Vice Chairman Heaven 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. SHADWICK, SECONDED BY MR. MOORE TO APPROVE THE MINUTES OF THE OCTOBER 23, 2002 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (6-0).

II.  REPORT OF THE CHAIRMAN

A.  Vice Chairman Heaven congratulated Rex Belt on his 10 year anniversary and expressed the board’s appreciation for his dedicated service.
B.  Vice Chairman Heaven introduced the new Airport Commission board member, Russell Means, filling the 3rd District position, replacing Don Pipes.

III.  CONSENT AGENDA ITEMS

No consent agenda items.

IV.  EXECUTIVE SUMMARY

A.  Review staff reports:

Mr. Heaven asked Mr. Perry if airport operations had increased due to the weather being unusually nice. Mr. Perry replied that Executive airport has increased compared to 2001 and New Century AirCenter is down over 2001. The primary reason for the decrease at New Century is the loss of a flight school. Executive is the second busiest airport in the state.

B.  Summary of Financials:
JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING

AGENDA

One New Century Parkway
New Century, Kansas

Wednesday, January 22, 2003 - 9:00 a.m.

TAB

A  I. APPROVAL OF MINUTES of October 23, 2002 meeting.

II. REPORT OF THE CHAIRMAN

   A. Introduction of new Airport Commission board member (3rd District) – Russell Means
   B. 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 November and December expenditures as presented.

D  V. DISCUSSION ITEMS

   A. Update on Private T-Hangar development
   B. Consider renewing the Southwest Johnson County EDC Contract Agreement.
   C. Consider approving the Southwest Johnson County EDC 2003 Marketing Plan Agreement.
   D. Consider approving JCAC proposed budget cuts of 4½% for 2003.
   F. Discuss a Strategic Planning Session for JCAC.
   G. 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, February 26, 2003 - 8:30 a.m.

TAB
A  I.  APPROVAL OF MINUTES of January 22, 2003 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 January expenditures as presented.

D  V.  DISCUSSION ITEMS

A.  Consider approving an addendum to the ground lease for CFS West Holdings, Inc. (CFS).
B.  Consider approving an addendum to the ground lease for Astronomical, Inc.
C.  Strategic Planning Session for JCAC.
D.  Report of the President, Southwest Johnson County EDC.

VI.  NEW BUSINESS

VII.  BUSINESS FROM THE FLOOR

VIII.  EXECUTIVE SESSION

A.  Executive Director’s Performance Review

IX.  ADJOURNMENT
TAB
A I. APPROVAL OF MINUTES of January 22 and February 26, 2003 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 January and February expenditures as presented.

D V. DISCUSSION ITEMS
A. Consider approving an addendum to the ground lease for CFS West Holdings, Inc. (CFS).
B. Consider a request from First Kansas Bank & Trust Co. for Airport Commission participation in site development costs for Parcel 1.
C. Report of the President, Southwest Johnson County EDC.

VI. NEW BUSINESS

VII. BUSINESS FROM THE FLOOR

VIII. STRATEGIC PRIORITIES DISCUSSION

IX. ADJOURNMENT
JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING

AGENDA

One New Century Parkway
New Century, Kansas

Wednesday, April 23, 2003 – 9:00 a.m.

TAB

A  I.  APPROVAL OF MINUTES of March 26, 2003 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 March expenditures as presented.

D  V.  DISCUSSION ITEMS

A.  Discuss the JCAC Budget for 2004

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

VI.  NEW BUSINESS

VII.  BUSINESS FROM THE FLOOR

VIII.  Executive Session

A.  Pending Litigation

IX.  ADJOURNMENT
JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING
AGENDA
One New Century Parkway
New Century, Kansas

Wednesday, May 28, 2003 – 9:00 a.m.

TAB
A I. APPROVAL OF MINUTES of April 23, 2003 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 April expenditures as presented.

D V. DISCUSSION ITEMS

A. Consider approving the acquisition of certain land from Kansas Department of Transportation.
B. Update on discussions with private rail operator.
C. Report of the President, Southwest Johnson County EDC.

VI. NEW BUSINESS

VII. BUSINESS FROM THE FLOOR

VIII. Executive Session

A. Pending Litigation

IX. ADJOURNMENT
TAB
A  I. APPROVAL OF MINUTES of May 28, 2003 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 May and June expenditures as presented.

D  V. DISCUSSION ITEMS

A. Report on change-over of Post Office operation.


C. Report on discussions with Progressive Rail regarding switching at New Century.

D. Discuss Daniel Blackford’s request to relocate his proposed T-hangar development at New Century.

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

VI. NEW BUSINESS

VII. BUSINESS FROM THE FLOOR

VIII. Executive Session

A. Pending Litigation

IX. ADJOURNMENT
TAB

A  I.  APPROVAL OF MINUTES of July 23, 2003 meeting.

II.  REPORT OF THE CHAIRMAN

A.  Introduction of Airport Commission board member (5th District) – John Wittenborn
B.  Richard Dell – 5 year anniversary
C.  Melvin Filkins – 30 year anniversary
D.  Discuss election of officers

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 July expenditures as presented.

D  V.  DISCUSSION ITEMS

A.  Discuss T-hangar development.
B.  Strategic discussion of privatization.
C.  Report of the President, Southwest Johnson County EDC.

VI.  NEW BUSINESS

VII.  BUSINESS FROM THE FLOOR

VIII.  EXECUTIVE SESSION

IX.  ADJOURNMENT
TAB

A  I. **APPROVAL OF MINUTES** of August 27, 2003 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. Report on Town Hall meeting-September 17 (Executive Airport).

   B. Discuss desirability of issuing an RFP for a truck/rail transload facility.

   C. Discuss process for reviewing development proposals in vicinity of airports.

   D. Continued discussion on privatization.

   E. Discuss financial aspects of developing T-hangars.

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

VI. **NEW BUSINESS**

VII. **BUSINESS FROM THE FLOOR**

VIII. **EXECUTIVE SESSION**

IX. **ADJOURNMENT**
TAB

A

I. APPROVAL OF MINUTES of September 24, 2003 meeting.

II. REPORT OF THE CHAIRMAN

A. Award/Plaque presentation - Phyllis Thomen, August 1989 thru July 2003

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

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 September expenditures as presented.

D

V. DISCUSSION ITEMS

A. Continued discussion on financial aspects of developing T-hangars.

B. Continued discussion on privatization.

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

VI. NEW BUSINESS

VII. BUSINESS FROM THE FLOOR

VIII. EXECUTIVE SESSION

IX. ADJOURNMENT
JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING

AGENDA

One New Century Parkway
New Century, Kansas

Wednesday, December 3, 2003 – 9:00 a.m.

TAB

A  I. APPROVAL OF MINUTES of October 22, 2003 meeting.

II. REPORT OF THE CHAIRMAN

B III. CONSENT AGENDA ITEMS

- No Consent Agenda Items

C IV. EXECUTIVE SUMMARY

- Review staff reports.
- Summary of Financials.
- Consider ratifying the November expenditures as presented.

D V. DISCUSSION ITEMS

- Consider rescinding the Airport Commission’s Approval of a lease with Heartland Aviation Services, LLC (Daniel Blackford) for the development of private T-hangars at New Century AirCenter.
- Continue discussion on the construction of new T-hangars.
- Discuss T-hangar rental rate adjustment for 2004.
- Review initial proposal by Prairie Highlands Golf Course for the construction of a pipe line to divert wastewater effluent from the south end of New Century to the north end.
- Discuss water rate adjustment for 2004.
- Consider renewing the Southwest Johnson County EDC Contract Agreement.
- Consider approving the Southwest Johnson County EDC 2004 Marketing Plan Agreement.
- Report of the President, Southwest Johnson County EDC.

VI. NEW BUSINESS

VII. BUSINESS FROM THE FLOOR

VIII. EXECUTIVE SESSION

IX. ADJOURNMENT
(Revised December 1, 2003)

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING

AGENDA

One New Century Parkway
New Century, Kansas

Wednesday, December 3, 2003 – 9:00 a.m.

TAB A

I. APPROVAL OF MINUTES of October 22, 2003 meeting.

II. 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 November expenditures as presented.

D

V. DISCUSSION ITEMS

A. Consider rescinding the Airport Commission’s Approval of a lease with Heartland Aviation Services, LLC (Daniel Blackford) for the development of private T-hangars at New Century AirCenter.
B. Continue discussion on the construction of new T-hangars.
C. Discuss T-hangar rental rate adjustment for 2004.
D. Review initial proposal by Prairie Highlands Golf Course for the construction of a pipe line to divert wastewater effluent from the south end of New Century to the north end.
E. Discuss water rate adjustment for 2004.
F. Consider renewing the Southwest Johnson County EDC Contract Agreement.
G. Consider approving the Southwest Johnson County EDC 2004 Marketing Plan Agreement.
H. Report of the President, Southwest Johnson County EDC.

VI. NEW BUSINESS

VII. BUSINESS FROM THE FLOOR

VIII. EXECUTIVE SESSION

IX. ADJOURNMENT
I. APPROVAL OF MINUTES

MOVED BY MR. MEANS, SECONDED BY MR. SHEPARD TO APPROVE THE MINUTES OF THE OCTOBER 22, 2003 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (6-0).

II. REPORT OF THE CHAIRMAN

No report of the Chairman.

III. CONSENT AGENDA ITEMS

No consent agenda items.

IV. EXECUTIVE SUMMARY

A. Review staff reports:

Mr. Metcalfe stated that prospect activity has been at its highest level in several years, with several businesses talking about expansions and several new activities. Mr. Moore asked if there was a dollar amount JCAC had in mind to bring the railroad into compliance with the Federal Railroad Association and if the federal grant of $200,000 could be used for other activities at the airport. Mr. Metcalfe replied that the estimated cost to bring the railroad into compliance would be around $50,000. He said that the grant monies could only be used for improvements to the track, but that could offset budgeted track expense that could be used to pay for the FRA compliance issues.

B. Summary of Financials:
Chairman Dixon asked where the $182,000 in payment to Burns & McDonnell brings us to the total construction costs of the Conestoga and Highland project. Mr. Hadel stated that Conestoga Street is 98% complete and Highland Street is 90% complete.

C. Consider ratifying the November expenditures as presented:

MOVED BY MR. WEISENBURGER, SECONDED BY MR. MOORE TO RATIFY THE NOVEMBER EXPENDITURES AS PRESENTED. APPROVED (6-0).

V. DISCUSSION ITEMS

A. Consider rescinding the Airport Commissions Approval of a lease with Heartland Aviation Services, LLC (Daniel Blackford) for development of private T-hangars at New Century AirCenter.

Mr. Metcalfe briefed the board as to the history of the development of private T-hangars at New Century AirCenter. Mr. Blackford, after preliminary engineering work was complete, realized that it would not be cost-effective to develop hangars at the site that JCAC had originally approved leasing to him. Ms. Dunham, county legal advisor, recommended rescinding the approval because the lease was never signed and executed.

MOVED BY MR. SHEPARD, SECONDED BY MR. MEANS TO APPROVE RESCINDING THE LEASE WITH HEARTLAND AVIATION SERVICES, LLC (DANIEL BLACKFORD). APPROVED (6-0).

B. Continue discussion on the construction of new T-hangars.

Mr. Metcalfe stated that there are a few construction aspects that remain to be resolved regarding construction of new T-hangars with Burns & McDonnell. He further stated that he had received several requests for adding heat and water in the development of new T-hangars. The biggest issues with including them is that the heat would need to be on full-time in the winter to assure that the water and sewer pipes would not freeze. Consensus was that we should not include water in the design. Mr. Weisenburger gave an update to the board on recent discussions with Burns & McDonnell regarding the engineering costs of development of new T-hangars. Mr. Hadel presented the board a revised engineering cost options for all three sites (two at Executive Airport and one at New Century AirCenter). For a cost-saving measure, it was agreed that full-time construction services would not be a requirement except for those elements of paving outside of the T-hangars for FAA (Federal Aviation Administration) criteria. Mr. Dixon suggested there might be a savings to split the work and bid the design-build option separately and that building the pad for the T-hangars would be the responsibility of the design engineer and the constructor. Ms. Dunham commented that there may be purchasing and bid regulations as well as legalities and she would follow up with and present at the next meeting in January. Mr. Metcalfe stated that the county manager and budget director asked that the plan to issue revenue bonds to finance the hangars be presented to the BoCC to make sure that this is something that they are willing to approve. Mr. Wittenborn asked if this needed to be a one-contract package or if it could be split up organizationally into two design engineering contracts and then go to a construction phase. Mr. Metcalfe commented that the practice has
been to have one engineer to design the project and develop the bid specifications (which is a significant piece of the package). Mr. Dixon asked if there is anything in the county’s purchasing regulations that states that a performance specification could not be used to bid. Mr. Metcalfe stated that specifications cannot be exclusive, but other than that, there are no regulations that would prevent that. Mr. Hadel consented to preparing the best specifications in a split package that will include engineering costs with and without the T-hangar development (site work only) to be presented at the next regularly scheduled meeting in January.

