involvement with KC SmartPort in our marketing activities. Mr. Kindle will be working with Sandy Wilkes of Wilkes Design to incorporate some of the inland port strategies and marketing efforts with KC SmartPort. Mr. Heaven asked if a reverse link could be created on the Johnson County Airport Commission website. Mr. Metcalfe commented that it could easily be added. Mr. Metcalfe and Mr. Kindle will be working with Ms. Bellinger to develop additional linkages and a more consistent look between the Johnson County Airport Commission, Southwest Johnson County Economic Development Corporation and the Kansas City SmartPort websites.

VI. NEW BUSINESS

VII. BUSINESS FROM THE FLOOR

Ms. Thomen asked for a motion to go into Executive Session at 9:52 until 10:00 a.m. to discuss personnel issues.

MOVED BY MR. JOHNSON, SECONDED BY MR. HEAVEN TO GO INTO EXECUTIVE SESSION UNTIL 10:00 A.M. TO DISCUSS PERSONNEL ISSUES. APPROVED (6-0).

VIII. ADJOURNMENT

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

Lewis A. Heaven, Jr., Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – August 28, 2002, 9:00 a.m. – Olathe, Kansas

Airport Commission

Present: Messrs. Dixon, Heaven, Shepard, Shadwick and Ms. Thomen

Absent:

Staff: Metcalfe, Dunham, Perry and Bellinger

Others: Glenn E. Brussell, OONAM
Commissioner George Gross, BoCC
Greg Kindle, Southwest Johnson County EDC
Pat Lanser, League of Women Voters
Keith Nease, T-hangar tenant
Chuck Nuffer, T-hangar tenant

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

(NOTE: Heading, 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. DIXON TO APPROVE THE MINUTES OF THE JULY 24, 2002 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (5-0).

II. REPORT OF THE CHAIRMAN

- A. Bob Perry (10 year anniversary)
- B. Steve Helsel (5 year anniversary)
- C. Chairman Thomen recognized past Vice-Chairman, Oscar Johnson's service to the Johnson County Airport Commission and announced his retirement. Chairman Thomen asked Mr. Heaven what the Nominating Committee's recommendations were to fill the Vice-Chairman position. Mr. Heaven recommended the Vice-Chairman position be filled by the Secretary, Pete Heaven; the Secretary position be filled by the Treasurer, John Dixon; and the The newest member with longevity, David Shepard, fill the Treasurer position.

MOVED BY MR. HEAVEN, SECONDED BY MR. DIXON TO APPROVE THE JOHNSON COUNTY AIRPORT COMMISSION BOARD APPOINTMENTS FOR VICE-CHAIRMAN, MR. HEAVEN; SECRETARY, MR. DIXON; AND TREASURER, MR. SHEPARD. (5-0).

III. CONSENT AGENDA ITEMS

No consent agenda items.

IV. EXECUTIVE SUMMARY

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A. Review staff reports:

Mr. Metcalfe gave an update to the Executive Summary report regarding the Bucher, Willis & Ratliff engineering street project. BWR is about six months behind on their delivery date for completion of the street project. Mr. Metcalfe met with Mr. Ron Williamson, BWR CEO, to inform him that JCAC would not be extending their contract. In addition, Mr. Metcalfe stated that proposals would be solicited for future projects. Mr. Metcalfe commented that there are ongoing discussions with Progressive Rail about taking over the rail switching service at New Century. One of the biggest benefits of the arrangement would be for Progressive Rail to develop a transloading facility where the basic service would be to offload material directly to the customer's truck, storage facilities, or by delivering themselves. Progressive Rail also would have an outside tank car loading/unloading facility used specifically for hazardous materials. Progressive has developed and operates a similar facility in suburban Minneapolis.

Debra Howell is on special assignment with the county's transition of its financial software system (Aspire). Bob Perry, who previously was the Johnson County Airport Commission Director of Planning and Administration, will take over her responsibilities throughout this transition.

