I. APPROVAL OF MINUTES of March 29, 1991 meeting.

II. REPORT OF THE CHAIRMAN:

III. REPORT OF THE TREASURER:
   B. Receivables report.
   C. 1991 actuals vs. budget report.

IV. COMMITTEE REPORTS:
   A. Administrative Committee:
      1. 1992 budget.
      2. Contribution to proposed Hwy 56 corridor improvements.
   B. Industrial Committee:

V. STAFF REPORTS:
   A. Report of the Director, Aviation:
      1. Status of Airport Improvement Program (AIP) projects.
   B. Report of the Director, Emergency Services:
   C. Report of the Director, Planning & Administration:
      1. Status of capital improvement projects.
   D. Report of Legal Counsel:
   E. Report of the Executive Director:
      1. Industrial Park Master Plan RFP.
      2. Director of Property Management.
      4. Shawnee District Court decision on gas well property taxes.
VI. UNFINISHED BUSINESS:

VII. NEW BUSINESS:

1. Consider approval of a Memorandum of Understanding regarding airport-area zoning at Industrial and Executive Airports.

2. Consider approval of the 1992 budget.

VIII. BUSINESS FROM THE FLOOR:

IX. ADJOURNMENT
JOHNSON COUNTY AIRPORT COMMISSION

MINUTES - APRIL 24, 1991 - 9:00 a.m.

Law office of Bennett, Lytle, Wetzler and Winn
Greenview Office Building - 5000 W. 95th, Suite 300
Prairie Village, Kansas.

Airport Commission:  Present
Craig  Walter  Meyer  Winn  Nohe

Absent
Viets  Thomen

Staff:
Metcalf  Schaefer  Smyth  Lind
Fredrichs  Stramberg  Williams

Others:
Commissioner Dan Hosfield, BoCC
Connie Bye, Kansas City Star
Jan Durrett, League of Women Voters

The meeting was called to order at 9:00 A.M. by Chairman Craig.

I. APPROVAL OF MINUTES:

MOVED BY MR. NOHE, SECONDED BY MR. WINN TO APPROVE THE MINUTES OF
THE MARCH 29, 1991 MEETING. APPROVED UNANIMOUSLY (4-0).

II. REPORT OF THE CHAIRMAN:

Chairman Craig expressed appreciation to Commissioner Hosfield for
his efforts to the passage of the proposed property tax
legislation.

Commissioner Hosfield reported that the BoCC, at their Thursday
business session will consider approving in concept the wastewater
finance package proposed by the Wastewater Department. The plan
spreads the entire capital costs for improvements of the Johnson
County Wastewater Department over the entire district. He stated
he believed the concept would be approved by the BoCC. There was
discussion about the financial impact this proposal would have on
the individual tenants at the Industrial Airport. Mr. Meyer asked
about the method of payment by our tenants, whether it would be on
a tax bill or through sewer charges. Mr. Winn, who is a member of
the task force working on this project, stated he believed the
charge would be a part of the tax bill. Mr. Winn stated the
proposal is a classic utility methodology for charges, where the
more you use the more you pay. Mr. Metcalfe responded to a
question and stated the Airport Commission has not been asked for
formal support of the plan. Chairman Craig stated the Airport
Commission could endorse the plan in concept since the financial
impact on the airport tenants has not been determined. **MOVED BY MR. NOHE, SECONDED BY MR. WINN TO ENDORSE AND ENCOURAGE THE BOCC TO ENDORSE THE CONCEPT OF A DISTRICT-WIDE FINANCE PACKAGE FOR THE WASTEWATER DEPARTMENT.** Mr. Meyer expressed concern over who would ultimately pay the sewer assessments at the Industrial Airport. Mr. Metcalfe reported the way most of the leases read, the tenants are responsible for special assessments. Some leases for buildings we own outright do not include that clause and that issue will have to be resolved with those few tenants. Mr. Winn gave an example of the sewer capital cost under the proposed plan for a 30,000 s.f. office building, under the current system they are paying $891 a year and under the proposed plan the charge would be $564 a year. Over a period of thirteen years the office building would average on an annual basis under the current system $903 and under the proposed system $761. Under the proposed plan as well as the current system, industrial users are subject to surcharges for the strength of waste contributed to the system. Mr. Meyer stated he feels now is the time to address any problems with the proposed plan before the Airport Commission endorses the plan and it is approved by the BoCC. Mr. Nohe stated that the proposed plan is the only framework that provides the Airport Commission a method to solve the problem of the payment of the capital costs for the Industrial Airport wastewater treatment plant by including those costs in a district-wide utility system. When the system is established the details can be worked out. The proposed plan puts the Airport Commission on equal footing with all other industrial parks in the County. Commissioner Hosfield had left the meeting the get additional information on the proposed plan. When he returned he reported that the Legal Department has been reluctant to release any financial information because of the pending lawsuit with Van Den Bergh Foods. He also reported that Doug Smith with the Wastewater Department stated that he believes there should be no excessive impact on the Industrial Airport tenants except for the heavy users. **(MOTION APPROVED UNANIMOUSLY (4-0)).**

**III. REPORT OF THE TREASURER:**

**A. Disbursements for March 1991.**

The voucher list was discussed. The Garrett land buy at Executive Airport included 80 acres with a house and out buildings. The property was purchased for about $7,000 per acre, $65,000 for the house, and $19,000 for the out buildings. Mr. Winn commented he felt that was a good deal for the location. He also commented that if the unified wastewater financing concept did not fly the 80 acres just purchased could have been subject to about $4,800 per acre in sewer assessment which could have made the deal not feasible. Mr. Metcalfe explained that the 80 acres of Johnson land at Industrial Airport was the first parcel to be purchased with the $1,000,000 capital improvements money approved by the BoCC. Staff will begin obtaining appraisals on other property to be purchased
at Industrial Airport. Mr. Metcalfe explained that the aircraft radio purchase was for a vehicle used on the airfield. The FAA requires vehicles used in the aircraft movement areas to have aviation-band radios in order to communicate with the control tower. The payment to Boone Brothers was the final bill for the maintenance shop roof repair. Mr. Nohe suggested exploring small long distance carriers for the best rate. Staff stated that we currently use Sprint, but long distance charges were a small part of the phone bill. MOVED BY MR. WALTER, SECONDED BY MR. MEYER TO RATIFY THE DISBURSEMENTS FOR MARCH AS PRESENTED. APPROVED UNANIMOUSLY (4-0).