C. Discuss T-hangar rental rate adjustment for 2004.

Mr. Metcalfe began the discussion with an update on the frequency of T-hangar rental rate adjustments of every two years. Mr. Perry presented a matrix of T-hangar rental rates of the surrounding airports in which JCAC was well under the comparable airport hangar rents. Mr. Wittenborn asked if the rates were based upon a percentage increase. Mr. Metcalfe replied that a 3% per year increase is what has historically been implemented. Mr. Wittenborn asked if operating costs would be covered by the additional increase to rent rates. Mr. Metcalfe stated that staff would prepare an ROI (Return On Investment) over a forty-year period to be presented at the next meeting. After further discussion, there was a motion in favor of increasing the T-hangar rental rates to 6%.

MOVED BY MR. WEISENBURGER, SECONDED BY MR. WITTENBORN TO INCREASE THE T-HANGAR RATES BY 6% TO BEGIN ON APRIL 1, 2004. APPROVED (5-1).

D. Review initial proposal by Prairie Highlands Golf course for the construction of a pipeline to divert wastewater effluent from the south end of New Century to the north end.

Mr. Metcalfe stated that Prairie Highlands had approached him with a proposal to construct a pipe line to divert wastewater effluent under runway 4/22, up to the end of the pavement of 17/35 and across to the drainage basin Prairie Highlands is located in. Mr. Dixon asked what the total effluent of the plant would be. Mr. Metcalfe replied that the total effluent would be 700,000 per day, on average. Mr. Hadel added that he has not had any discussions with Prairie Highland’s engineer as to the design elements or what size pumps and lines it will take. Mr. Perry commented that the FAA would not make any statements until they see a plan of what is going to be done. But, they do expect the Airport Commission to get fair market value for the easements and that the easements must be structured so that they can take them back at anytime should we expand the airport. In addition, the construction must not impede any air traffic. Mr. Hadel recommend there should be sleeving under the runways and taxiways and there should be physical locates of all the power and control cables for the runway/taxiway lighting system. Mr. Dixon asked what the benefit would be to JCAC to consider this proposal. Mr. Metcalfe replied that a potential benefit would be, if the lake gets built, that JCAC would have lakefront property to develop. Prairie Highlands has also stated that they may add three to six golf holes around the lake. Other than that, there is no tangible benefit to JCAC. Mr. Wittenborn asked if Prairie Highland has other options for water other than JCAC. Mr. Metcalfe stated that they do, but not at the lower cost that JCAC provides. Mr. Metcalfe added that some of the requirements of JCAC would have is for Prairie Highlands pay for the easement, locating utilities, high voltage power lines, taxiway and runway lights, phone cables, storm sewers, edge drains, etc. Prairie Highlands would be required to physically locate all of those things prior to
MOVING BY MR. SHEPARD, SECONDED BY MR. WITTENBORN TO CREATE A SET OF CONDITIONS FOR PRAIRIE HIGHLANDS TO PREPARE ENGINEERING PLANS FOR THE JOHNSON COUNTY AIRPORT COMMISSION’S REVIEW AND CONSIDERATION OF THE PROPOSAL FOR CONSTRUCTION OF A PIPE LINE TO DIVERT WASTEWATER EFFLUENT. APPROVED (6-0).

E. **Discuss water rate adjustment for 2004.**

Mr. Metcalfe briefed the board as to past water rate increases. Typically, it costs (mainly because of debt service) about $5.00 per 1,000 gallons to furnish water through our system. Currently, we are receiving $3.07 per 1,000 gallons and that is a loss of about $2.00 per 1,000 gallons. Primarily that is due to a debt that was incurred from overhauling the entire system four to five years ago. Mr. Dixon asked why anyone that we are selling water to should receive water cheaper than what they could purchase it from the Cities of Olathe or Gardner. Mr. Metcalfe gave an example of one of the businesses, CFS West, that utilizes huge quantities of water. Mr. Dixon stated that JCAC should be competitive as a utility. Mr. Metcalfe added that in order to break even JCAC would need to charge $5.00 per 1,000 gallons. Mr. Moore commented that he would be in favor of a rate increase and asked what Mr. Metcalfe thought would be necessary. Mr. Metcalfe replied that the important aspect is to look at what other comparable communities were charging. Mr. Dixon asked if the water rate was a consideration in bringing new development to the business park. Mr. Kindle replied that if the business prospect were a large water user, such as a food manufacturer, then there might be a possibility of elimination between surrounding communities if the water rate were not comparable. Mr. Wittenborn asked what the operating cost is separate from debt service. Mr. Metcalfe replied that last time he calculated it several years ago it was about fifty cents per 1,000. Mr. Perry commented that this year, 2003, there would be $170,000 in personnel costs. He further stated that it would cost $360,000-$380,000 just to buy water and the debt service would be $390,000 a year. It’s around $900,000 total to run the water system and JCAC will take in about $500,000. Mr. Metcalfe stated that staff would pull together a business plan investment analysis to present at the next meeting that would include all non-debt service cost, depreciation and replacement costs.

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

MOVED BY MR. SHEPARD, SECONDED BY MR. MEANS TO RENEW THE SOUTHWEST JOHNSON COUNTY EDC 2004 CONTRACT AGREEMENT. APPROVED (6-0).

G. **Consider approving the Southwest Johnson County EDC 2004 Marketing Plan Agreement.**

MOVED BY MR. WEISENBURGER, SECONDED BY MR. WITTENBORN TO RENEW THE SOUTHWEST JOHNSON COUNTY EDC 2004 MARKETING PLAN AGREEMENT. APPROVED (6-0).
H. Report of the President, Southwest Johnson County EDC.

Mr. Kindle gave the board an update regarding recent activity towards New Century AirCenter and other proposals that he is working on.

VI. NEW BUSINESS

VII. BUSINESS FROM THE FLOOR

Joel Riggs of the Peridian Group, representing Triple J Construction, presented to the board a proposal for establishing a benefit district. The benefit district would include a turn lane, a median break, hard-surface street (that doesn’t cross the railroad tracks) and allow for future development west of New Century Parkway. It would also allow traffic movements to move away from the predominant movements into the light industrial area and onto New Century Parkway. The benefit district would include front footage, road and curb cuts at a cost to New Century AirCenter annually of about $23,500 (18.5%) over a 10-year period. Mr. Riggs further stated that Peridian Group would provide a plan to the board for review. Ms. Dunham stated that if the proposal received approval by the City of Gardner and the Airport Commission, it would still need BoCC approval because it is county-owned land. Mr. Dixon replied that the Airport Commission Board is not opposed to the proposal and would like to see further plans.

VIII. ADJOURNMENT

There, being no further business, the meeting was adjourned at 11:32 a.m.

MOVED BY MR. SHEPARD, SECONDED BY MR. WEISENBURGER TO ADJOURN. APPROVED (6-0).

__________________________________________  _______________________________________
Jay Shadwick, Secretary                  R. Lee Metcalfe, Executive Director
Mr. Perry stated that the financial report is a preliminary for the end of the year, 2002. Mr. Perry explained that the county is in the process of moving to a new financial system called “ASPIRE.” Rather than running the new and old systems parallel they have chosen to do a clean cut, which has resulted in a few glitches. Typically, the county doesn’t close its books until the end of January. They have what is called a 13th month that is a wrap-up for all outstanding issues and closeout in January. JCAC has a detailed bookkeeping system of our own and we have a fairly firm grip on our financial information with a plus or minus 5% at worst. Mr. Shadwick asked if the self-generated revenue predictions of 122% on the Year-to-Date 2002 report was an element of being conservative with the way we’ve budgeted for revenues or if we’re really over the top and are moving towards self-sufficiency sooner. Mr. Perry stated that revenues are forecasted conservatively on purpose in case economic times turn bad. The biggest piece is a one-time catch up on back rent that was paid this year in the amount of $70,000. Mr. Metcalfe added that as we are projecting revenues during the budgeting process any new real estate deals that may occur later in the year won’t be reflected in the budgeted revenues. In the past, when revenues dramatically exceeded our projections we’ve done a budget adjustment to increase both the projected revenues and expenditure authorization. We are limited by the expenditure authorization regardless of how much money is in the fund. When we have a good year, and we’ve always exceeded our revenue projections in the past fourteen years, then the budget is amended. Mr. Moore asked Mr. Metcalfe if there is still a significant rail car parking situation. Mr. Dixon asked if there is the need for more rail car parking space. Mr. Metcalfe replied that a grant and low interest loan from the state will add 50-60 additional rail car storage spaces this summer and that should be adequate for the foreseeable future. Mr. Metcalfe updated new airport commission members on last year’s new storage fee for storing rail cars at New Century AirCenter. Mr. Means asked Mr. Metcalfe when fiscal 2004 begins for JCAC. Mr. Metcalfe replied that JCAC is on a calendar year.

C. Consider ratifying the November and December expenditures as presented:

Mr. Dixon asked Mr. Perry what Bucher, Willis & Ratliff’s charge in the amount of $485.00 for professional services at Executive Airport was for. Mr. Perry replied that it was a closeout on the contract for them to do the drain engineering and design at Executive.

MOVED BY MR. DIXON, SECONDED BY MR. MOORE TO RATIFY THE NOVEMBER AND DECEMBER EXPENDITURES AS PRESENTED. APPROVED (6-0).

V. DISCUSSION ITEMS

A. Update on Private T-Hangar development.

Mr. Metcalfe updated the airport board on the lease agreement for Daniel Blackford’s company to build private T-Hangars at the airports. Staff recommends to the airport board approving a lease with Mr. Blackford and his company for development of T-Hangars at New Century AirCenter. Mr. Blackford is not ready to proceed at Executive airport at this time. The City of Olathe is dictating requirements that may make hangars at Executive virtually undoable; at least as we had originally conceived them. Mr. Shadwick asked for an explanation of what is meant as undoable. Mr. Blackford explained the City of Olathe is requiring a brick or other masonry exterior on the street side of the hangars and is saying that fire sprinkler systems will be
required in the hangars. That would be around a $150,000 in unplanned costs. In addition, Mr. Metcalfe added, the City of Olathe is requesting that JCAC dedicate 70 feet of right-of-way from the center line of Pflumm Rd. KCPL is requesting a 20-foot easement as well. In doing so, this would take away one and possibly two rows of hangars. Mr. Heaven commented that providing adequate T-Hangar storage space for the people we serve has been an ongoing issue. There has been a counterpoint from the standpoint that we are government and there have been those who have said T-Hangars are not an essential service and should not be investing taxpayer funds. Mr. Heaven further stated that he was in favor of the proposal and thanked Mr. Winn for his continued enthusiasm and support. Mr. Olsen asked if this agreement included the management of existing T-Hangars. Mr. Perry stated that it did not and the existing T-Hangars would remain under the county control. Mr. Bodem, T-Hangar tenant at OJC, asked if the new hangars would come under the current waiting list process that allocates hangars across the New Century AirCenter and Executive airports. Mr. Metcalfe replied that they would not come under the airport’s waiting list. Mr. Blackford commented that there is a State of Kansas regulation that prohibits a government entity from turning over a list of names and addresses to a developer for marketing purposes. Mr. Blackford will establish his own waiting list which will be first come, first serve, and the two waiting lists would not interact. Mr. Shadwick asked if the Airport Commission had a say over who the occupants of the T-Hangars would be. Ms. Dunham replied that the JCAC will continue to oversee the compliance of T-Hangar leases to be used solely for the purpose of airplane storage and would continue to regulate any unsafe conditions. Mr. Moore stated that his concerns regarding T-Hangar leases would be the squatting and subleasing of them. Mr. Shepard asked if the privatization of T-Hangars would eventually make the county hangars obsolete. Mr. Metcalfe responded that he did not believe so; that the county hangars and the private hangars are going to be two different products at different price points.