Mr. Perry stated that the airport operations were up a little at Executive Airport, but down somewhat at the New Century AirCenter. He felt that the closing of Aerostadt Flight Academy was the reason for the decreased numbers at New Century. Mr. Perry also commented on the new paint striping equipment that will be utilized at both airports. He also added that the Aspire system goes into effect as of October 1, 2002.

Mr. Helsel stated that efforts were underway to eliminate algae and standing water problems in ponds at the New Century AirCenter as well as adding pellets to the ponds to prevent mosquito problems.

B. Summary of Financials:

No comments.

C. Consider ratifying the July expenditures as presented:

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

V. DISCUSSION ITEMS

A. Recommend the Board of County Commissioners accept a rail improvement grant and loan from the Kansas Department of Transportation (KDOT) and establish two rail project accounts with a total authority of \$542,000.

Mr. Perry commented that the total amount for the loan and grant (30%-\$163K is a grant, 40%-\$217K is a 3% loan for 10 years, and the remaining 30%-\$163K-is a local match, most of

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which will be in-kind services) from KDOT would be \$542,000. The gravel would be purchased through the county at a great discount and would be hauled by our maintenance crew. Consultant and engineering costs would be included as well as accounting for all man-hours. Mr. Perry asked the Airport Commission Board to recommend to the BoCC the loan and grant for the Airport Commission. Chairman Thomen asked Mr. Perry if the funds would be placed in separate accounts. Mr. Perry replied they would be in separate project accounts.

MOVED BY MR. DIXON, SECONDED BY MR. SHADWICK TO RECOMMEND TO THE BOCC THAT THEY ACCEPT THE KDOT LOAN AND GRANT AND ESTABLISH TWO FUNDS FOR THE LOAN AND GRANT AND THE AUTHORITY FOR MATCHING FUNDS OF \$542,000. APPROVED (5-0).

- B. Consider approving the assignment of the Dazey Corporation facility lease to Danisco USA, Inc.

Mr. Metcalfe commented that the Dazey Corporation has a contract to sell their leasehold interest to Danisco. The Danisco Company needs to expand their warehouse, corporate offices and lab capacity and have agreed to acquire the Dazey Corporation leasehold interest. Ms. Dunham stated that the only issue that needs resolved before going forward is to establish a clause for the lease extensions. What Danisco is requesting would like to take the total term of their leases past 99 years. There are statutes and case law that provide that anything past 99 years constitutes owning the property. We should be able to get this resolved without any problems by setting a cap at 99 years or include a clause that would state ‘if permitted by law, then it shall end at 99 years.’ Mr. Metcalfe added that JCAC receives rental revenue estimated at \$110,000 a year and it would be in our best interest to preserve the lease as it exists for as long as we can. Mr. Metcalfe also stated that Danisco is one of New Century’s premiere businesses and Danisco has plans to make improvements to the Dazey building and landscaping.

MOVED BY MR. SHADWICK, SECONDED BY MR. DIXON TO APPROVE THE ASSIGNMENT OF THE DAZEY CORPORATION FACILITY LEASE TO DANISCO USA, INC., SUBJECT TO APPROVAL BY AIRPORT STAFF AND COUNTY LEGAL DEPARTMENT AND TO AUTHORIZE THE CHAIRMAN TO SIGN WHEN THE DOCUMENTS ARE FINALIZED. APPROVED (4-1).

- C. Continue discussion on OJC west T-hangar ramp condition.

Mr. Perry recapped the issues regarding the drainage and water problems with T-hangar ramps on the west side of Executive Airport. BWR’s recommendations are to install trench drains in the attempt to alleviate water problems that currently exist. The construction estimate is \$55,000 but does not include engineering fees. Mr. Dixon commented that he didn’t think the trench drains would successfully fix the problems and he felt the \$55,000 expenditure isn’t justified. Mr. Olsen asked if there is a place for the water to go. Mr. Metcalfe replied that it would be graded so that the flow of water would go into the surface drainage that currently exists to the east of the hangar apron. Mr. Shadwick asked Mr. Dixon if his concern was that there wasn’t sufficient data to justify the expenditure or that it would not be a solution. Mr. Dixon replied that the T-hangar he has leased over the past 16 years has had percolation