B. Receivables Report.

The accounts receivable list was reviewed and no problems were noted.

C. 1991 actuals vs. budget report.

Fuel flowage revenue is 5¢ per gallon sold by the FBO. Staff is proposing a 1¢ increase to the fuel flowage fee in the 1992 budget. The Airport Commission directed staff to conduct a fuel flow survey and to present it at the next meeting. There was discussion about the "year-to-date" report format showing percentage of budgeted line items received or expended compared with the percentage of the year elapsed and how the inclusion of county tax funds distorts those percentage figures. Mr. Metcalfe stated that the county encumbers the entire amount of an approved contract, such as the Air Traffic Control Tower contract or leases, at the inception of the contract, which also distorts the numbers, at least on a cash-flow basis. There was a question about the relationship between the County General Fund contribution to the Airport Fund and the actual amount of ad valorem taxes collected at the airport. Mr. Metcalfe indicated that there is no mathematical relationship between the two numbers. The General Fund contribution to the Airport operating budget is based on the historic level of support. Our expense budget is only allowed to grow proportionate to the increase in self-generated revenues, plus any supplemental appropriations we may be able to get approved during the budget process. Supplementals are one-year commitments, and do not guarantee continued funding in out years.

IV. COMMITTEE REPORTS:

A. Administrative Committee

1. After considerable discussion at the committee meeting the Administrative Committee recommended approval of the 1992 budget as presented by staff. The committee also discussed the supplemental budget request for the 1992 air show. The air show committee proposed to run the revenues and expenses through the Airport
Commission budget. The supplemental budget is necessary to allow for the budget authority. The revenues and expenses would be a straight pass through. Mr. Metcalfe explained there is some risk to this request because if revenues fall short of actual expenditures the Airport Commission may be liable for the shortfall. An alternative to this financial structuring of the air show would be to have a private organization produce the air show. Mr. Schaefer reported that alternative was investigated and no other organizations volunteered to sponsor the event. The committee felt that contracting with a private organization could cause a loss of control of the entire event. Mr. Nohé discussed an air show which is sponsored by the City of Chicago's Park and Recreation Department. They contract with a private specialty company called Markov Productions to produce the show. The Park and Recreation Department works closely with the private company and maintain a great deal of control over the event while receiving professional assistance. Mr. Winn stated that he has reservations about the idea of an air show at all in 1992. He commented that the Airport Commission has two supplementals, one for the air show and one for the incubator, and he feels the priority should definitely be the incubator. He stated the timing for the air show is bad particularly because of the unknown status of Hangar 43 and Building 45. He also stated concerns about the I-35 off ramp which will be under construction and could cause potential traffic problems. Chairman Craig stated that the first concept of the air show proposed no financial or legal liability to be incurred by the Airport Commission and BoCC. Mr. Metcalfe stated that with his own personal experience with several air shows he would recommend going private for sponsorship. Mr. Schaefer stated that the commemorative committee has always discussed two co-existing events, the commemoration activities and the air show. Mr. Nohé stated he was in favor of an air show, but at the appropriate time and with the appropriate structure. Mr. Metcalfe stated there are benefits to an air show especially if it is an ongoing annual event and that they can be very profitable. **MOVED BY MR. NOHE, SECONDED BY MR. MEYER TO AUTHORIZE STAFF TO DELETE THE AIR SHOW FROM THE 1992 SUPPLEMENTARY BUDGET REQUEST AND TO AUTHORIZE THE CHAIRMAN TO APPOINT A COMMITTEE TO RESEARCH THE ENTIRE AIR SHOW IDEA AND PRESENT AN INFORMED RECOMMENDATION TO THE AIRPORT COMMISSION.** Mr. Metcalfe stated that without including the request in our budget the Airport Commission will not be in any position to expend any significant funds towards the air show. He stated that there is room in the current operating budget to allow for some travel to visit other air shows and obtain additional information. He recommended sending a representative to the National Convention of the International Council of Air Shows in Las Vegas in the fall which is a very informative meeting. Many air show performers including the military performers attend that conference and set their schedules for the following year. **APPROVED UNANIMOUSLY (4-0).**
2. MOVED BY MR. WINN, SECONDED BY MR. WALTER TO ACCEPT THE ADMINISTRATIVE COMMITTEE RECOMMENDATION TO CONTRIBUTE UP TO $10,000 CASH AND $10,000 IN KIND LABOR AND EQUIPMENT TO THE CORRIDOR IMPROVEMENT PROJECT AS PRESENTED BY GARDNER. APPROVED UNANIMOUSLY (4-0).

B. Industrial Committee

There having been no meeting in the interim, there was no report.

V. STAFF REPORTS:

A. Report of the Director, Aviation:

1. Status of Airport Improvement Program (AIP) projects.

Bids for the ramp and tiedown project at Executive Airport will be opened on May 3.

Three properties in the Phase I land buy at Executive Airport have been closed. The review appraisals for Phase II of the land buy are being completed and should be received soon.