MOVED BY MR. SHADWICK, SECONDED BY MR. SHEPARD TO APPROVE PRIVATIZATION OF T-HANGAR DEVELOPMENT LEASE WITH THE DANIEL BLACKFORD COMPANY, SUBJECT TO FINAL REVIEW AND APPROVAL BY AIRPORT AND LEGAL STAFF, TO INCLUDE CIRCULATION OF THE LEASE WHEN IT’S IN SATISFACTORY FORM. (6-0)

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

Mr. Metcalfe gave background information on the need that resulted in forming the Southwest Johnson County Economic Development Corporation eight years ago. Mr. Dixon added that he had observed Mr. Kindle in three different marketing environments and was quite impressed on how he conducts himself. Mr. Dixon recommended approving both the Southwest Johnson County EDC Contract and 2003 Marketing Plan Agreements. Mr. Shadwick asked Mr. Metcalfe how the contract amount for New Century AirCenter was determined. Mr. Metcalfe replied that when the organization was originally formed a budget was developed with the primary objective to hire a qualified development person. The original budget was $60,000 with $40,000 of that going to the director in salary. NCAC’s share started out as 50% and ended up being less over the years as more private members joined. Each year there is a “cost of living” adjustment to what we pay in our membership and the determination of what the biggest contributors will pay for the year before the budget is finalized. The contribution of memberships would increase by 4% annually. The airport commission represents 25-30% of
the overall EDC budget.

MOVED BY MR. DIXON, SECONDED BY MR. SHEPARD TO APPROVE THE RENEWAL OF THE SOUTHWEST JOHNSON COUNTY EDC CONTRACT AGREEMENT AS PRESENTED. APPROVED (6-0).

C. Consider approving the Southwest Johnson county EDC 2003 Marketing Plan Agreement.

MOVED BY MR. DIXON, SECONDED BY MR. SHEPARD TO APPROVE THE SOUTHWEST JOHNSON COUNTY EDC 2003 MARKETING PLAN AGREEMENT AS PRESENTED. (6-0)

D. Consider approving the JCAC proposed budget cuts of 4½% for 2003.

Mr. Perry updated the airport board on the funding issues of the county and stated they have asked us, as one of the agencies that receive some funding from the county, to take a look at our budget and reduce our expenditure budget by 4½%, or about $172,000. Mr. Perry added, as a reminder, that last year the county had agreed to the airport commission’s self-sufficiency plan. The county agreed to provide $600,000 in tax support for 2003, $400,000 in 2004, and $200,000 in 2005 with the idea to become completely sufficient in 2006. Mr. Perry continued that there are three summer-hire positions that are not being filled and in addition, he is filling the Director of Administration position (Debra Howell is working with the new financial system, ASPIRE). Debbie’s position will be eliminated when she is transferred full-time to the ASPIRE team. $92,000 would come from capital project transfers (originally budgeted for $450,000 this year) and other cost reductions. Mr. Metcalfe stated that giving up the positions that Mr. Perry had mentioned earlier would result in about half of what is needed. The airport’s fund balance should end up having about a $700,000 increase as a result of a very successful year in 2002 and not having used capital funds we thought we would spend in 2002. Total fund balance should be in the neighborhood of $1.2 million. The land in the upcoming sale has been appraised at $2.8 million, and that was prior to our rezoning the land from industrial to commercial. The airport commission is in very good financial shape and next month when we talk about strategic planning and budget we will be recommending accelerating the financial independence plan. Mr. Shadwick asked if JCAC would be insulated in the future when self-sufficiency is attained. Mr. Perry stated that because we accept FAA grant money for aviation approval programs, there is a series of 39 stipulations that go along with that, one of which requires that all revenue generated at the airports, including the business park, stay within the airport fund. Money cannot be transferred to help any other department within the county; it is against federal law. Mr. Metcalfe added to those comments that when general fund money is no longer available then there will not be the need for the same level of administrative bureaucracy. Mr. Moore praised the staff on its plan to become self-sufficient two years earlier than originally planned.

MOVED BY MR. MOORE, SECONDED BY MR. MEANS TO APPROVE THE JCAC PROPOSED BUDGET CUTS OF 4½ PERCENT FOR 2003. (5-0-1) MR. DIXON ABSTAINED FROM VOTING.

E. Discuss the JCAC Budget for 2004.
Mr. Metcalfe began discussions surrounding the upcoming county budget cuts for 2003/2004. Mr. Metcalfe commented that the budget cuts to reduce dependency on tax support would be a challenge. However, with accelerating the self-sufficiency plan, county funds will no longer be needed after 2003.

F. Discuss a Strategic Planning Session for JCAC.

Mr. Metcalfe stated that the last Strategic Planning Retreat was held on February 19, 2000. Mr. Dixon asked if it was necessary to have a facilitator for the retreat. Mr. Metcalfe thought we could get along without one. Mr. Heaven asked if a county commissioner would be present. Mr. Metcalfe replied that it would be around two months before a BoCC liaison would be assigned to the airport. Mr. Metcalfe suggested having the next retreat following the regularly scheduled Airport Commission meeting on Wednesday, February 26, beginning at 8:30 a.m. (lunch will be provided, if necessary).

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

Mr. Kindle had nothing to add to his written report.

VI. NEW BUSINESS

VII. BUSINESS FROM THE FLOOR

VIII. ADJOURNMENT

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

__________________________  ______________________________
John Dixon, Secretary        R. Lee Metcalfe, Executive Director
Chairman Thomen called the meeting to order at 8:45 a.m.

The regularly scheduled meeting was not conducted due to non-availability of a quorum. The Strategic Planning session will be held at the next regularly scheduled board meeting on March 26.

Airport Commission board member, Mr. Moore, joined the Airport Commission meeting by phone to consider approving a ground lease addendum for Astronomical, Inc. Mr. Metcalfe gave a brief update of the Roberts & Dybdahl (lumber company) project that is under construction. Roberts & Dybdahl’s lease has run out on their current month-to-month location and they are anxious to begin operating in their new facility. The railroad spur that services their site ties in to our rail system. After Roberts & Dybdahl had planned their spur, before we had finished our planning on the rail rehabilitation work, we recognized that a change needed to be made on the way the spur ties into the NCAC system. Because of the process that we have to go through, bidding construction, etc., we are unable to complete our portion of the track in time for Roberts & Dybdahl to begin operating. We have suggested that Roberts & Dybdahl build the portion of our track that is necessary to get them hooked up to the system, as we have done in other situations, and NCAC would reimburse them. Mr. Metcalfe stated that this has been done before with several of the other tenants and gave an example of the most recent with Garmin. Garmin extended the water and sewer utilities and the taxiway to their own site on our behalf and we are reimbursing them. Steel Pipe & Supply, Gonzales, and Trammel-Crow (Sprint North Supply Warehouse) are a few of the other tenant’s that we have also done this with. We would have a lease addendum that would memorialize that agreement and describe a payback process. A draft of the addendum for Roberts & Dybdahl had previously been sent out with the Airport Commission packet, but since then there has been one revision. Roberts & Dybdahl has suggested that if payment is made over time instead of a lump sum, then a revision be included to repay with interest (7%). It’s very unlikely that we would use that prevision, but Roberts & Dybdahl has asked that it be included in the addendum. Mr. Moore asked if this was a standard situation based upon previous history. Ms. Dunham stated that it typically isn’t standard in that caution should be looked at for several different aspects of a legal situation. However, this information does need to be included on the lease and in writing of what will be reimbursed and what will not. She continued that this is included in the form initially of rent credits to make sure that we are fully compliant with all county policies and state laws regarding purchasing and payments for these kind of services. She stated that this has been done on several other cases in the past.

MOVED BY MR. SHADWICK, SECONDED BY MR. MEANS TO APPROVE THE LEASE ADDENDUM FOR ASTRONOMICAL, INC. APPROVED (4-0).
VI. **ADJOURNMENT**

The meeting was adjourned at 8:50 a.m.

____________________  ________________________
John Dixon, Secretary   R. Lee Metcalfe, Executive Director
I. APPROVAL OF MINUTES

MOVED BY MR. HEAVEN, SECONDED BY MR. DIXON TO APPROVE THE MINUTES OF THE JANUARY 26, 2003 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (7-0).

MOVED BY MR. MEANS, SECONDED BY MR. DIXON TO APPROVE THE MINUTES OF THE FEBRUARY 26, 2003 MEETING AS PRINTED AND DISTRIBUTED. APPROVED 7-0).

II. REPORT OF THE CHAIRMAN

No report of the chairman.

III. CONSENT AGENDA ITEMS

No consent agenda items.

IV. EXECUTIVE SUMMARY

A. Review staff reports:

Ms. Thomen asked if there is a cost to man the FAA tower. Mr. Perry stated that manning the tower is a monthly cost of about $7,800, which is 35% of the total cost. Mr. Shadwick asked Mr. Metcalfe how the recent land sale went at New Century AirCenter. Mr. Metcalfe replied that he was slightly disappointed and thought the sale would’ve done better than it did. Parcel 5 exceeded the appraised value by 25%, but the other parcels went for minimum bid, which was 80% of appraised value for Parcels 1 through 4, and 100% of appraised value for Parcel 1a.
Mr. Metcalfe added to the Facility Manager’s report that the cities of Gardner and Olathe, who are our wholesale water suppliers, have notified New Century AirCenter there may be some restrictions on water supply towards the end of the year if precipitation levels do not increase.

B. **Summary of Financials:**

Mr. Metcalfe stated that the county’s new financial system is not yet providing the financial reports that we are used to having, at this time.

C. **Consider ratifying the January and February expenditures as presented:**

**MOVED BY MR. DIXON, SECONDED BY MR. HEAVEN TO RATIFY THE JANUARY AND FEBRUARY EXPENDITURES AS PRESENTED. APPROVED (7-0).**

V. **DISCUSSION ITEMS**

A. **Consider approving an addendum to the ground lease for CFS West Holdings, Inc.**

Mr. Metcalfe commented that CFS West Holdings, Inc. has been required to add additional storm water management to their site because they have had a problem with some of their product getting into the surface drainage. CFS is having to put an oil separator where the stormwater leaves their property and have asked to lease a small piece of land adjacent to their existing site. This lease is an addendum to their existing lease to add the adjacent land with the terms and conditions reflecting the existing lease.

**MOVED BY MR. DIXON, SECONDED BY MR. SHADWICK TO APPROVE AN ADDENDUM TO THE GROUND LEASE FOR CFS WEST HOLDINGS, INC. APPROVED (7-0)**

B. **Consider a request from First Kansas Bank & Trust Co. for Airport Commission participation in site development costs for Parcel 1.**

Mr. Metcalfe stated that he did not have anything to add to the briefing sheet and that he and Ms. Dunham would answer any questions that the board may have regarding the request of the First Kansas Bank & Trust Company. Mr. Metcalfe commented that when he was first approached by the bank for help with the cost of utilities it made sense at the time and that he indicated to the bank he would try to figure out a way for them to be compensated. After speaking with Cindy Dunham and seeing the results of the land sale, Mr. Metcalfe felt that the bank probably had already received most, if not all, of the value of the improvements by virtue of their acquiring the land at half the value. He also believed that the way they are developing their site may have had a negative impact on the value of Parcel 1. There were several parties who were very interested in Parcel 1 until they studied how they might be able to develop Parcel 1 in relation to how the bank is developing their lot. Mr. Nelson, legal counsel for the bank, presented the board information on previous discussions regarding the land, utilities and street work that had been completed. Mr. Nelson continued that the bank believes they have a right for reimbursement and an easement between Parcel 1 and 1A. He further continued that the property did go for the appraised value with the bank paying 10% deposit on the day of the sale. The bank would not have gone ahead with construction without the understanding of the
previous discussion and restated that the bank believes they are entitled to reimbursement. Mr. Shadwick asked Mr. Nelson if there was a ground lease with JCAC that included discussions of a possibility of reimbursement. Mr. Ford stated that the discussion of reimbursement was after the ground lease. Ms. Dunham commented that she and Mr. Nelson did have extended discussions regarding this. There wasn’t an option to amend the ground lease due to the pending sale. There was an option to pull the property from the sale, but it was in no one’s best interest to do so. Ms. Dunham further stated that the bank filing an affidavit against the title on the land may possibly have negatively affected the sale of both Parcels 1 and 1a. Mr. Shadwick asked what the board’s position on the factual question of whether representations were made on the possibility of reimbursements. Ms. Dunham replied that anything that might have been said would ultimately be subject to approval by the Johnson County Airport Commission and Board of County Commissioners. Mr. Metcalfe added that Jim Dean had approached him regarding the expenses required by the City of Gardner and Mr. Metcalfe was under the impression that the requirements from the city were not anything that they normally would not have done to develop their site. Mr. Metcalfe further stated that he could not recall the exact words used during the discussion, but thought he would’ve stated that it was subject to the approval of the Airport Commission board and legal review. Mr. Shadwick asked if it was a normal procedure for the county to pay for the extension of utilities to benefit this site or that the property was leased and therefore the party leasing the property would be responsible for all of that. Mr. Metcalfe replied that it would not have been unusual for the Airport Commission to participate in the costs of extending infrastructure and gave the example of Roberts & Dybdahl. They are installing some railroad track on JCAC property of that was scheduled to be done as part of our rail project. In order to accommodate Robert & Dybdahl’s schedule, they are working on the railroad track and we will reimburse them in rent credits. Garmin, another example, extended water and sewer mains and the taxiway to their site and we are paying them back. In this particular case we knew at the time the commission approved the lease to the bank that we would be selling the ground and Mr. Metcalfe had made the recommendation not to do the lease because he felt it would complicate the land sale and development prospects. The Airport Board chose to proceed with the lease. At that time the bank was anxious to lease the ground and begin construction; it was a straightforward ground lease. Mr. Metcalfe further stated that he suggested to the bank to either wait and bid on the land or find a developer that would develop the entire lot. The bank’s logic was that everything that would be done would improve the value of the remaining parcel. And, at the time, that was Mr. Metcalfe’s basis for indicating that JCAC would participate. Mr. Shadwick asked Mr. Christensen if First Kansas Bank & Trust would not have been interested in leasing the ground had they not thought a reimbursement was not forthcoming. Mr. Christensen replied that if the expense became large enough that they would not have gone forward with the ground lease. Ms. Dunham commented that the land sale goes before the Board of County Commissioners on Thursday, April 10th for approval, and further stated to the Airport Board that she did not believe there is a legal obligation. However, if the board would like to offer some reimbursement then there could be a legal mechanism for doing so. Ms. Dunham added that JCAC would also have a responsive claim against the bank, if deemed necessary. Mr. Heaven requested that the board should go into executive session for 20 minutes to discuss further with legal counsel. At 9:25 a.m. the Airport Commission Board with legal representation went into executive session.