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problems and he believes the trench drains would not resolve the current water issues. Mr. Nuffer stated that he has a hangar at Executive Airport and since the sealing of the asphalt in front of the hangars, to slow down the deterioration, it has sealed the percolation points within the T-hangars and has caused a greenhouse effect. He further stated that the water problems have become worse over the last couple of years. Mr. Nuffer stated that some of the T-hangar tenants have installed a sump-pump to drain off the excess water and it seems to work. He further added that it would be a shame to not spend the \$55,000 to at least try to fix the water problems (he just had work completed on his airplane due to corrosion from sitting in a wet hangar). Mr. Dixon stated that he thought well points, a sump-pump in a major collection area, would be a better approach to fixing the water problems. Mr. Dixon further commented that this could be setup just south of the airport. Mr. Metcalfe commented that the trench-drains would be a relatively inexpensive experiment towards resolving the water problems. Mr. Nease commented that he has added a sump-pump to his hangar and it has helped his and his neighbor's water issues. Mr. Nease further stated that besides the obvious water issues there are safety issues that should be considered. Mr. Metcalfe commented that anything other than tearing down and rebuilding the T-hangars would be a temporary fix.

MOVED BY MR. SHADWICK, SECONDED BY MR. HEAVEN TO AUTHORIZE STAFF TO PROCEED WITH THE ENGINEER DESIGN WORK AND OBTAIN BIDS FOR CONSTRUCTION FOR THE PROPOSED FRENCH-DRAINS. APPROVED (4-1).

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

VI. NEW BUSINESS

VII. BUSINESS FROM THE FLOOR

VIII. ADJOURNMENT

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

John Dixon, Secretary

R. Lee Metcalfe, Executive Director

JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – October 23, 2002, 9:00 a.m. – Olathe, Kansas

Airport Commission

Present: Messrs. Dixon, Heaven, Shepard, Shadwick, Moore and Ms. Thomen

Absent:

Staff: Metcalfe, Dunham, Helsel, Perry and Bellinger

Others: Daniel Blackford, Daniel Blackford Company
Max DaMetz, Payne & Brockway
Commissioner George Gross, BoCC
Delaney Haley, Tri-County Newspaper
Greg Kindle, Southwest Johnson County EDC
Dawne K. Lakey, KCP&L
Pat Lanser, League of Women Voters
Larry O'Donnell, Developer
Bob Montgomery, Olathe City Council
Larry Winn III, Attorney

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

(NOTE: Heading, 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. DIXON TO APPROVE THE MINUTES OF THE AUGUST 28, 2002 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (5-0).

II. REPORT OF THE CHAIRMAN

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

MOVED BY MR. HEAVEN, SECONDED BY MR. DIXON TO COMBINE THE NOVEMBER AND DECEMBER AIRPORT COMMISSION MEETINGS TO WEDNESDAY, DECEMBER 4th. APPROVED (5-0).

III. CONSENT AGENDA ITEMS

No consent agenda items.

IV. EXECUTIVE SUMMARY

A. Review staff reports:

Mr. Metcalfe gave an update to the discussions between Progressive Rail and BNSF. He

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commented that his level of confidence that anything would be worked out between Progressive Rail and BNSF is less than 50%. NCAC's main focus and interest is that the transloading facility would be a great asset to its switching operation. The transloading facility could still be accomplished independently from BNSF or NCAC could proceed with the project.

Mr. Perry gave an update of the west T-Hangar issues at Executive Airport. The engineers have completed the preliminary designs for french drains and several of the T-Hangar tenants have expressed concerns that there might be a possible settling because of the way they are designed; the trench would provide a bit of a hump for the tenants to get in and out of. Mr. Perry will discuss the issues with the engineer, but doesn't expect the french drains to be a problem. It's proposed for the final design to proceed and it's now late enough in the year that asphalt will not be available. It will be early next year (2003) before it will be built. The engineer's construction estimate for the project is \$63,000.