The study on the instrument landing system (ILS) at Executive Airport began on April 22. The only impact on current or prospective tenants will be the ramp space at Kansas City Aviation Center. Staff will submit a pre-application to relocate that ramp space and tiedown area.

C. Report of the Director, Planning & Administration:

1. Status of capital projects.

The carpet and tile removal project is essentially complete and should be 100% complete by mid-May. Due to a delay in receiving the windows for the repair on the pump houses, the project will not begin until June.

E. Report of the Executive Director:

1. Industrial Park Master Plan RFP.

Proposals for the master plan consultant are scheduled to be opened May 8 but may be slipped one week to May 15 because of an addendum to the specifications. (NOTE: The Purchasing Office decided not to change the submission date; it is still May 8.) A pre-bid meeting was held on April 22. There has been a lot of interest on a national scale. Mr. Metcalfe reported that a selection committee for the consultant must be selected. He recommended the following for the committee: Lee Metcalfe; Joe Waters, County Facilities
Director; Barry Hokanson, Planning Director; and Dennis McKee, CERI Director. Mr. Metcalfe stated that he would like Mark Viets appointed to the committee but Mr. Viets has stated he feels there may be a perceived conflict of interest because he is in this type of business and is a prime contractor with the county at this time. The Airport Commission's general consensus was there was no problem with Mr. Viets serving on the committee. Mr. Winn and Mr. Nohe volunteered to serve on the committee if Mr. Viets declined to serve. When the bids are opened they will be reviewed and a short list of approximately five firms will be developed. Those firms on the short list will be interviewed. The interviews will take approximately two hours each. Chairman Craig appointed Mr. Viets to the selection committee if he is willing to serve. If Mr. Viets will not serve, Chairman Craig appointed Mr. Winn and Mr. Nohe to the committee. Mr. Metcalfe advised the Airport Commission, in response to a telephone call received by Mr. Winn, that he was assisted in the development of the specifications for the master plan by two of the potential proposers, but that he developed and wrote the majority of the specifications, and the assistance does not give those companies an inside track to the bidding process.

2. Director of Property Management.

The Personnel Department has reported we have received approximately 50 applications for the Property Manager position. Personnel will select five or six applicants which will be reviewed by Mr. Metcalfe and interviews conducted. The selection process should be completed within 30 - 45 days.


Mr. Metcalfe reported that our original SB399 has been merged into HB2194 which was originally the Wichita Airport Authority property tax exemption bill. There are actually three other bills that have been merged with ours and Wichita's, the Pratt, Liberal, and Cowley County property tax exemption bills. The language in the current bill states that our property will be exempt through tax year 1994. The 20% phase in language has been taken out because there is no statutory provision for partially exempt property. The bill also requires a payment in lieu of taxes of at least 20%, to be distributed proportionately to the appropriate taxing entities. Mr. Metcalfe stated that the majority of the leases provide for the payment in lieu of taxes. He also stated that Gerry Ray said the school district has expressed no opposition to the bill as revised. The bill is scheduled to come out of conference committee today and we are anticipating approval. Commissioner Hosfield stated that he and Mr. Denton met with Nancy Brown, a member of the conference committee and she indicated that she would take the bill to the committee and get it approved. He also thanked Chairman Craig for his efforts and active involvement in the property tax legislation. Mr. Winn expressed concern over the limited time the legislature has to complete all the business and we should continue to push the
bill until the approval is received from the House. Chairman Craig suggested contacting the House members immediately to assure the bill receives appropriate attention. He directed staff to contact the Airport Commission by fax when the bill is approved by the conference committee.

4. Shawnee District Court decision on gas well property taxes.

Mr. Metcalfe reported that the Shawnee District Court has ruled against us in the appeal of the gas well property tax case from the Board of Tax Appeals. Mr. Lind reported that the court ruled that the gas wells were not a governmental working interest. He stated that a decision whether to appeal needs to be made within 30 days. Chairman Craig directed the county legal staff to bypass the Airport Commission and convey their recommendation directly to the BoCC. Mrs. Williams stated that her most recent research showed a liability in the range of $60,000 without penalties and interest to $120,000 including penalties and interest. The project account set up from the 1990 budget for this payment has a balance of $60-65,000. Mr. Winn suggested the possibility of appealing just the penalties.

VI. UNFINISHED BUSINESS:

Mr. Nohe stated that he had briefly reviewed the bond resolution for the t-hangars and he believes there may be some merit in refinancing one of the three bond issues that carries a higher interest rate. Chairman Craig directed the Administrative Committee to meet and consider the refinancing of the t-hangar bonds.

VII. NEW BUSINESS:

A. Consider approval of a Memorandum of Understanding regarding airport-area zoning at Industrial and Executive Airports.

Mr. Metcalfe reported that the Cities of Gardner, Olathe and Overland Park have approved the Memorandum of Understanding as presented. The MOU is the first piece of what will be a long-term formal set of procedures and regulations that will govern the development of land in the neighborhood of the airports. The MOU is an informal document that formalizes a gentlemen's understanding that we have with the cities on how applications for zoning and subdivision, conditional and special use permits are dealt with. When the land that is the subject of an application is within the defined areas of the airports, the agreement outlines a review process with provisions for input but no automatic right to overrule the other entity. The language automatically defaults to the jurisdiction of where the land lies.
The proposed formal zoning regulations are complete for Executive Airport and have been submitted to Olathe and Overland Park for review. The regulations for Industrial Airport will be complete within 30 days. All entities involved will have considerable procedures to follow to adopt the regulations including amending their comprehensive master plans, which involves public hearings. Mr. Metcalfe stated that the MOU represents a historic moment in time and we have been told that the effort is unique on a national level. Chairman Craig commended Lisa Beeman for her good work and progress in the airport-area zoning efforts. Mr. Metcalfe reported that the cities indicated it would be fall before the final version of the formal regulations were complete. Mr. Metcalfe reported that Mr. Viets was totally in support of the MOU and is pleased with the product. Mr. Metcalfe explained the affect of the MOU on airport property. The cities will review airport activity in the cross hatched area which is the interface between our property and the neighboring property. Any rezoning or subdivision of that property or any conditional or special use permit will be subject to the same review process as other property within the airport interest area. Mr. Metcalfe recommended full support of the MOU and to recommend approval to the BoCC. MOVED BY MR. MEYER, SECONDED BY MR. NOHE TO APPROVE THE MEMORANDUM OF UNDERSTANDING FOR AIRPORT-AREA ZONING, TO AUTHORIZE THE CHAIRMAN TO SIGN, AND TO RECOMMEND APPROVAL TO THE BOCC. APPROVED UNANIMOUSLY (4-0).