MOVED BY MR. DIXON, SECONDED BY MR. SHEPARD TO GO INTO EXECUTIVE SESSION TO DISCUSS WITH LEGAL COUNSEL THE REQUEST FROM FIRST KANSAS
BANK & TRUST COMPANY. APPROVED (7-0).

At 9:45 a.m. the Airport Commission Board returned from executive session with the following recommendation to table the request for further discussions.

MOVED BY MR. MOORE, SECONDED BY MR. DIXON TO TABLE THE REQUEST FROM FIRST KANSAS BANK & TRUST COMPANY FOR FURTHER DISCUSSIONS. APPROVED (7-0).

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

Mr. Kindle had a prior EDC Board meeting and was unable to attend.

VI. NEW BUSINESS

VII. BUSINESS FROM THE FLOOR

Mr. Nuffer, T-hangar tenant, requested that the loose gravel be removed at Executive Airport. The loose gravel results in a high expensive on damage to props. In addition, Mr. Nuffer requested that the Airport Commission meetings to be held at a more opportune time that the majority of T-hangar renters would be able to attend and suggested a possibility may be in the evening around 7:00 p.m. for a start time. Ms. Thomen thanked Mr. Nuffer for his comments and suggestions.

VIII. STRATEGIC PRIORITIES DISCUSSION

Mr. Metcalfe discussed the Johnson County Airport Commission Master Plans for New Century AirCenter and Executive Airport. The Airport Commissioners have contemplated from time to time whether there needed to be two airports within Johnson County. The board has always stated that Executive Airport will be consistently operated and maintained but no further expansions will be made. He further added that the business park is a short-term focal point because there is so much opportunity there and we have committed quite a bit of capital to improving the business park and increasing its ability to accommodate development. The business park is our primary source of revenue. Executive Airport breaks even even on an operating basis, if you don’t add capital. New Century AirCenter only has two-thirds of the number of flight operations, but three times the infrastructure and does not pay its own way. We also play an economic development role in the community. It is important to note that the airports make a significant contribution to the County’s economy. Mr. Dixon asked Mr. Metcalfe if JCAC was in a position to accelerate financial independence from the county after the land sale in March and when did he foresee that happening. Mr. Metcalfe replied that indeed we are in a position to accelerate the financial self-sufficiency plan, and he presented financial estimates to the board. He estimated that after the closings of the land sales there would be $3.5M in the savings account. He suggested setting aside $1M in reserve and a policy should be setup regarding the spending of those funds. The majority of our revenue sources are pretty much recession-proof. Based on our self-sufficiency plan, the county budget folks are factoring in a commitment of $600K in 2003, $400K in 2004 and $200K in 2005, with the understanding that we would receive no county tax support after 2005. JCAC will end up giving $170K back this year and will get $430K in tax support instead of $600K. The county has asked if we could reduce the amount of support in 2003 by whatever JCAC feels comfortable with. Mr.
Metcalfe pointed out that the current proposed budget for 2003 shows a projected carryover of $123K, and he asked if the board felt comfortable with giving back to the county the $123K. Fund balance could also be used up to the full $400K and it would not be burdensome for the JCAC. Mr. Dixon asked what level of independence could be expected from the county. Mr. Metcalfe replied that the county already treats the JCAC as if we already were independent to a certain extent. However, as long as we are receiving monies from the county, we are expected to participate in their administrative systems. Mr. Metcalfe restated that if all of the monies were given back in 2004, then the idea of JCAC being totally cut loose from the county would be a better sell. Mr. Metcalfe continued that the idea he has, subject to legalities and revision, is to incorporate the existing organization as a private not-for-profit corporation. The county commissioners could be the incorporators and it could be a government-owned corporation, or the Airport Commission could incorporate it as a stand alone privately owned corporation. A contract could be made with the county commissioners for the airport corporation to operate the airports and to manage/develop the real estate. Mr. Shadwick asked if there was a study done on the cost of privatization. Mr. Metcalfe said it has been discussed in some depth but further research is needed. He suggested that staff do an in-depth analysis of how the airports could become independent from the county government as a not-for-profit corporation. Mr. Shadwick asked if all positions would be in jeopardy if this would occur. Mr. Metcalfe replied that under his concept the Airport Commission board members would become the board of directors of the corporation and would consider what staff positions would be appropriate. He gave an example of the county’s recent privatization of the county nursing center. Mr. Shadwick asked if it turned out to be a bad decision, then what would happen next. Mr. Metcalfe replied that he thought there could be a provision that would allow us to go back under the county government. Mr. Shepard asked Mr. Metcalfe what was the definition of an airport authority. Mr. Metcalfe stated that it gives us all of the statutory powers of a separate government entity. Mr. Metcalfe suggested that the Airport Commission board direct staff to begin research and make it a priority as to the options and develop a defined recommendation.

Mr. Metcalfe outlined a couple of opportunities for the commission’s consideration. Progressive Rail, a business based out of Minnesota, is in the business of taking over existing rail switching operations, primarily in industrial parks. They’ve also taken over a couple branches of larger railroads and short line railroads. They have a transload facility that includes a rail served warehouse with two tracks entering the warehouse with a floor that is dock high. It is a full service operation which includes logistics management, inventory control and even delivery with Progressive’s own truck line. They’ve gone from 1500 railcars a year to 6000 in just five years. Mr. Metcalfe stated that he was very impressed with their operation and suggested that JCAC could either partner with Progressive to develop a similar facility at NCAC, or we could do it ourselves. In order to do that, some monies would need to be invested. The estimated cost for setting up a basic transloading facility would be around $1M. We would need a dedicated staff person familiar with and having contacts in the carload business. This in turn could generate new development opportunities for the business park. Mr. Shadwick asked if the county would have a claim on any of the revenue that would come in due to a transloading facility, or would it be better to wait until after a change in structure. Mr. Metcalfe replied that Federal regulations and the deed for the airport property very clearly state that all revenues generated from airport properties stay within the airport fund. However, as long as the county renders service to the airport organization, they have a right to compensation. Mr. Metcalfe said he needs to come up with a business plan for the transload facility to present to the Airport Board.
Prairie Highlands has contacted staff about the possibility of extending their golf course onto JCAC’s property south of 151st Street. They are also interested in building another lake on airport property to increase their surface water retention capability. They use surface water to irrigate their golf course. Mr. Metcalfe believes the development of the lake and golf holes would create a lucrative development opportunity for NCAC that could be similar to an office park such as Corporate Woods.

Mr. Metcalfe said that he and staff would more clearly define these opportunities and present business plans and financial projections for the board’s further consideration.

IX. ADJOURNMENT

There being no further business, the meeting was adjourned at 11:26 a.m.
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 MARCH 26, 2003 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (6-0).

II. REPORT OF THE CHAIRMAN

No report of the chairman.

III. CONSENT AGENDA ITEMS

No consent agenda items.

IV. EXECUTIVE SUMMARY

A. Review staff reports:

Mr. Metcalfe gave an update on the recent meetings with Burlington Northern Santa Fe (BNSF) Railway and Progressive Rail. Mr. Metcalfe stated that BNSF was very supportive of the idea for Progressive Rail to take over the switching and developing the transload facility and has asked them to bid on several other terminal switching activities in the Kansas City Metro area. A proposal is in the process of being developed for BNSF. Progressive Rail has indicated that they would like to take over the rail switching operation by July 1st and Mr. Metcalfe questioned if that was literally possible, but it indicates Progressive Rail’s level of enthusiasm. Since there
isn’t an actual proposal from them (they are developing a written proposal) he added that his level of enthusiasm is at 50% and he wasn’t ready to say that this is the way to go, yet. Progressive Rail is willing to commit to developing the transload facility within the first two years of the agreement. Mr. Metcalfe commented that it looks very positive and he has set some absolutes in the negotiation. The scenario developed is that Progressive Rail would lease the physical plant from JCAC, which includes the railroad track and everything that goes with it. Along with maintenance and rehabilitation, if the spur needs extended they would do that as well in exchange for the use of the track for a sum of money. And, that amount of money cannot be less than what we currently are netting on the rail operation. Mr. Metcalfe stated that he has set a bottom line for a minimum payment of $100,000, which is more than JCAC is netting now.

Mr. Metcalfe added that Roberts & Dybdahl is now in operation and they will be receiving their first railcar this week. They have moved all of their stock from the Kansas City, Kansas location by truck to NCAC. They are anticipating 400 to 500 railcars a year, which is a 25% increase in NCAC’s railcar volume.

Mr. Perry updated the board members as to the most recent discussions on the post office distribution center. NCAC is treated by the post office as a single address for which all mail is delivered and we sort it out for all of the Business Park tenants. For several years, the need of utilizing full time support to aid the distribution center has greatly increased and has taken away from JCAC’s budget and manpower. Mr. Perry continued that JCAC will provide the mailboxes for the business residents and the postal service will deliver to those boxes, but a street address is required for each business. Mr. Metcalfe added that his predecessor, Joe Dennis, as a marketing strategy sought an individual zip code for what was originally known as Industrial Airport Kansas. Originally the post office was a retail operation in which we sold stamps, accepted mail and the post office paid us for these services. Four to five years ago, the post office pulled their contract and then we became a distribution center only.

B. Summary of Financials:

C. Consider ratifying the March expenditures as presented:

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

V. DISCUSSION ITEMS

A. Discuss the JCAC Budget for 2004.

Mr. Perry presented the Airport Commission Board revised budget financials for 2004. He commented that JCAC had made an agreement with the BoCC that they would provide a set $600K in 2003, $400K in 2004 and $200K in 2005, after which we would be completely self-sufficient. JCAC will be giving back this year tax support funds of $170,000. Cost allocation, Finance, Legal and Human Resources and other central services are not included and would be approximately $165K for next year. Once the county receives the final figures of cost for all the departments they will add that as an expenditure item and then match it with a like amount.
of tax support. On the revenue side, we have based everything on existing contracts for leases and made an estimate under fuel flow, water usage and rail. We’re probably a little conservative on the revenue estimates, but would rather do that then to be too aggressive on what is coming in. The budget shows $115,000 of tax support and $124,000 in fund balance. Mr. Perry stated that he had talked with the county budget department and asked if JCAC could keep our expenditure authority at the same level and use the fund balance. The primary reason for that is to give us flexibility should something unanticipated come up. If we don’t spend that amount of money then it’s less money that comes out of fund balance. Mr. Perry commented that JCAC is well on it’s way to becoming self-sufficient as far as tax support from the county. Mr. Metcalfe added that keeping the $124,000 balance forward by keeping the expenditure authority up close to where it originally is our limiting factor. When the county adopts the budget they set a level of expenditure authority and we cannot exceed that without the county amending the budget. Because we have a healthy fund balance and targets of opportunity that we may want to spend some capital money on we wanted to keep the expenditure authority as high as the county would let us. Mr. Metcalfe suggested that the Airport Commission board approve an additional reduction of $115,000 for a total reduction in tax support of $239,000.