Mr. Helsel briefed the Airport Commission Board about a construction company from North Carolina that is contracting with BNSF to unload turbines and transformers off of railcars for a power plant just west of Gardner.

Mr. Perry gave an update on the county financial system (ASPIRE) project and how it reflects current billing/accounting processes. Eventually, all financial formats should be the same as prior to the new financial project.

B. Summary of Financials:

C. Consider ratifying the August and September expenditures as presented:

MOVED BY MR. HEAVEN, SECONDED BY MR. SHEPARD TO RATIFY THE AUGUST AND SEPTEMBER EXPENDITURES AS PRESENTED. APPROVED (6-0).

V. DISCUSSION ITEMS

A. Discuss KCP&L Right of Way at Executive Airport.

Mr. Perry introduced Dawne Lakey, KCP&L representative, and stated that the city of Olathe is planning to widen the intersection at 151st & Pflumm and this in turn will force KCP&L to move some of their power lines. Where KCP&L proposes to move the overhead power lines would run approximately 10 feet to the east of the rotating beacon tower and right along the western edge of the pavement for the west T-hangars at Executive Airport. A couple of issues are that the power lines would be 10 feet from the beacon tower and would impact the area that we previously committed for T-hangars. Staff at JCAC have talked with KCP&L to discuss whether it would be possible to put the power lines on the west side of the highway.

Mr. Shadwick asked Mr. Perry if the percolating water problems would be affected or if there would be any issues regarding the current water problems. Mr. Metcalfe replied that when Pflumm road is widened there would be the need for a retaining wall along the west end of the ramps because of the severe drop off. Ms. Lakey stated that KCP&L currently has easements along the area already and that Joe Dougan, KCP&L engineer, stated there were plans to

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relocate the beacon tower. Mr. Perry replied that the relocation of the beacon tower would occur when either KCP&L or the city of Olathe would pay for that relocation.

Mr. Dixon asked if the additional easement changes that KCP&L were requesting was to accommodate KCP&L's. Mr. Perry replied that the easement change would be due to the fact that KCP&L already had obtained easements further south of 159th street, on the east side of the road, and didn't want to have to cross the west side of Pflumm. Ms. Dunham added that a normal routine easement would not come before the Airport Commission Board, but there are extenuating issues that had not been achieved at a previous meeting with KCP&L.

Mr. Moore asked Ms. Lakey if a standard wooden power pole would be used. Ms. Lakey replied that a standard 45' wooden power pole would be used. Mr. Moore asked what the next steps would be if the Airport Commission did not approve of the easement. Ms. Lakey replied that it would be a more expedient route for KCP&L, but they would look at other options. Mr. Shadwick asked Mr. Perry if it would be a safety issue having KCP&L so close to the beacon at Executive Airport. Mr. Perry stated that when the city of Olathe widens Pflumm Road the beacon would need to be moved because of right-of-way issues that would occur. The right-of-way would extend directly to the edge of the pavement on the west side of the T-Hangars and a retaining wall would need to be put in place due to a great drop off. Ms. Lakey said that KCP&L was concerned about servicing reliable power to residents and the airport and by avoiding possible brown outs. It would be costly for KCP&L to place the power lines underground. Ms. Lakey stated that she would take this information back to Mr. Dougan and they would get in touch with Mr. Perry for further discussions.

A CONSENSUS BY ALL BOARD MEMBERS FOR MR. PERRY TO CONTINUE DISCUSSIONS WITH KCP&L AND REPORT BACK AT THE NEXT JOHNSON COUNTY AIRPORT COMMISSION BOARD MEETING IN DECEMBER. APPROVED (6-0).