B. Consider approval of the 1992 budget.

Mr. Winn stated that the Administrative Committee reviewed the budget in length and recommended approval as presented by staff. Mr. Metcalfe stated that approval of the budget, which is still in draft form, is requested from the Airport Commission for purposes of submitting it to the budget office for review. It will be another sixty days before it is in final form, and it will be submitted again to the Airport Commission for review. MOVED BY MR. NOHE, SECONDED BY MR. WINN TO ACCEPT THE RECOMMENDATION OF THE ADMINISTRATIVE COMMITTEE TO ADOPT THE BUDGET AS PRESENTED BY STAFF WITH THE DELETION OF THE AIR SHOW SUPPLEMENTARY BUDGET. The bottom line of the budget will stay essentially the same as presented, but a few of the line items may be changed. The budget is the base operating budget and does not include large capital items or the supplementary request. APPROVED UNANIMOUSLY (4-0).

A work session with the BoCC will be held on May 16 at 11:00 a.m. in the Board Hearing Room to discuss the business incubator.

The meeting was adjourned at 11:07 a.m.

Phyllis Thomen, Secretary

R. Lee Metcalfe, Executive Director
II. REPORT OF THE CHAIRMAN:

A. Report on incubator work session with BoCC (5/16/91).

CIV. COMMITTEE REPORTS:

A. Administrative Committee:

B. Industrial Committee:

1. Addendum to Grindsted lease.
2. Amendment No. 2 to Burns and McDonnell contract.
3. Gas well operations at Industrial Airport.

V. STAFF REPORTS:

A. Report of the Director, Aviation:

1. Status of Airport Improvement Program (AIP) projects.

B. Report of the Director, Emergency Services:

C. Report of the Director, Planning & Administration:

1. Status of capital improvement projects.

D. Report of Legal Counsel:

E. Report of the Executive Director:

1. Report results of fuel flow fee survey.
2. Industrial Park Master Plan RFP.
3. Director of Property Management.
5. Shawnee District Court decision on gas well property taxes.
6. Annual golf tournament.
VI. **UNFINISHED BUSINESS:**

VII. **NEW BUSINESS:**

1. Consider recommending approval to the BoCC to award the bid for the Executive Airport east tiedown and apron project.

2. Consider approval of Supplemental Agreement No. 1 to Authorization No. 3 for Professional Services dated February 27, 1991 for ILS project at Executive Airport.

VIII. **BUSINESS FROM THE FLOOR:**

IX. **ADJOURNMENT**
JOHNSON COUNTY AIRPORT COMMISSION

MINUTES - MAY 22, 1991 - 9:00 a.m. - INDUSTRIAL AIRPORT

Airport Commission: Present
Craig Walter Meyer Winn Nohe
Viets Thomen

Staff:
Metcalfe Schaefer Smyth Lind
Fredrichs Adams

Others:
Commissioner Sue Weltner, BoCC
Lenore Toser, BoCC Administrative Assistant
Del Morgan, Chairman,
Johnson County Planning Commission
Connie Bye, Kansas City Star
Jan Durrett, League of Women Voters

The meeting was called to order at 9:00 A.M. by Chairman Craig.

I. APPROVAL OF MINUTES:

MOVED BY MR. MEYER, SECONDED BY MR. NOHE TO APPROVE THE MINUTES OF THE APRIL 24, 1991 MEETING. APPROVED UNANIMOUSLY (6-0).

II. REPORT OF THE CHAIRMAN:

Chairman Craig welcomed Commissioner Sue Weltner who was substituting for Commissioner Hosfield.

A. Report on incubator work session with BoCC (5/16/91).

Chairman Craig expressed appreciation to the BoCC for hosting the presentation on the Small Business Incubator. He also expressed appreciation to the Airport Commissioners who attended.

III. REPORT OF THE TREASURER:


The voucher list was discussed. Responding to questions from the Commissioners, Mr. Adams explained that the line item called "fire truck repairs" was actually additional equipment and modifications for the new apparatus, and Mr. Fredrichs explained the Garrett move and reestablishment payment and the appraisal fees were part of the FAA grant for land acquisition at Executive Airport. MOVED BY MR. NOHE, SECONDED BY MRS. THOMEN TO RATIFY THE DISBURSEMENTS FOR APRIL AS PRESENTED. APPROVED UNANIMOUSLY (6-0).
B. Receivables Report.

The accounts receivable list was reviewed and no problems were noted.