Mr. Dixon asked if Mr. Metcalfe had a vision for what the airport organization might be moving toward. Mr. Metcalfe cautioned that he was still researching options, but at this point what he had in mind is to incorporate the Airport Commission as a not-for-profit corporation. Either the Airport Commission or the Board of County Commissioners could be the incorporators of this corporation and it would be county-owned. The Airport Commission board would become the board of directors, and would hire staff, set up private sector-type accounting and administrative systems, do our own purchasing (need legal clarification on whether it would get us out of the state bidding requirements), etc. We would need to work out a relationship with the airport corporation and the county commissioners, because they would continue to own the property and we need to be authorized to negotiate on their behalf to enter into leases. We still would have industrial revenue bonds available. In addition to Progressive Rail, we are exploring a couple of other opportunities to privatize some of the things we do.

Mr. Shadwick asked Mr. Metcalfe what kind of money would JCAC invest in Progressive Rail’s transload facility. Mr. Metcalfe stated that to replicate what is built in Minneapolis would be around $3.5M, but that could be accomplished in increments. Option A would be for Progressive Rail to finance it completely and we would just do a ground lease. Option B would be to issue industrial revenue bonds to finance it and they would do a lease and pay us a necessary amount in rent to pay off the bonds. Option C would be for us to contribute some capital money to bring down the debt cost and that would give us more flexibility in helping them get rolling in that facility because they would not fill it up right away. It isn’t going to cash flow for a couple of years. If we put $1 million down, take an equity position in the building, lease it to them and finance the rest with revenue bonds then we could be a lot more flexible about structuring the lease. Mr. Shadwick made the comment that if we keep the money from the county wouldn’t there be more flexibility to entice the Progressive Rail situation along. Mr. Metcalfe replied that the current savings account balance is around $3.6 million, after the remaining land sales close. Mr. Perry pointed out that the $3.6 million would be reduced by the $1.2 million street projects costs. Mr. Metcalfe commented that he didn’t think it was necessary to entice Progressive Rail, as there is sufficient opportunity for them that the situation enticing on its own.
MOVED BY MR. HEAVEN, SECONDED BY MR. MEANS TO APPROVE THE JCAC BUDGET FOR 2004 AS PRESENTED WITH THE TOTAL REDUCTION OF $239,000. APPROVED (6-0)

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

Mr. Kindle commented that the 50,000 sq. ft. rail-served project was still in play with Miller Stauch Construction between here and Wyandotte County. In addition, there are several window shoppers and several proposals have been sent out.

VI. OLD BUSINESS

Chairman Thomen commented that at the last Airport Commission meeting there was no consensus as to whether there is a time that the commission would be able to meet to accommodate some of the T-hangar tenant’s request to meet in the evening. Mr. Shadwick commented that he had no objections for an evening meeting. Mr. Dixon replied that he had objections to meeting at night due to the fact that the Airport Commission Board already donates their time and expenses of getting to and from the meetings and there is no need to add a further inconvenience for an evening meeting to accommodate a few tenants. Mr. Means agreed with Mr. Dixon’s comments. Chairman Thomen added that the Airport Commission already meets at the Executive Airport periodically. Mr. Metcalfe suggested the possibility of the staff meeting with the T-hangar tenants in the evening or a Saturday and then conveying to the board what the issues are and conveying back to the tenants the board’s response. Mr. Shadwick suggested that the Airport Commission meetings be rotated monthly between the Airport Commission and Executive Airport and asked Mr. Metcalfe whether the Airport Commission Board members contact information was available to the tenants. Mr. Metcalfe stated that they were unless it was otherwise marked unlisted.

VII. NEW BUSINESS

VIII. BUSINESS FROM THE FLOOR

Mr. Olsen commented that he wanted to make sure that the money going back to the county is not aviation trust funds. Mr. Perry replied that the money is not going back to the county, its funds that have not been given to the Airport Commission in the first place.

Mr. Nuffer, T-hangar tenant, asked what the status of the project at Executive Airport is and what’s being done. Mr. Perry replied that a contract had been signed with an individual to vacuum the T-hangars at both airports. Mr. Metcalfe added that this would continue on an annual basis. Mr. Perry continued that last year the board had made a decision for an engineering firm to look into water issues at Executive Airport. They came up with a design to install French-drains around every one of the T-hangars on the west side at Executive Airport. Burns and McDonnell, our engineering consultant, has asked that we get past the wet season so the contractor is not working in a ditch filling up with water. We are going to have them installed and hopefully it will alleviate some water and stress underneath the pavement and allow it another place to go. Mr. Dixon asked if the engineering contractor gave an opinion of how effective or not that French-drains would be. They said it may be effective, but would not guarantee it would fix the problem. The only thing
that would permanently fix the issue would be to completely tear everything out and lay under drains underneath the entire area. There is no easy fix to install without doing a tremendous amount of work.

IX. EXECUTIVE SESSION

A. Pending Litigation

MOVED BY MR. HEAVEN, SECONDED BY MR. SHADWICK TO GO INTO EXECUTIVE SESSION AT 9:45 A.M. FOR 15 MINUTES TO DISCUSS PENDING LITIGATION. APPROVED (6-0).

X. ADJOURNMENT

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

John Dixon, Secretary

R. Lee Metcalfe, Executive Director
Airport Commission

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

Absent: Mr. Shadwick

Staff: Metcalfe, Dunham, Helsel, Perry and Bellinger

Others: Dorothy Blackburn, League of Women Voters
         Kit Carson, T-hangar Tenant
         Jerry Gippner, T-hangar Tenant
         Greg Kindle, Southwest Johnson County EDC
         Rick Mentel, T-hangar Tenant
         Keith Nease, T-hangar Tenant
         Chuck Nuffer, T-hangar Tenant
         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. MEANS, SECONDED BY MR. HEAVEN TO APPROVE THE MINUTES OF THE APRIL 23, 2003 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (6-0).

II. REPORT OF THE CHAIRMAN

No report of the chairman.

III. CONSENT AGENDA ITEMS

No consent agenda items.

IV. EXECUTIVE SUMMARY

A. Review staff reports:

Mr. Perry stated that the FAA would be taking over the complete payment of the New Century AirCenter tower. JCAC and the FAA were in a cost-share agreement in which we were paying approximately 35% of manpower costs, but the use of the airport and FAA cost-benefit ratios have put us above 1.0. JCAC is still responsible for maintaining and servicing the equipment as well as everything inside the tower. FAA is paying Midwest Air Traffic Control the full amount to man it. JCAC will still have an approximate payment of $800 a month to Midwest Air Traffic Control because the FAA requires an on-call certified radio technician be available to make periodic inspections and to take care of any problems should they arise. Mr. Dixon
asked what the savings for the year would be. Mr. Perry stated that at $8200 a month it would
be roughly be a savings of $98,000 a year. Mr. Dixon asked if the difference between $8200
and $9044 was the $800 a month. Mr. Perry stated that it was. Mr. Mentel, T-hangar tenant,
asked if it was a federally controlled tower. Mr. Perry replied that it is a Federal tower
contracted to a private entity that supplies FAA certified controllers. There are periodic checks
made by the FAA for compliance with FAA standards and procedures. Mr. Perry commented
that the last cost-benefit ratio was .65 and it had jumped to 1.3. Mr. Metcalfe added that FAA
weightings might have changed recently, because there has been no significant increase is flight
operations that would change in the ratio status.

Mr. Helsel stated that there would be a $5,000-$7,000 cost to repair the 500,000 gallon water
storage tank.

B. Summary of Financials:

C. Consider ratifying the April expenditures as presented:

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

V. DISCUSSION ITEMS

A. Consider approving the acquisition of certain land from Kansas Department of Transportation.

Mr. Metcalfe presented for discussion information on the Kansas Department of Transportation
(KDOT) land that is located at the south end of the airport across from the McDonald’s. The
middle-marker radio antenna for the instrument approach and the strobes for the approach
lighting system are located in that area. KDOT indicated several years ago that they may want
to sell that piece of land and JCAC would have a Right of First Refusal. The land is being
offered to JCAC for $120,000 and legal has confirmed that it would be in JCAC’s best interest
to go forward with purchasing the land. FAA has stated that JCAC would be eligible for
possible reimbursement of the purchase of the land. The downside to not purchasing the land
would be that a fast food restaurant or similar retail use would probably go in and they would
be directly under the approach corridor. Mr. Dixon asked what percentage of the $120,000
would be eligible for reimbursement. Mr. Metcalfe replied that 90% of that money would be
reimbursable. Mr. Metcalfe added that the money is available in JCAC’s land acquisition
account and recommended purchasing the land. Mr. Heaven asked if KDOT was the owner of
the property and Ms. Dunham suggested researching/due diligence on who owns the property.

MOVED BY MR. HEAVEN, SECONDED BY MR. DIXON TO APPROVE THE ACQUISITION
OF CERTAIN LAND FROM KANSAS DEPARTMENT OF TRANSPORTATION, NOT TO
EXCEED $120,000 WITH THE AGREEMENT OF OFFERING A LOWER PRICE AND LEGAL
TO FOLLOW UP ON OWNERSHIP OF THE LAND. APPROVED (6-0)

B. Update on discussions with private rail operator.

Mr. Metcalfe stated that he had a proposal from Progressive Rail, but was not ready to
recommend that the Airport Commission enter into an agreement with them. Mr. Metcalfe continued that he would like to seriously explore the relationship with Progressive Rail in which they would take over the switching operation and be completely responsible for the rail. JCAC would continue to own the track, but Progressive Rail would be responsible for regulatory compliance, maintenance of the track, operation of switching, customer relations, relations with the railroad and completely relieving us theoretically, depending on how legal would structure the agreement. Mr. Metcalfe added that JCAC’s net on the rail system is around $100,000 a year. Mr. Metcalfe continued that there are some specific costs that could be identified, such as loan payments, which could be passed on to Progressive Rail. Mr. Metcalfe said that his main motivation with Progressive Rail is the transload facility and the carload growth aspect. One of the aspects of the agreement, if we decide to proceed, is to have it built within three years. In addition to covering our fixed-costs of the rail operation, Progressive Rail will pay us a royalty on a per car basis. Mr. Metcalfe added that BNSF has brought NCAC our last three real estate deals (CFS Sauers, Steel & Pipe Supply and Roberts & Dybdahl) because of the rail facilities. Mr. Means asked what was the actual cost of running the railroad. Mr. Metcalfe replied that he would put all of the financial information down on paper and present it at the next board meeting.

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

Mr. Kindle gave the board an update regarding recent activity towards New Century AirCenter and other proposals that he is working on, including a possible retail business (Wal-Mart).

VI. OLD BUSINESS

VII. NEW BUSINESS

Mr. Dixon asked Mr. Perry if there it is scheduled to repaint the runway and taxiway markings at Executive Airport. Mr. Perry replied that is the plan if and when JCAC receives money from the FAA. The only thing that has been done at Executive Airport is to comply with the runway incursion issues of re-standardized hold line markings. Mr. Dixon added that at night the taxiway markings are very dim and hard to see. Mr. Perry stated that he wasn’t aware of the problem, but JCAC has a machine that is capable of repainting the markings.

VIII. BUSINESS FROM THE FLOOR

Mr. Mentel, T-hangar tenant, stated that the approach lighting system at Executive Airport is not working and asked when they would be replaced or fixed. Mr. Perry replied that the ODAL system was struck by lightning and in need of repair. The company that makes the control boards is no longer in business and the cost to replace them would be around $250,000-$300,000. We have requested FAA funding to replace the system. It’s on the FAA list, but unfortunately it is not a high priority at this time. Mr. Moore offered a suggestion that the T-hangar tenants/pilots have an organized push on the government and that might be enough to get it raised high enough on the FAA’s priority list. Mr. Dixon added that the emphasis should be safety and not convenience. Mr. Moore added that if that effort would not be successful, then it could be revisited at the Airport Commission meeting.
Mr. Nuffer, T-hangar tenant, commented that he would like to take Mr. Metcalfe’s offer to meet outside of the regularly scheduled board meeting to talk about ways to help the T-hangar tenants get organized with a letter writing campaign. He further commented that some of the practice approaches would become safety issues with the ODAL lighting system not working. Mr. Metcalfe replied that a meeting would be set up. Mr. Dixon added that in addition to writing the FAA he suggested writing Flight Standards, FSDO (Flight Safety District Office), Congressman Dennis Moore, Senator Pat Roberts and Senator Sam Brownback.

IX.  EXECUTIVE SESSION

A.  Pending Litigation

MOVED BY MR. HEAVEN, SECONDED BY MR. SHEPARD TO GO INTO EXECUTIVE SESSION AT 10:00 A.M. FOR 10 MINUTES TO DISCUSS PENDING LITIGATION. APPROVED (6-0).