B. Proposed Ground Lease for Construction of T-Hangars at New Century and Executive Airports.

Mr. Metcalfe commented that the discussion for development by Dan Blackford, Inc. of T-Hangars at New Century and Executive airports have been ongoing and that a concept had been reached that was acceptable by the JCAC staff to propose a lease agreement to the Airport Commission Board. Mr. Winn stated that getting approval from the Airport Commission Board was the first of several steps in this process. There are some issues, including the KCP&L right-of-way and the city of Olathe's Pflumm Road expansion that the Blackford Company would face. Mr. Shadwick asked Mr. Winn if the Pflumm Road right-of-way would be an issue and if there would be a taking of the land. Mr. Winn replied their had been discussions with the city of Olathe and their indication was that the building would not be allowed to be built because of the right-of-way. There wouldn't be a taking of the land because the city of Olathe would not allow the Blackford Company to build. However, it is up to the Airport Commission as to whether or not there would be a taking of the land without any compensation for the Airport Commission.

Mr. Shadwick asked if there would be a need to address some sort of waiver of liability against the county or Airport Commission regarding the percolating water issue. Mr. Winn replied that they would submit plans to the JCAC staff, BoCC, and then the city of Olathe for review. Mr.

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Metcalfe stated that our consultant engineers would review Blackford Company's site preparation plans to make sure those issues would be addressed. Ms. Dunham added that those issues would also be addressed in the lease recognizing that there is a problem as well as the tenant's acknowledging there is a problem in existence. Mr. Heaven asked Mr. Winn if there would be some type of mechanism (add something in the lease agreement) where JCAC could repurchase this area, as improved, on the event that the need or decision arose in the future for JCAC to reclaim the property and perhaps go back to supplying T-Hangar services to the public. Mr. Winn replied it was something that hadn't been discussed or formulized. If Mr. Blackford would build the T-Hangars, and there would be some reasonable profit at the end of the day, then it doesn't seem unrealistic for those discussions to take place. Mr. Metcalfe added that if JCAC agrees to this lease agreement they would still be managing the existing T-Hangars and would not be prevented from doing new T-Hangars in the future.

Mr. Moore asked if this lease would tie New Century AirCenter and Executive Airports together. Mr. Winn stated that there would be two different companies and leases for each airport. Therefore, conceivably we could move forward at one airport, but not at the other. Mr. Winn continued that it would be impossible to offer the same prices for tenant leases then what is currently in place; it will be market driven. Construction time would typically be a 60-day process.

A CONSENSUS BY ALL BOARD MEMBERS FOR MR. BLACKFORD OF THE DANIEL BLACKFORD COMPANY TO CONTINUE CONCEPT DEVELOPMENT OF T-HANGAR CONSTRUCTION PROPOSALS FOR NEW CENTURY AIRCENTER AND EXECUTIVE AIRPORTS. APPROVED (6-0).

C. Discuss future runway at New Century AirCenter.

Mr. Metcalfe commented that the current Master Plan for New Century AirCenter was originally done in 1978. The presumption was that there would be scheduled air carrier/airline services at NCAC someday. The Master Plan shows a future runway that is referred to as a general aviation reliever runway and the construction of that runway would be triggered by traffic on the main north/south runway reaching a point in which that runway would be essentially saturated. The new runway would be built and primarily used for smaller aircraft and business jets. The larger runway would be reserved and primarily used by the airliners. Mr. Metcalfe further stated that because the runway is in the Master Plan that the FAA expects us to protect our options to develop that runway sometime in the future. That would include buying land as it becomes available, which we've been doing.

We own roughly half of the land needed to build the runway and would watch the market for opportunities to pick up other land at reasonable prices. In addition, what the FAA expects us to do is prevent conflicting developments on the land that we do not yet own or land primarily off of the ends of the runway where people may be impacted by low flying airplanes. When the Airport Interest Area plan was done in 1994 we included a transition zone around the airport that extends 2-miles north/south and 1-mile east/west of our boundaries, although the east boundary is based on our future east boundary with that runway. JCAC is part of the process to review and comment on any zoning actions, subdivision plans, or any sort of land use from the city of Olathe or Johnson County.