C. 1991 actuals vs. budget report.

There was discussion about t-hangar vacancies. Staff reported that all t-hangars are occupied, however occasionally during a turnover a t-hangar may be vacant for a few days until the new tenant moves in. The t-hangar revenue total includes pre-paid rent. It was reported that when the financial reports were prepared K.C.H. Inc. had not paid a rent escalator, but it has now been paid. Treasurer Meyer pointed out that some line items in the expense report include encumbrances for commodity contracts. A blanket purchase order is issued for a not-to-exceed amount and purchases are made as necessary against that purchase order. The total not-to-exceed amount is encumbered and shown as an expense in the financial reports. The actual amount charged against such a purchase order would be substituted when the P.O. is closed out. There was discussion about decreased fuel flowage revenues. Mr. Metcalfe reported that on a cumulative basis operations are down from last year which is reflected in the fuel flowage fees. Also, the 1991 budget projection included a one cent increase in the fee which has not yet been implemented. The debt service fund activity is for the bond and interest payments for the t-hangars on three bond issues.

Mr. Metcalfe reported that staff has presented the CIP and the budget to the county budget office. Comments should be received soon from the budget office. The entire budget package will then be sent to the County Administrator for review and comment.

VIII. BUSINESS FROM THE FLOOR:

Chairman Craig introduced Del Morgan, Chairman of the Johnson County Planning Commission. Mr. Morgan feels the communication between the north and south parts of the county and the Planning Commission can be improved and expanded, and he is working to improve communications between all governmental entities in the county. He reported that the Planning Commission has just completed revising the 1986 comprehensive plan. Hearings have been held and the plan will now be submitted by the BoCC for approval. They are also working on zoning and subdivision regulations and hope to complete them by the end of the year. The Planning Commission is concerned about compatibility between county zoning and subdivision regulations and those of other jurisdictions. Mr. Morgan stated that Commissioner Hosfield has volunteered to provide information to interested parties about the status of various activities to assist in the communication process. He also reported that the Planning Commission is involved in the K-10
Corridor study and they feel that study should directly relate to the 21st Circumferential Parkway. He feels the county needs a new good access to the Industrial Airport from southeastern Johnson County to be able to take advantage of commercial air service when it develops. The Planning Commission is interested in annexations by various cities. Communications are improving about those type of activities. Mr. Morgan invited the Airport Commission to attend Planning Commission meetings. Mr. Morgan reported that the County's Planning and Legal departments provide staff support to the Planning Commission. Mr. Viets stated that the currently drafted comprehensive plan shows the Industrial Airport zoned IP2 and questioned if we are complying with that category and directed staff to research the matter. He also suggested coordinating with the State of Missouri in the development of the 21st Circumferential Parkway. Mr. Winn expressed concern about the continuing movement of the proposed parkway to the south; he felt serious consideration should be given to moving the highway further north to increase its utility to southern Johnson County. Mr. Meyer stated that it would be helpful if the county and the cities had standardized zoning classifications. Mr. Morgan stated that the Planning Commission meets every fourth Tuesday of the month at 7:30 p.m. at the County Health Center in Olathe.

IV. COMMITTEE REPORTS:

A. Administrative Committee

There having been no meeting in the interim, there was no report. The committee will meet before the June meeting to discuss possible t-hangar bond refinancing and any other issues that may be appropriate.

B. Industrial Committee

1. Addendum to Grindsted lease

Mr. Viets reviewed the proposed Grindsted addendum. The committee directed staff to present the proposed changes to Grindsted. Mr. Nohe stated that the issue of who pays for the environmental study should be decided by the Airport Commission and not left open for negotiation. Mr. Winn stated that he hoped the idea of completing an environmental study would become Airport Commission policy. It was estimated that the cost of a Level 1 Environmental Assessment would be $2,000 - $5,000. Mr. Metcalfe pointed out that for smaller parcels that cost could represent one to two years of rent. Chairman Craig suggested prioritizing the modifications so staff has some leeway to negotiate. Mr. Viets stated that most of the changes are a matter of format as a precedent setting exercise for the future. The environmental study is the number one priority to be included in the addendum, however the Airport Commission agreed that for this particular set of circumstances it may not be a
"deal-breaking" issue. Mr. Viets encouraged Mr. Lind to review the lease for provisions limiting noxious odors. MR. NOHE MOVED, SECONDED BY MR. WINN TO ADOPT AS INTERIM POLICY THAT ANY NEW OR ADDITIONAL LAND TO BE LEASED IS SUBJECT TO AT LEAST A LEVEL I ENVIRONMENTAL AUDIT AND TO REFER THE DEVELOPMENT OF A MORE DEFINED PERMANENT POLICY TO THE INDUSTRIAL COMMITTEE. It was observed that typically the buyer or lessee of the subject property pays for the environmental audit. APPROVED UNANIUMOUSLY (6-0). MR. VIETS MOVED, SECONDED BY MR. MEYER TO PRESENT GRINDSTED PRODUCTS WITH A LEASE ADDENDUM INCORPORATING THE CHANGES DISCUSSED AND TO ENCOURAGE STAFF TO NEGOTIATE THE COST OF THE ENVIRONMENTAL STUDY. APPROVED UNANIUMOUSLY (6-0).

2. Amendment No. 2 to Burns and McDonnell contract.

Mr. Viets reviewed the committee's discussion on the contract as reported in the minutes. MR. VIETS MOVED, SECONDED BY MR. WALTER TO ACCEPT THE COMMITTEE RECOMMENDATION TO APPROVE THE AMENDMENT NO. 2 TO THE BURNS AND MCDONNELL CONTRACT AND AUTHORIZE THE CHAIRMAN TO SIGN. Mr. Metcalfe reported that the original contract with Burns and McDonnell for Phase I is not-to-exceed $71,000. The two amendments to date bring the total of authorized work to $68,000, therefore it is not yet necessary for the BoCC to amend the contract. Mr. Metcalfe estimated Burns and McDonnell's ultimate fee will probably exceed $100,000, and the next increment of work will require a formal amendment to the contract. Mr. Winn stated that he had contacted a consulting engineer about getting a "reality check" on Burns and McDonnell's cost projections to see if they were reasonable. The engineer stated that much of Burns & Mac's work would have to be duplicated to give an estimate. Mr. Metcalfe reported that HNTB told him the same thing. Mr. Winn pointed out that we went through an RFP process for this work and we should expect a fair and reasonable fee schedule. He also noted that the remediation work will be put out to bid, and that should ensure competitive pricing. APPROVED UNANIUMOUSLY (6-0).