X.  ADJOURNMENT

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

__________________________________________  ________________________________
John Dixon, Secretary  R. Lee Metcalfe, Executive Director
Airport Commission

Present: Messrs. Shepard, Means, Moore, Dixon, and Shadwick

Absent: Mr. Heaven and Ms. Thomen

Staff: Metcalfe, Helsel, Perry and Bellinger

Others: Dorothy Blackburn, League of Women Voters
Mark Kimaru, Gardner News
Greg Kindle, Southwest Johnson County EDC
Ray Olsen, Ray Olsen, L.L.C.

Secretary Dixon 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. MEANS, SECONDED BY MR. SHEPARD TO APPROVE THE MINUTES OF THE MAY 28, 2003 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (5-0).

II. REPORT OF THE CHAIRMAN

No report of the chairman.

III. CONSENT AGENDA ITEMS

No consent agenda items.

IV. EXECUTIVE SUMMARY

A. Review staff reports:

B. Summary of Financials:

C. Consider ratifying the May and June expenditures as presented:

MOVED BY MR. MOORE, SECONDED BY MR. SHADWICK TO RATIFY THE MAY AND JUNE EXPENDITURES AS PRESENTED. APPROVED (5-0).

V. DISCUSSION ITEMS

A. Report on changeover of Post Office operation.

Mr. Perry gave the board an update on the progress of the United States Postal Service taking
over operations at New Century. The changeover will become effective July 29, 2003.


Mr. Metcalfe stated that the Board of County Commissioners had approved rezoning the land northeast of New Century for residential development against the Airport Commission’s recommendations. Mr. Moore asked if this would impact the plans for a second runway. Mr. Metcalfe replied that as housing encroaches the viability of the runway would need to be revisited.

C. Report on discussions with Progressive Rail regarding switching at New Century.

Mr. Metcalfe updated the board that discussions have been put on hold regarding Progressive Rail taking over the rail switching operations at New Century. The County’s legal and purchasing departments have determined, under current County policies, that there must be other competitive proposals. Mr. Means asked Mr. Metcalfe what the comparison in revenue would be if Progressive Rail took over switching versus the current revenue of New Century. Mr. Metcalfe replied that he has set a bottom line for a minimum payment of $100,000, which is more than what New Century is netting now.

D. Discuss Daniel Blackford’s request to relocate his proposed T-hangar development at New Century.

Mr. Metcalfe said that he had received a request from Daniel Blackford to relocate his proposed T-hangar development at New Century. Mr. Metcalfe pointed out the land in question and it’s location just east of the Sprint North Supply warehouse. Mr. Metcalfe stated that the land Mr. Blackford is requesting for T-hangar development is not what he considered to be a good location for T-hangars. Because of its premiere location and proximity to the runway both he and Mr. Perry agreed that the land in question should be used for future ‘corporate-type’ hangar development. He further stated that if the board were to accept Mr. Blackford’s request, then Blackford’s original lease would need to be revised to reflect the difference in the land value between the two locations. There were additional comments from Mr. Moore and Mr. Dixon on whether it would be profitable for the Airport Commission to build T-hangars themselves. Mr. Metcalfe replied that it had been presented to the Board of County Commissioner’s in the past and at that time they would not approve additional debt funding. Mr. Olsen added to the discussion that there is a great need by aircraft owners for additional T-hangars. The Airport Commission board gave Mr. Metcalfe permission to determine what would be the best location for Mr. Blackford as well as the best interest for New Century.

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

Mr. Kindle gave the board an update regarding recent activity towards New Century AirCenter and other proposals that he is working on, including a proposal from a company looking for an 850,000 – 1 million square foot building. Project Magnum was submitted as the best local site.
VI. OLD BUSINESS

VII. NEW BUSINESS

VIII. BUSINESS FROM THE FLOOR

IX. EXECUTIVE SESSION

X. ADJOURNMENT

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

_________________________________________  ______________________________________
John Dixon, Secretary                      R. Lee Metcalfe, Executive Director
JOHNSON COUNTY AIRPORT COMMISSION

MINUTES – August 27, 2003, 9:00 a.m. – New Century, Kansas

Airport Commission

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

Absent:

Staff:  Metcalfe, Helsel, Perry and Bellinger

Others:  Dorothy Blackburn, League of Women Voters
         Jerry Gippner, T-hangar Tenant
         Sean Hutman, Executive Beechcraft
         Greg Kindle, Southwest Johnson County EDC
         Rick Mentel, T-hangar Tenant
         Chuck Nuffer, T-hangar Tenant
         Ray Olsen, Ray Olsen, L.L.C.
         Brian Von Bevern, 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. SHEPARD, SECONDED BY MR. MOORE TO APPROVE THE MINUTES OF THE JULY 23, 2003 MEETING AS PRINTED AND DISTRIBUTED.  APPROVED (6-0-1).

II.  REPORT OF THE CHAIRMAN

A.  Introduction of the new Airport Commission board member, John Wittenborn, filling the 5th District position, replacing Phyllis Thomen who is retiring after 14 years of service.

B.  Chairman Thomen congratulated Richard Dell and expressed the board’s appreciation for his five years of dedicated service.

C.  Chairman Thomen congratulated Melvin Filkins and expressed the board’s appreciation for his 30 years of dedicated service.

D.  Election of Officers:
   Chairman Thomen proposed the following nomination of officers for the Airport Commission board.  Mr. Heaven to fill the position of Chairman, Mr. Dixon to fill the position of Vice Chairman, Mr. Shepard to fill the position of Secretary and Mr. Shadwick to fill the position of Treasurer.

MOVED BY MR. MOORE, SECONDED BY MR. MEANS TO APPROVE THE PROPOSED NOMINATION OF AIRPORT COMMISSION OFFICERS FOR CHAIRMAN, MR. HEAVEN; VICE CHAIRMAN, MR. DIXON; SECRETARY, MR. SHEPARD; AND TREASURER, MR. SHADWICK.  APPROVED (7-0).
III. CONSENT AGENDA ITEMS

No consent agenda items.

IV. EXECUTIVE SUMMARY

A. Review staff reports:

Mr. Perry added to his report that the Johnson County BoCC had recently approved the planned airport construction projects and as soon as the contract and bid bonds were in place work would begin on the slurry seal on runway 04/22 at New Century, the entrance road at Executive Airport that comes off of Pflumm on the west side, and a drainage project around the west T-hangars at Executive. Mr. Perry anticipated that all projects would begin within the next 2-3 weeks after he meets with the contractor to find out when they will be able to start and which roads would be affected. Mr. Moore asked if the widening of Pflumm Road in Olathe was underway. Mr. Perry replied that it was a project of the city of Olathe and that he understood it was in their long-term plans for 2006 or later. There is some work being done on the intersection of Pflumm and 151st St.

B. Summary of Financials:

Mr. Perry commented that the revenue for the business park cost center is a little high due to land sale revenues. Mr. Perry added that he would be transferring funds for the appropriate amount of money into the capital projects account for the road construction here at New Century on Conestoga and Highland streets. Mr. Heaven asked Mr. Perry if the projected revenue was down on the mail service and if it now was fixed revenue since the U.S. Postal Service had taken over. Mr. Perry replied that the only revenue JCAC received was on box rental and JCAC has refunded the pro-rated amount back to the box holders. Mr. Metcalf added that JCAC was not allowed by the U.S. Postal Service to charge for the boxes.

C. Consider ratifying the July expenditures as presented:

MOVED BY MR. MOORE, SECONDED BY MR. MEANS TO RATIFY THE JULY EXPENDITURES AS PRESENTED. APPROVED (7-0).

V. DISCUSSION ITEMS

A. Discuss T-hangar development.

Mr. Metcalf gave an update on T-hangar development and the need for additional T-hangar capacity at both airports. Mr. Perry added that there are about 100 people on the waiting list for each airport and the current waiting list turnover rate is 7 years or more before they would reach the top of the list. Mr. Metcalf reminded the board that JCAC has signed a lease agreement with a private developer to build T-hangars. After significant research and architect planning the developer has determined that financially he will not be able to make it work. Therefore, we are still in the position of not having a plan to address the T-hangar issues. We had in our financial plans a few years ago to build T-hangars, but the BoCC at that time did not want to
take on additional debt (revenue bonds). Mr. Metcalfe continued that since JCAC has essentially achieved some financial self-sufficiency that the opportunity might be available now for us to build T-hangars. Mr. Heaven asked if the current T-hangar debt was paid off. Mr. Metcalfe replied that it was. Mr. Heaven commented that the existing T-hangars along with new T-hangars would secure the bonds. Mr. Metcalfe observed that financially it would reduce our net income because the T-hangars would not pay for themselves, unless we raise the price of rent. Mr. Wittenborn asked Mr. Metcalfe if those numbers would include ancillary income, fuel-flowage fees, and increases. Mr. Metcalfe replied that a small increase would be included in the projections. There are a couple of issues at Executive Airport of what the city of Olathe would expect from us in terms of bells and whistles on the hangars. JCAC would probably run into the same issues that the private developer ran into. The city of Olathe is requiring fire sprinklers in the hangars and that no hangar doors could face the street. The street side of the hangars would be required to have a masonry finish, which would drive the cost up. And, there is the issue that the setback of the street would eliminate an entire row of hangars. The main issue at New Century AirCenter is the cost of site preparation, as considerable dirt work will be required at the preferred site. There is still the possibility of putting hangars east of the Sprint warehouse. Mr. Metcalfe’s vision for that area would essentially be for corporate hangars. Mr. Wittenborn asked if it would be possible for a current tenant to erect T-hangars in terms of private development. Mr. Metcalfe replied that it was physically and technically possible, but he didn’t believe it would be financially appealing to a private developer. The issue is the rental rate for the hangars. JCAC prices them somewhere between what the market will bear and what’s being charged elsewhere. We are about the same as Lee’s Summit, we’re below downtown and above Gardner. Every year we have this discussion with the board about how we price the T-hangars and the general feeling is that our highest priority is not to get to where the market will bear, but rather to provide a facility for hangar tenants that basically pays the cost of owning and maintaining the hangars. The advantages JCAC has over a private developer are JCAC does not have to pay for the land, we don’t pay property taxes, our cost of money is less and we do not have a profit motive. To be a profitable venture, a private developer would need to charge $400-$500 a month hangar rent and JCAC is charging half of that. Mr. Shepard asked if the BoCC would agree that there is a real need for additional T-hangars and if JCAC could assume more debt. Then, he would be open to entertain a plan for both New Century AirCenter and Executive Airport to build new T-hangars. Mr. Moore expressed his concerns on how building new T-hangars would affect privatization. Mr. Metcalfe stated that the ability to issue revenue bonds is part of the overall collection issues of privatization. The debt will be secured by revenue from the hangars and the county would not be at risk with the revenue bonds, unless all of the tenants moved out of the hangars. The county will still be the owner of the land and the sponsor of the bond issues. Mr. Dixon commented that he was pleased to hear Mr. Metcalfe’s speculation and asked if there could be an acceleration of privatization. Mr. Metcalfe stated that Mr. Dixon’s comment makes a nice lead-in to the next item of discussion.