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JCAC has veto power and a high influence with the city of Olathe on land purchases surrounding land at NCAC and Executive. The city of Olathe sends proponents of development to JCAC and developers are sent to JCAC first for approval prior to filing applications with the city. JCAC is being presented more and more opportunities to comment on development proposals on the east/north side of New Century AirCenter and the level of activities are increasing to where there may be a need to have philosophical discussions regarding the runway. Mr. Metcalfe further commented that an airline study was done 1½ year's ago and the results were that it was not likely that there would be any significant scheduled airline services here in the near future. For a market to support two airports that have scheduled airline services their would need to be a minimum of four million people in the market and we're half of that. Bottom line, in the foreseeable future it isn't likely that we would see any significant scheduled airline services. It's possible that a start-up may want to try something here and it may or may not succeed, but it's probably not likely that it would occur.

Given that, and the fact that if the opportunity does arise to have airline service here we could do it with the existing runway structure we have and really don't need to have the other runway to have airline service. What the other runway does allow us is to have more volume than just one runway. The Master Plan is about due for an update with FAA and we would have to go through the justification process of keeping it in the Master Plan. If we take it out of the Master Plan there isn't any reason that why it couldn't be put back in the future. Mr. Metcalfe gave an example of where St. Louis is purchasing literally half the city of Ridgerton for the land they need to build a new runway and cost of having to move people away from the noise impacted areas off of the ends of the runway. Related to that, the Executive Airport is a general aviation airport and could serve as a general aviation reliever for NCAC if there would become a great increase in commercial activity.

JCAC did a study about seven years ago on whether to close the Executive Airport or not and the results of that study was that JCAC would be \$10 million out of pocket. Mr. Dixon asked what was the gross weight limit on a 1757 aircraft. Mr. Perry replied that the aircraft a dual-tandem, an airbus, is 340,000 lbs. Mr. Metcalfe commented that the 727 aircraft actually puts the worst load on the pavement. NCAC has also had 757's, C-5's, 707's and 747's on the runway. Mr. Shadwick asked who would wind up paying for the runway. Mr. Metcalfe replied that the FAA would pay for 90% of the cost. Mr. Metcalfe stated that there is a matrix that looks at the numbers of flight operations of landings and take-offs and the different types of aircraft. It would need to achieve a certain threshold or trigger-point before the FAA would begin funding of a new runway, but NCAC is far from those requirements. If we decide not to pursue the runway, then we could either could the land we already own ourselves or sell the land. Mr. Winn added that he had a concern about coloring several square miles of potential development property off the end of the various runways that is called a clear zone or area of concern. He also shared NCAC's concern regarding people buying houses near both airports and then complaining because of the noise. Mr. Winn further stated that if there was a deed restriction/clause that a potential property owner would need to sign regarding airplane noise, then that would cut down on the complaints that NCAC currently is receiving.

Mr. Metcalfe stated that the real problem occurs at city council meetings when one or more council people will say that it's a county airport and if the county doesn't want development

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than the county shouldn't be purchasing the land. Mr. Metcalfe continued that the concept of inverse condemnation or eminent domain comes into play and asked Mr. Heaven to give additional information on what inverse condemnation means and how it is used to acquire property. Mr. Heaven stated that governmental authority has the power of condemnation or eminent domain by taking your property through the front or back door. The front door is by filing suit to specifically take your property. The back door approach is if the government does something that effectively eliminates or limits your ability to use your property, then they have in effect taken it away from you, which is called inverse condemnation (not the normal way to condemn). Mr. Heaven continued that the land in which Mr. Metcalfe was referring to on Pflumm by the Executive airport was platted for residential, the JCAC objected to that and there was no suitable use left for that property and the government effectively took the property away. It is a real fear and problem that may happen in the future and needs to be addressed now as opposed to later. There is a real market demand for it and the JCAC is putting people at limbo by not taking a few positions on things.