3. Gas well operations at Industrial Airport.

Mr. Viets reviewed the committee's discussion on the proposal from Brock Oil to lease and operate the six airport gas wells. Mr. Lind stated that the staff will negotiate a specific time Brock Oil would have to determine if the wells are producible and when they will be plugged. Mr. Metcalfe stated that staff believes the off-airport leases have expired on their own terms. When staff verifies the expiration, Brock will negotiate directly with the land owners for those leases. Mr. Metcalfe explained that staff has been in contact with Brock Oil for over two years about various aspects of our gas operation and they recently approached the Airport Commission about leasing the gas wells. MR. WINN MOVED, SECONDED BY MR. VIETS TO ACCEPT THE COMMITTEE RECOMMENDATION TO APPROVE THE AGREEMENT WITH BROCK OIL AND GAS WITH THE SPECIFIED PLUGGING TIME FOR UNPRODUCTIVE WELLS AND APPROPRIATE ASSURANCES
4. Railroad operations at Industrial Airport.

Mr. Viets reviewed the committee's discussion on the railroad operations. Mr. Metcalfe discussed the history of the railroad operations. The rail system was inherited from the Navy when the base was acquired. In 1978, Holsum Foods (now Van Den Bergh's) became the first user of rail service. Santa Fe refused to bring their locomotive onto the track, which was and still is in bad shape, so Joe Dennis purchased a surplus locomotive and we began the switching using Airport Commission staff. There are now six users of rail service in the Industrial Park. Because of the deterioration of our rail line and locomotive, a substantial investment is necessary to keep the rail service operational. $220,000 is needed to purchase a rehabilitated locomotive and $100,000 is needed for track replacement and repair. Staff has met with Santa Fe officials and they have indicated a willingness to negotiate an increase in their fee to us for moving cars to be more in line with our actual cost of $51.00 per move. Tenants also pay the Airport Commission directly for intra-plant moves and for weighing rail cars and staff is looking at those rates. Between the increase volume from the Heartland Cement expansion (as discussed in the Industrial Committee meeting) and the adjustment in the fee from Santa Fe, the railroad operations could become at least a breakeven situation. Mr. Viets commented that our rail service is a unique marketing tool. Our current service to tenants of quick response for intra-plant switching gives us a distinct advantage over rail-served parks who must rely on the major railroad for service. We can respond to requests in fifteen minutes, where the Santa Fe requires a minimum of twenty-four hours notice. Mr. Metcalfe pointed out that we also have a contractual obligation to provide rail service to several of our tenants. Staff will be discussing with Heartland Cement a surcharge for their extraordinary usage of the track. THE AIRPORT COMMISSION DIRECTED STAFF TO RESEARCH RAILROAD OPERATIONS AND TO RECOMMEND PROPOSED RATES AND SERVICES, BOTH FROM SANTA FE AND FROM OUR TENANTS; LOCOMOTIVE PURCHASE AND/OR LEASE; AND LONG-TERM CAPITAL PLAN FOR MAINTENANCE. Mr. Metcalfe stated that he had planned to have the rail service studied as part of the master plan process. We do however, need a different locomotive immediately to continue present service. Mr. Nohe suggested focusing resources on locating a surplus locomotive. He also suggested exploring the possibility of a revenue bond issue similar to the t-hangars for the track rehabilitation and locomotive acquisition.

A five minute recess was taken at 10:42 a.m. The meeting resumed at 10:49 a.m.
VII. NEW BUSINESS:

A. Kansas Aircraft Corporation proposal.

Mr. Metcalfe introduced Tom Meisenzahl and Michelle Stauffer of Kansas Aircraft Corporation, a subtenant in a building owned by the Benny Nall estate at the Executive Airport. The building is in probate and the ultimate disposition of the building may not be known for some time. Kansas Aircraft Corporation is exploring options in the event they cannot remain in the building past their lease termination date of August 1991. Mr. Meisenzahl purchased Kansas Aircraft Corporation from Ralph Hurley in February 1991. Other principals in the company include Michelle Stauffer, Jim Hatfield, and Pat Carraco. KAC's primary business is aircraft sales and charter. Mr. Meisenzahl reported that KAC's sales have doubled since February 1991 over the 1990 sales. KAC is considering construction of a new facility at Executive Airport to house the growing business and are requesting conceptual approval of the idea and location of the facility. The proposed building would be located due south of the east T-hangars, approximately 100' off the end of the taxiway. The building would include a 90' x 100' hangar with a maintenance facility and a two-story 36' x 36' office area (2,000 square feet) with a customer lounge, meeting rooms and office space. Mr. Metcalfe stated that he and Mr. Fredrichs have met with KAC officials concerning the proposed location and that it seems to be acceptable in relation to the overall layout of the airport. Mr. Metcalfe pointed out that this area could be used for more t-hangars in addition to those already provided for in the airport master plan, but he felt that it is highly unlikely that so many t-hangars would ever be justified. Mr. Metcalfe said that there are other areas for additional t-hangars but the location may require additional site preparation. Mr. Metcalfe stated that staff had indicated to KAC that any improvements necessary to accommodate the building would be their responsibility. Mr. Meisenzahl stated KAC is expecting 11-12 employees in the new facility. The proposed completion date is August 30, 1991 or as soon thereafter as possible. The $400,000 facility would be financed privately. Mr. Fredrichs stated that operationally the facility would be acceptable. Mr. Meisenzahl stated that KAC is not currently planned as a full service FBO. He stated he does have plans to sell fuel at the new facility and offer some of the services of a FBO. Mr. Winn stated that the addition would enhance the charter market at Executive Airport. Mr. Metcalfe stated that with the Airport Commission's conceptual approval, the next step would be to negotiate a lease agreement. KAC would be required to submit additional financial and legal information for review by the Airport Commission. MR. NOHE MOVED, SECONDED BY MRS. THEMEN TO AUTHORIZE STAFF TO PROCEED IN TIMELY SUBMISSION TO THE AIRPORT COMMISSION A FULL PACKAGE TO CONSIDER FOR ENTERING INTO A LEASE AGREEMENT WITH KANSAS AIRCRAFT CORPORATION FOR A FACILITY AT EXECUTIVE AIRPORT. Mr. Winn clarified, with the consensus of the Airport Commission, that the motion does not
approve a site plan nor a lease agreement, but indicates consensus by the Airport Commission that there are no objections to a facility of the nature proposed being constructed at the abovementioned site at Executive Airport. Mr. Metcalfe informed Mr. Meisenzahl that KAC would be responsible for additional improvements necessary to the access road leading to their facility, and that KAC's construction will be subject to the City of Olathe's zoning and building code regulations. Mr. Walter disclosed that he is a minority stockholder in a company that has an option to purchase the building where Kansas Aircraft Corporation is currently located. He indicated he is familiar with both Mr. Meisenzahl and Ms. Stauffer and is in favor of the concept, and he stated that the principals in KAC are successful and financially capable of success in this endeavor.