B. Strategic discussion of privatization.

Mr. Metcalfe stated that there are quite a few privatized airports around the country. The Los Angeles county airport system consists of nine airports. The airports there are owned by the county but managed by a private company. One of the infamous examples of privatization is
the Indianapolis Airport that is currently managed by a private organization, British Airports Authority, which runs a couple of airports in Britain, Canada and the U.S. That has not worked out very well and the city of Indianapolis is about to take the airport back. Mr. Dixon asked Mr. Metcalfe to differentiate the two concepts of privatization and the airport authority. Mr. Metcalfe replied that in his view privatization would be a private entity running the airport system under contract with the county and an airport authority would be an independent government agency eliminating having to go to the county for approval to do something. Mr. Metcalfe replied that there were several options of what could be done and explained that there is a specific state statute that creates the Johnson County Airport Commission. That statute gives JCAC all the authority it needs to be a freestanding government agency. However, there is a clause in that law that states, “these powers and authorities may only be exercised with the approval of the Board of County Commissioners.” The original intent of the JCAC was to function as an airport authority separate from the county organization, and that is essentially how we operated from 1967 until the mid-1980s, when the BoCC hired a full-time professional administrator and the objective was to bring all county organizations into one administrative system and pull all of the departments and agencies under one county government. In the fall of 1993, there was an in-depth discussion of JCAC becoming separate from the county. Mr. Metcalfe continued that one option that JCAC has is for the BoCC to adopt a one-page resolution that says, “the Airport Commission is granted all of the authority cited in KSA 301-309.” Another option is to continue as we are under the much improved, but still burdensome county administrative system. Mr. Metcalfe observed that the JCAC is being treated differently since the BoCC has embraced our independence plan. Our budget review consisted of our budget analyst spending about three minutes telling the BoCC that all we’re receiving from the county is enough to cover our cost allocations; what the county charges us for the privilege of them providing administrative support. There is quite a bit of autonomy now, in terms of setting the direction of the airport. If we were to privatize the JCAC there would be a few issues such as retirement, liability and health insurance. One of the advantages would be that we would not be subject to the bidding requirements that are cumbersome and add a lot of cost and time to our ability to do things. Mr. Perry added that the current bidding process is anything over $2,000 we are required to get three quotes and we need to place a formal bid for anything over $25,000. A formal bid requires a consultant to prepare bid specifications and numerous supporting documents that need to be distributed to “the world,” and essentially we are required to pick the lowest bidder regardless of value. Mr. Shadwick suggested that Mr. Metcalfe develop a list of pros, cons and risks to present to the board. Mr. Means asked Mr. Metcalfe how he determines the necessity to respond to rumors from the general aviation community regarding secret meetings being held for privatization and control. He further commented that there might be the need to put out a bulletin signed by all Airport Commission board members stating that we (JCAC) are considering options for privatization. Mr. Metcalfe replied that if JCAC were considering options, then he would see the need to communicate it at that time. The idea of privatization has only been discussed conceptually, and these discussions have typically emerged during open strategic planning meetings. He said there certainly have not been any solicitations of proposals. The reason that this is on the agenda now is because the idea does come up from time to time in BoCC meetings and there was a link in the minds of both the JCAC and the BoCC between JCAC becoming financially independent and being able to remake ourselves as an organization. He further stated that he wanted to have the board confront the issue and see what the current thinking is and whether there is an interest to further explore options. Mr. Shadwick commented that originally the top issue for privatization was
the financial system and now the bidding process has also become an issue. Mr. Metcalfe stated that the current administrative system was very cumbersome and more work was being done to get the system to work for us instead of doing it ourselves. The county has been going under a major administrative effort to consolidate, conform, and standardize. Because there are 56 departments, all of the administrative procedures and polices have been standardized. JCAC is an entrepreneurial entity and needs to respond quickly to be successful. Being part of a typical government bureaucracy works against our success on several levels. Another area that is frustrating is the county’s compensation system. Everything is reduced to the lowest common denominator and there is one salary structure for the entire organization. The county has gone through a process to classify positions and pigeonhole them based on how county Human Resources thought they were related to other jobs in the county. The county has no provision for performance-based compensation beyond a small merit pay pool of about 3%. If we became a stand-alone authority and if the resolution were written properly the Airport Board would be authorized to setup our own compensation and procurement polices. Mr. Dixon asked if the first step might be to see if the BoCC would extend the authority to the Airport Commission that the law already specifies. If so, then the Airport Commission board would be able to build/develop T-hangars at both airports. Mr. Metcalfe stated that the BoCC would want to see a list of things that the Airport Commission would want to do differently then what we’re currently doing. They may pick and choose from that list what they will and won’t authorize JCAC to do. Mr. Olsen stated, on behalf of the pilots, let’s see what we can do about getting the BoCC to agree that JCAC should be able to do what it’s allowed to do by law. Mr. Metcalfe replied that there has been anxiety on the part of the BoCC regarding agency boards heading off in their own direction and not having the same vision that the BoCC has. A couple of years ago there was some discussion among the BoCC of doing away with a few of the agency boards because they had a difference in philosophy, priorities and were mostly driven by financial issues. Mr. Metcalfe further added that at some point we might need to do general obligation bonds and need to go back to the BoCC and have that discussion. County Commissioner Wolf asked Mr. Metcalfe if there were other airport’s that were independent of the county commissioners in Kansas. Mr. Metcalfe replied that there are, with the biggest ones being Salina and Topeka. Mr. Moore asked if it would be beneficial to petition the county for the T-hangar bonds and then go for the privatization. Mr. Metcalfe replied that the T-hangars should be a stand-alone issue. Mr. Means asked what was the current interest rate for bonds. Mr. Perry replied that the current interest rate is about 5%.

Mr. Metcalfe will prepare an outline and financial pro forma to be presented at the next board meeting in September, with assistance from Legal.

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

Mr. Kindle gave the board an update regarding recent activity towards New Century AirCenter and other proposals that he is working on.

VI. OLD BUSINESS

Mr. Nuffer, T-hangar tenant, expressed concerns that a meeting between the Airport Commission and pilot’s had not occurred. Part of the dissention that Mr. Means had talked about earlier is the
lack of communication, a seven-year wait list for T-hangars and assistance with letters to the FAA.

Mr. Metcalfe stated that to maximize attendance, that it was decided to wait until after school started and the Labor Day holiday, because folks travel a lot during the summer. Mr. Metcalfe continued that a date would be set and information would be sent out to everyone.

VII. NEW BUSINESS

VIII. BUSINESS FROM THE FLOOR

IX. EXECUTIVE SESSION

Ms. Dunham requested to go into executive session for 10 minutes to discuss attorney/client issues and pending litigation.

MOVED BY MR. DIXON, SECONDED BY MR. SHEPARD TO GO INTO EXECUTIVE SESSION AT 10:15 A.M. FOR 10 MINUTES TO DISCUSS ATTORNEY/CLIENT PENDING LITIGATION. APPROVED (7-0).

X. ADJOURNMENT

There, being no further business, the meeting was adjourned at 10:25 a.m.

_________________________________________  __________________________________________
Jay Shadwick, Secretary                     R. Lee Metcalfe, Executive Director
Chairman Dixon 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. MEANS, SECONDED BY MR. SHEPARD TO APPROVE THE MINUTES OF THE AUGUST 27, 2003 MEETING AS PRINTED AND DISTRIBUTED. APPROVED (6-0-1).

II. REPORT OF THE CHAIRMAN

A. Introduction of the new Airport Commission board member, John Wittenborn, filling the 6th District position, replacing Pete Heaven, At Large position.
B. Due to Mr. Heaven not being reappointed, it was necessary to elect new officers. Elected board members were Mr. Dixon, Chairman; Mr. Shepard, Vice Chairman; Mr. Shadwick, Secretary; and Mr. Means, Treasurer.

III. CONSENT AGENDA ITEMS

No consent agenda items.

IV. EXECUTIVE SUMMARY

A. Review staff reports:

Mr. Metcalfe added to his report that JCAC has had an ongoing discussion with Prairie Highlands to include golf holes and a lake on NCAC property that would tie into their golf course. They have asked our permission to apply for a water appropriation where the lake would be. This way, if the Airport Commission would approve the transaction, then Prairie Highlands would be able to begin construction next spring. Mr. Moore asked Mr. Metcalfe if
this was a proposal for lease of some of the land on the north end. Mr. Metcalfe replied that it
has not been decided how the arrangement would be structured, but most likely would be a
ground lease. Mr. Moore further stated that the problem he would have with the plan would be
the attraction of waterfowl to the lake. Mr. Metcalfe commented that there are things that could
be done to discourage waterfowl, such as putting certain plantings around the water to prevent
goose from coming out on the shore. The upside for JCAC would be to have golf holes that
would have developable frontage on them and turn into a real nice golf course/business park
with high potential revenue. Mr. Dixon made the comment that the potential revenue could
exist without the golf course. Mr. Metcalfe replied that developing without the golf holes is
certainly and option and that he would be comparing the options when he sees Prairie
Highlands’ plan. Mr. Metcalfe gave an example of Inverness Golf Course in Denver with a
lake-style development. Mr. Wittenborn asked for Mr. Metcalfe to outline the property that
Prairie Highland is interested in.

B. **Summary of Financials:**

Mr. Means asked Mr. Perry if gravel is used in the mix when doing the slurry seal. Mr. Perry
replied that coarse sand is used and that it is a requirement of the FAA.

C. **Consider ratifying the August expenditures as presented:**

MOVED BY MR. SHEPARD, SECONDED BY MR. MOORE TO RATIFY THE AUGUST
EXPENDITURES AS PRESENTED. APPROVED (7-0).

V. **DISCUSSION ITEMS**

A. **Report on Town Hall meeting-September 17 (Executive Airport).**

Mr. Metcalfe deferred the discussion to Mr. Shepard and Mr. Means, who were in attendance,
on their interpretation of the Town Hall meeting of September 17, 2003. Mr. Shepard thought
it was a very positive meeting and covered several hot issues more relative to the pilot
community, several T-Hangar topics and addressed issues surrounding the neighborhood and
airstrips. Mr. Moore suggested having a meeting on a more regular basis and to keep the forum
open. Mr. Nuffer, T-Hangar tenant, added to Mr. Moore’s comments that it was an informative
meeting and complemented staff on the agenda topics. Mr. Shadwick asked Mr. Nuffer if he
would inform the Airport Commission of upcoming EAA (Experimental Aircraft Association)
Chapter 868 meetings that they may attend. Mr. Metcalfe stated there is a local Kansas Pilot’s
Association that both he and Mr. Perry have attended as speakers. Mr. Metcalfe agreed that the
Town Hall-style meetings should occur a couple of times a year to keep the lines of
communication open.

B. **Discuss desirability of issuing an RFP for a truck/rail transload facility.**

Mr. Metcalfe stated that JCAC has been in discussions with Progressive Rail for over a year
regarding taking over the rail switching operation and additionally developing a transload
facility. A transload is where typically items come in on railcars, get unloaded, then trucks take
them to other locations and vice-versa. He, Mr. Helsel and Mr. Kindle flew to Minneapolis a
year ago to review Progressive Rail’s facility and were impressed with their operations going from 1,000 carloads a year to over 6,000 carloads a year within a five year period. Mr. Metcalfe added that he basically had shaken hands on the deal, but legal advised staff that this transaction must go through an RFP process. Since we’ve first started discussions with Progressive Rail, our rail revenues have grown dramatically, to the point that it is now a pretty good profit center. In the mean time, JCAC has been approached by two additional entities. One of those is interested in the rail switching operation and the other one is not, only in developing the transload. Mr. Dixon asked Ms. Dunham if in fact, under the regulations of county government, that we cannot pre-qualify recipients of an RFP. Ms. Dunham replied that it was a purchasing policy of county government. Mr. Shadwick asked Mr. Metcalfe if his intentions were to give up the rail switching and if JCAC decided to enter into an agreement how would they pay JCAC for the opportunity to have this business. First, Mr. Metcalfe replied, that he wasn’t sure if he was ready to recommend getting out of the rail business because he did not know what other opportunities there may be. Second, he didn’t know whether a for-profit operator could come in and at least generate a stream of revenue that would be equal to what we are netting now. He wouldn’t recommend giving it up without replacing that revenue and it would probably fall into the federal requirement that we receive fair market value for the use of our assets. Mr. Shadwick asked if the expenses (administrative attention paid to the rail service, etc.) a significant part of the operations. Mr. Metcalfe replied it was and gave an explanation of the maintenance intensive service, term-supply contract, which consists of placing bids for a one-year contract, with the option to extend for two more years and our budget is for $35,000 a year. The state (KDOT) aids JCAC with rail maintenance funds of $540,000 for which 30%-grant, 30%-local match, and 40%-low interest loan. Three-quarters of one million dollars will have been spent over the last 3-4 years for adding capacity, rehabbing track and railroad crossings, and putting in a new digital weigh-in-motion scale with a built-in transponder. Mr. Wittenborn asked what capacity JCAC is operating with rail assets. Mr. Helsel replied that we are at 80% and close to needing an additional locomotive especially if we have a transload facility. There is significant maintenance required (administering and cost), paperwork (BNSF does not supply on a timely basis), training of the crew (we’re not a federally regulated railroad), and non-efficiency of the railroad (crew spends all of their time switching cars and paperwork).

MOVED BY MR. SHADWICK, SECONDED BY MR. MOORE FOR JCAC TO ISSUE AN RFP FOR A TRUCK/RAIL TRANSLOAD FACILITY AS PRESENTED. APPROVED (7-0).