Chairman Thomen asked if there was anything in the Master Plan that would need to be addressed. Mr. Metcalfe commented that the FAA has said that as long as the new runway is in the Master Plan then they expect JCAC to defend it. If JCAC does not keep the new runway in the Master Plan, then the FAA could withhold funding for projects and to the extreme that they could demand being reimbursed for projects already paid for that may have been negatively impacted by changes we make. Mr. Metcalfe commented that the last time the Master Plan was updated was in 1988 and at that time thought that airline service would have been established by now. Mr. Moore, being a pilot, added that he would hate to give up the option to develop that runway in the near future and favored keeping the runway in the Master Plan. The reliever concept works with today's technology, but as technology advances we're going to run into the same problem as the downtown airport currently has with aircraft winding up in the river. Mr. Shepard asked Mr. Metcalfe if there was any assurances or advantages by taking this runway out of the Master Plan. Mr. Metcalfe replied that there was not due to the fact that the forces that threaten Executive Airport would be at the political level and would most likely be Overland Park.

Mr. Blackford commented that there is and would continue to be a significant increase of fractional ownership and air taxi services, and if that is true, then a report could be updated to reflect a post-911 aviation environment at a minimal cost and if that would have a significant impact in this market for the airport. Mr. Metcalfe stated that was something that could be looked into. Mr. Dixon asked what was the current status of FAA funding and updating of the Master Plan. Mr. Perry replied that JCAC is currently in the 3rd year of letting it slip and now because of 911 security issues and funding the AIP funding is really being narrowed down and the earliest money for a Master Plan update would be in 2004, but not to count on it. The funding for a Master Plan at NCAC would be \$100,000 to \$120,000 and at Executive Airport would be around \$70,000. Mr. Metcalfe stated that JCAC could pay for the update but would rather not. Chairman Thomen added that her initial reaction would be not to give up any land, but did not want to curtail any future development either.

Mr. Metcalfe gave an example of property (160 acres) at Lake Stone and Prairie Highlands that is under contract and has met with the prospective buyer and his attorney as to what would be acceptable to him. What they want to do is put 3.2 or 3.4 houses per acre with no open land.

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To accommodate FAA's required clear zone, where nothing can be built, JCAC needs to own land (1/3 of the land) and leave a 1,000-foot wide clear area for critical flight path. This left them with room to build about 7 houses. JCAC suggested leaving as much open space in the middle of the development as they could, basically east/west. The problem right now is when the airplanes are doing their touch and go, depending on the size and speed of the airplane they would be descending over Lake Stone and Prairie Highland for their traffic pattern. If there would be engine trouble and the open area of land is full of houses then there leaves no options for the pilot. The majority of the complaints that are received at Executive Airport are about airplanes in the crosswind, after they've taken off and turned or in the base leg, because they are so low that at take off they're typically at high power and turning over the houses at Morse Village and Parmity V West.

Mr. Dixon stated that he would also support Mr. Moore's position on keeping the runway. Mr. Metcalfe stated that he would write a letter to the city saying that JCAC objects to development in those areas and appear at the planning commission hearings, they'll probably approve the development and then it will go to the city council and they'll approve it and in the end the houses will get built. This is what happened with Prairie Highlands as well as four or five other developments at Executive Airport in which JCAC sued one of them. Mr. Montgomery, Olathe City Councilman, commented that if it all comes down to a lawsuit in the end he would hope that JCAC would address the property's that do want to develop and if that is landing strips or greenways it would become a big fight for all everyone. He also added that if you're saying no development and no negotiations then what options are you leaving the property owners other than trying to sue the Airport Commission. Maybe JCAC would want to purchase the property for a couple of million dollars, but have not heard that addressed yet. Chairman Thomen stated that she doesn't hear a majority in favor of getting rid of the runway, but does hear support for development and it seems there is an impasse.

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

Mr. Kindle gave an update on the project, Lifetime. They did select Sedalia, Missouri as their location for the 800,000 square foot facility, but there are still other activities going forward.

VI. NEW BUSINESS

VII. BUSINESS FROM THE FLOOR

VIII. ADJOURNMENT

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

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John Dixon, Secretary

R. Lee Metcalfe, Executive Director