APPROVED (5-0, WALTER ABSTAINING).

V. STAFF REPORTS:

A. Report of the Director, Aviation:

1. Status of Airport Improvement Program (AIP) projects.

Mr. Fredrichs reported that an application for grant funding has been submitted to FAA to reconfigure KCAC's transient ramp due to the installation of the ILS. KCAC will lose about half of their ramp to expanded runway set-backs when the ILS is commissioned.

C. Report of the Director, Planning & Administration:

1. Status of capital projects.

The roof repair project on Buildings 39 A & B is scheduled to start mid-June. The lobby renovation project is essentially complete and should be 100% complete by mid-June.

E. Report of the Executive Director:

1. Report results of fuel flow fee survey.

The survey results were reviewed. Staff had proposed a 1¢ per gallon increase (20%) for 1991 which would generate $12,000 - $13,000 per year in additional revenue, but due to the gulf crisis and the fluctuating fuel prices, it was not implemented. Mr. Metcalfe stated that staff feels a 1¢ increase is acceptable but does not feel the timing is good due to the continuing high fuel prices and unstable economy. The last fuel flowage fee increase was in 1985. Mr. Nohe recommended when an increase is implemented it should be 2¢, which would put us in line with the other major Kansas City airports, and would encourage comments from the PBO's. Chairman Craig stated that the Airport Commission could justify an increase when the ILS is installed because of the enhancement to
the all-weather utility of the airport. Mr. Fredrichs explained
that the FBO's pay the fee when they purchase fuel for their
storage tanks and send fuel receipts to verify the gallons
purchased. He reported that any obvious discrepancies are
researched further. Mr. Nohe suggested contacting the FBO's about
a proposed increase for 1992 and soliciting constructive comments.
MR. WINN MOVED, SECONDED BY MR. WALTER TO TABLE THE DISCUSSION OF
A FUEL FLOW FEE INCREASE. APPROVED (5-1, NOHE OPPOSED).

2. Industrial Park Master Plan RFP.

The selection committee has met and are reviewing the proposals.
Mr. Viets has agreed to serve on the committee. The committee will
meet again to discuss the compiled objective grading sheets and
develop a short-list of firms to be interviewed in mid-June. An
August 1 start date is anticipated.

(NOTE: The selection committee met May 31 and selected 4 firms to
be interviewed on June 26. The following firms submitted
proposals, those selected for interviews are in italics:

Trkla, Pettigrew, Allen & Payne, Inc./Barton-Aschman
Associates, Inc./Real Estate Research Corporation

Deloitte & Touche/Institute for Public Policy and Business
Research, University of Kansas

Grant Thornton/PHH Fantus/Burns and McDonnell

Midwest Research Institute/Howard Needles Tammen Bergendoff

Hammer, Siler, George Associates/BRW, Inc.

The Property Research Group/James P. Wadley & Co., Inc.

3. Director of Property Management.

Mr. Metcalfe reported that over fifty applications were received,
three applicants were interviewed and a candidate has been
selected. An announcement will be distributed as soon as the
employment offer and acceptance have been formalized. The new
person should be starting the end of June.


Mr. Metcalfe reported that the property tax bill will become law on
July 1, 1991 without the governor's signature. Staff is currently
analyzing the bill and the impact it will have on our situation.
Chairman Craig expressed gratitude to Senator Langworthy and Rep.
Brown for their active involvement in getting the bill passed. Mr.
Metcalf stated that the entire Johnson County delegation worked
diligently. Mr. Winn commended Chairman Craig for his extensive
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involvement in the process.

5. Shawnee District Court decision on gas well property taxes.

Mr. Metcalfe reported that it appears the court decision on the gas well property taxes is affected by the property tax legislation and is currently being studied by staff. The initial opinion is that the legislation does exempt the gas wells.

6. Annual golf tournament.

The annual golf tournament will be held on June 14, 1991 at Tomahawk Hills golf course in Shawnee. The tournament is a shotgun start and will begin at 8:00 a.m. At last count, over 50 players had signed up.