C. Discuss process for reviewing development proposals in vicinity of airports.

Mr. Metcalfe gave the board an update on the process for reviewing planning and zoning issues in the vicinity of the airports. About fourteen years ago, the Airport Commissioners delegated to Mr. Metcalfe the responsibility of responding to zoning and subdivision applications around the airports. Since then, there have been some high profile properties where discussions have been brought before the Airport Commission for official recommendations. Mr. Metcalfe’s recommendation, subject to legal approval, is to adopt a resolution authorizing him to represent the Airport Commission in zoning actions within the airports interest area, or to adopt an official policy statement that he would use to carry out the Airport Commission’s wishes. Another option would be for Mr. Metcalfe to determine when the Airport Commission should be involved and when he should deal with them. Mr. Wittenborn asked what the structure
(approval/denial) is for these projects and is the Airport Commission consent required. Mr. Metcalfe stated that it works differently depending on whether it is a proposal within the county or city. The county commissioners have adopted airport area land use regulations and the county planning office manages/administers those regulations and does a very good job of prepackaging them. Mr. Metcalfe further commented that when JCAC is approached that he always suggests they talk with the county planning office or the appropriate city planning office before anything else is done. It really depends on where the proposal is, in relationship to the traffic pattern, and each situation is a little different and negotiated depending on the proximity of the runway. Usually, there is some type of compromise, but occasionally the developer does not agree with what JCAC suggests. The cities send notification to the county planning office that an application has been received. In turn, the county planning office sends it out to us, and most other county departments. The county planning office asks for input from everyone, JCAC is just one source of input, and then a memo is sent to the county from us. Once the city acts on it, and if they approve it, the next step is to go to the county commissioners for approval, under state statute. The county commission has both denied and approved proposals. Mr. Dixon asked the frequency in which these proposals occur. Mr. Metcalfe replied that they occur at least once and sometimes 3-4 times a month, especially during the building season. Mr. Shepard suggested that Mr. Metcalfe, along with assistance from legal, develop a resolution, proposal, or policy statement to support the county Master Plan on zoning issues and present to the Airport Commission at the next regularly scheduled meeting on October 22nd.

MOVED BY MR. SHEPARD, SECONDED BY MR. SHADWICK FOR MR. METCALFE TO DEVELOP A RESOLUTION, WITH THE ASSISTANCE OF LEGAL, IN SUPPORT OF THE COUNTY MASTER PLAN ON ZONING AUTHORIZATIONS. APPROVED (7-0).

D. Continued discussion on privatization.

Mr. Metcalfe presented to the Airport Commissioners an outline, “Changing the Governance Model.” Mr. Metcalfe stated that granting the authorities provided in K.S.A. 3-307b would increase the efficiency and effectiveness of the Johnson County Airport Commission. He gave an example of the process to approve procurement contracts over $75,000. Currently, they would go before the county commissioners to be approved, even though it may already be in our budget and we’ve gone through the county’s procurement policies. Having an item on the county commissioner agenda requires three meetings (county manager’s agenda review, county commission worksession, and then county commission business session). If it’s put on consent agenda, then the next week it’s acted upon automatically, although, there have been some times when something has been pulled off the consent agenda for discussion. By county policy, for any purchase over $2,000 we’re required to get three quotes and anything over $10,000 we are required to put out for formal bids. Mr. Metcalfe recommended the next step towards financial independence include a worksession with the county commissioners to see what their current thinking is regarding giving the airport board more authority.

E. Discuss financial aspects of developing T-hangars.

Mr. Perry presented financial information to the Airport Commission regarding the development of new T-Hangars at both airports. Mr. Metcalfe stated that the development of new T-Hangars at Executive Airport in Olathe would come under the city of Olathe’s codes and
requirements. He further stated that if sprinklers in the T-Hangars are a requirement from the city of Olathe, then JCAC would not be able to afford the development. Mr. Weisenburger asked Mr. Perry if he had projected when potentially JCAC would begin making a profit. Mr. Perry replied that typically there is no profit on T-Hangars until the bonds are completely paid off. We’d have to charge over double what we’re currently charging tenants now. Right now, $210 a month is being charged on a standard-size hangar and $252 for a large hangar. 2001 was the last time that T-Hangar rates were increased by 4%. The agreement, at that time, was that the Airport Commission would review rental fees every two years. Mr. Dixon asked Mr. Perry how many folks were on the waiting list at New Century AirCenter and when the engineers would have their recommendations ready on “sprinkling” hangars. Mr. Perry replied that there are over 100 names on each list for the two airports. Based on experience, however, he felt that only about 40-45 folks on each list are prepared to take a hangar as they become available. Mr. Perry further added that the engineers will be revising the construction costs and would talk to the codes people in Olathe to get something in writing that states their actual requirements. Mr. Perry stated that he should have revised information to discuss at next months meeting.

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

Mr. Kindle gave the board an update regarding recent activity towards New Century AirCenter and other proposals that he is working on. Peridian Group, working with Triple J Construction, is inquiring if they will be able to use the name New Century for their marketing materials and signage. Mr. Metcalf stated that New Century AirCenter is a trademarked logo. The word, New Century, is not protected and others have used it, some without our permission. All commission members were in agreement that the use of the name, New Century, by the Peridian Group for utilization of their business park, formerly known as “Park-in-Park,” would not be an issue.

VI. OLD BUSINESS

VII. NEW BUSINESS

VIII. BUSINESS FROM THE FLOOR

IX. EXECUTIVE SESSION

X. ADJOURNMENT

There, being no further business, the meeting was adjourned at 11:05 a.m.
Chairman Dixon 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

Moving by Mr. Moore, seconded by Mr. Wittenborn to approve the minutes of the September 24, 2003 meeting as printed and distributed. Approved (7-0).

II. REPORT OF THE CHAIRMAN

A. Award/Plaque presentation – Phyllis Thomen, August 1989 thru July 2003.
   Chairman Dixon presented Past Chairman, Phyllis Thomen, an award in appreciation for her dedicated service to the Airport Commission from August 1989 through July 2003.

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

Moving by Mr. Wittenborn, seconded by Mr. Moore to approve combining the November and December meetings. The next regularly scheduled meeting of the Airport Commission will be on Wednesday, December 3, 2003. Approved (7-0).

III. CONSENT AGENDA ITEMS

No consent agenda items.

IV. EXECUTIVE SUMMARY

A. Review staff reports:
Mr. Perry commented that the FAA has approved funding to mill and overlay the main runway 17/35 at New Century AirCenter. When that occurs, the runway will need to be renumbered as 18/36 to compensate for the movement of the magnetic north pole. All of this is in JCAC’s 3-5 year capital plan. Closing sections of the runway for some period of time might cause some aggravation to the flying community. The north-south runway will be done in three-phases and we’ll try to keep 3,000 feet of runway open at all times. The estimated timeframe should be 6-8 weeks.

B. Summary of Financials:

Mr. Wittenborn asked Mr. Perry if JCAC was behind on receiving rent payments. Mr. Perry responded that there might be a few people that are a few months behind, but late charges are added to those and it has not been a big problem. He said that there are issues with the timing of the posting of payments in the county financial system.

C. Consider ratifying the September expenditures as presented:

MOVED BY MR. SHADWICK, SECONDED BY MR. WITTENBORN TO RATIFY THE SEPTEMBER EXPENDITURES AS PRESENTED. APPROVED (7-0).

V. DISCUSSION ITEMS

A. Continued discussion on financial aspects of developing T-hangars.

Mr. Metcalfe gave an update to the airport board and asked Mr. Perry to give the financial aspects of developing T-hangars. Mr. Perry handed out a preliminary engineer estimate of the costs associated with T-hangar development. Mr. Perry stated that the overall engineering costs are standard with the design/construction costs somewhat elevated. However, most of the engineering costs are conservative. Mr. Shadwick asked if the contemplation to build would be on speculation or would we require written lease commitments from 80% of the occupants and then build T-hangars. Mr. Perry commented that JCAC could require a deposit for new T-hangar’s even though that has not been done in the past. Mr. Metcalfe added that 40% of the people on the waiting list, when called upon, are ready to take a hangar. Mr. Nuffer, T-hangar tenant, added to the discussion that he knew of several in the flying community that would be willing to put down a deposit for a new T-hangar. Mr. Means commented that even though developing new T-hangars could result in a $60,000 loss a year, we would be subsidizing general aviation. Mr. Weisenberger asked if the purpose of JCAC was to subsidize or if we were a business moving toward self-sufficiency and that subsidizing general aviation could go against that cause. Mr. Metcalfe added that the difference could be absorbed in the overall budget and that he was not personally concerned about it having a negative impact on the bottom line. He further added that it was up to the airport board to determine whether to make general aviation affordable in this area. In addition, the overall pricing structure is low and could be changed to break-even on the new T-hangars. Mr. Perry added that the rent for a new standard-size hangar would be $430 and $507 for a large-size hangar to break even.

Commissioner Wolf asked was the cost here versus Johnson County as a whole comparable and if any other airports have waiting lists for T-hangars. Mr. Metcalfe responded that he could not speak for all airports, but he knew that Lees Summit is comparable to JCAC airports and the
differences, if any, is the value of the airport, to the T-hangar tenant, as to the proximity of where they live. Mr. Dixon asked when the last increase in T-hangar rent occurred. Mr. Perry replied that the last T-hangar rent increase occurred in 2002 and is due again in 2004. Mr. Olsen added to the discussion that there is an economic benefit in the number of how many people fly in and out of the airports, but that as a commission, aviation needs to be promoted within the county. Mr. Weisenberger suggested looking into a reduction of construction costs for new T-hangar development and Mr. Wittenborn suggested looking into a rent increase for existing T-hangar. Mr. Dixon commented that he did not agree with county taxpayers subsidizing private aircraft owners, on a fixed income, for T-hangar rent. He further stated that T-hangar rent should not be based on what Gardner charges because they have an entirely different set of circumstances to work with than JCAC does and agreed that Lees Summit is a more comparable airport. Mr. Dixon continued that he had been in the consultant engineering business for a great number of years and does not agree with the half million dollars for construction monitoring fees. He further added that JCAC’s Facilities Manager should be able to monitor the construction of new T-hangar development. Commissioner Wolf asked if it had been put out for bids, since the costs currently show only those of Burns & McDonnell. Mr. Perry replied that they are our retainer engineers. And he further explained that an engineering contract is put out every three years and in order to meet FAA requirements it is necessary to have an engineering firm on retainer that is FAA qualified. Because we are connected to FAA regulated taxiways, there are gradients of taxiways and radius’ of turns. Mr. Dixon suggested a meeting with Burns & McDonnell to discuss the engineering costs prior to the next regularly scheduled Airport Commission meeting of December 3rd as a follow-up.

MOVED BY MR. WITTENBORN, SECONDED BY MR. WEISENBERGER TO ADD AS AN AGENDA ITEM DISCUSSION ON T-HANGAR RENT INCREASE AS AN AGENDA ITEM FOR THE NEXT REGULARLY SCHEDULED MEETING ON DECEMBER 3RD AGENDA. APPROVED (6-1).

B. Continued discussion on privatization.

Mr. Metcalfe stated he has not had time to do the research on this topic because there have been a couple of high priority projects, including the recent FRA (Federal Rail Administration) inspections and certifications that are now required of New Century AirCenter. He added that he will follow-up after the first of the year (2004).

C. RFP (Request for Proposal) for the assumption of the switching operation and the development of a transload facility.

Mr. Metcalfe updated the board on an RFP that he is putting together. As a result of a recent visit from the FRA, they have determined that we are a common carrier, servicing more than one industry, crossing public grade crossings, interchanging with a regulated carrier and move hazardous materials. Therefore, we are subject to federal regulations and will need to move forward to update our locomotive to assure federal compliance that includes: training, licensed engineers, daily, monthly and 92-day inspections, and we will need to remodel the old scale pit into an inspection pit for the locomotive. The cost is an estimated $40,000 plus and any track repair (as deemed necessary by the FRA) are not included in these numbers. The FRA has expectations for JCAC to become compliant within 60 days. Mr. Metcalfe recommended
moving quickly on the switching RFP and to go forward with reasonable progress, avoid as much cost as we can, and bring the locomotive up to “blue card” for the FRA requirements. Mr. Wittenborn asked Mr. Metcalfe if he has changed his opinion as to whether JCAC should get out of the rail business. Mr. Metcalfe replied that one of the key decision factors would be if the net revenue from the rail operation is preserved or enhanced under any of the proposals. If not, then it would make financial sense to remain in the rail business. However, if it brings a whole new list of federal issues, then we need to review again at that time.

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

Mr. Kindle gave the board an update regarding recent activity towards New Century AirCenter and other proposals that he is working on.

VI. OLD BUSINESS

VII. NEW BUSINESS

VIII. BUSINESS FROM THE FLOOR

IX. EXECUTIVE SESSION

X. ADJOURNMENT

There, being no further business, the meeting was adjourned at 11:05 a.m.

MOVED BY MR. MOORE, SECONDED BY MR. SHADWICK TO ADJOURN. APPROVED (7-0)

_________________________________________  _______________________________________
Jay Shadwick, Secretary                  R. Lee Metcalfe, Executive Director