VII. NEW BUSINESS:

B. Consider recommending approval to the BoCC to award the bid for the Executive Airport east tiedown and apron project.

MR. WINN MOVED, SECONDED BY MR. WALTER TO RECOMMEND APPROVAL TO THE BOCC TO AWARD THE BID FOR THE EXECUTIVE AIRPORT EAST TIEDOWN AND APRON PROJECT TO AMINO BROTHERS ENTERPRISES IN THE AMOUNT OF $593,155.27. APPROVED UNANIMOUSLY (6-0).

C. Consider approval of Supplemental Agreement No. 1 to Authorization No. 3 for Professional Services with Howard, Needles, Tammen & Bergendoff dated February 27, 1991 for ILS project at Executive Airport.

MR. VIETS MOVED, SECONDED BY MRS. THOMEN TO APPROVE THE SUPPLEMENTAL AGREEMENT NO. 1 TO AUTHORIZATION NO. 3 FOR PROFESSIONAL SERVICES WITH HOWARD NEEDLES TAMMEN BERGENDOFF EXPANDING THE WORK ON THE ILS PROJECT AT EXECUTIVE AIRPORT AND TO AUTHORIZE THE CHAIRMAN TO SIGN. APPROVED UNANIMOUSLY (6-0).

D. Consider recommending approval to the BoCC to accept a grant from the Federal Aviation Administration in the amount of $838,231 for the Phase II land buy at Executive Airport.

MR. NOKE MOVED, SECONDED BY MR. MEYER TO RECOMMEND THE BOCC ACCEPT A GRANT FROM THE FEDERAL AVIATION ADMINISTRATION IN THE AMOUNT OF $838,231 FOR THE PHASE II LAND BUY AND PERIMETER FENCING AT EXECUTIVE AIRPORT. APPROVED UNANIMOUSLY (6-0).
VIII. BUSINESS FROM THE FLOOR:

Mr. Nohe asked about signage on I-35 for Industrial Airport. Mr. Metcalfe pointed out that there are existing signs on I-35 about 1/2 mile prior to the Gardner exit for both north and southbound traffic.

Mr. Nohe noted the ragged appearance of the permanent static display airplane located in Navy Park. Mr. Metcalfe reported that staff is working with the Navy Air Museum in Pensacola, Florida on trading the airplane for an A-7 Corsair.

Mr. Metcalfe responded to a question from Mr. Nohe regarding the Confederate Air Force, advising that they will submit a business plan on the rehabilitation of Hangar 43 when the capital improvements funding for 1992 is announced.

Mr. Metcalfe reported that the City of Olathe still has not submitted a proposal they had promised for providing water. A. C. Kirkwood is currently reviewing the technical aspects of the City of Spring Hill proposal. The Water Dist. No. 1 proposal is not viable until the 1995-96 timeframe.

Commissioner Weltner reported, at the request of Commissioner Hosfield, that the incubator presentation was very impressive and suggested a graduate from a business incubator give a testimonial in support of the concept.

Commissioner Weltner shared information on the David Ayers Children's Trust Fund established at the Mid-American Bank and Trust. Mr. Ayers was an employee with CERI who died of a heart attack at age 37. Mr. Ayers was involved with the incubator proposal.

The meeting was adjourned at 11:58 a.m.

Phyllis Thomen, Secretary

R. Lee Metcalfe,
Executive Director
JOHNSON COUNTY AIRPORT COMMISSION
MONTHLY MEETING AGENDA
Industrial Airport, Kansas
Friday, June 28, 1991 - 9:00 A.M.

TAB

A. APPROVAL OF MINUTES of May 22, 1991 meeting.

II. REPORT OF THE CHAIRMAN:

B. REPORT OF THE TREASURER:
   B. Receivables report.
   C. 1991 actuals vs. budget report.
   D. Mid-year budget review.

C. IV. COMMITTEE REPORTS:
   A. Administrative Committee:
      1. Discuss proposed refinancing of T-hangar bonds.
      2. Presentation of the 1992 budget as revised by the County Budget office.
      3. Discuss alternatives for fire station housing.
   B. Industrial Committee:
      1. Discuss proposed addendum to Grindsted lease.
      2. Discuss railroad operations at Industrial Airport.
      3. Discuss proposed environmental audit policy.
      4. Discuss Jet-Tech expansion proposal.

D. V. STAFF REPORTS:
   A. Report of the Director, Aviation:
      1. Status of Airport Improvement Program (AIP) projects.
B. Report of the Director, Emergency Services:

C. Report of the Director, Planning & Administration:
   1. Status of capital improvement projects.

D. Report of Legal Counsel:

E. Report of the Executive Director:
   1. Property tax legislation.

VI. UNFINISHED BUSINESS:
   A. Airport Zoning Update - Review land use maps.

VII. NEW BUSINESS:
   10:00 a.m.
   A. Consider approval of construction, by Kansas City Aviation Center, of an additional hangar adjacent to the King Hangar on land currently under lease (SE corner of 151st and Pflumm at Executive Airport).
   B. Consider recommending approval to the BoCC of a consultant to develop the Industrial Park Master Plan.

VIII. BUSINESS FROM THE FLOOR:

IX. ADJOURNMENT
JOHNSON COUNTY AIRPORT COMMISSION

MINUTES - JUNE 28, 1991 - 9:00 a.m. - INDUSTRIAL AIRPORT

Airport Commission:  Present
Craig Walter Meyer Winn Nohe
Viets Thomen

Staff:  Metcalfe Schaefer Smyth Ford
Fredrichs Adams Howard

Others:  Commissioner Dan Hosfield, BoCC
Connie Bye, Kansas City Star
Janet Swanson, Gardner News
Jan Durrett, League of Women Voters
Larry Franke, KCAC
Don Armacost, Sr., KCAC
David Armacost, KCAC
Lee Sixta, Air Associates Charter, Ltd.
Tom Meisenzahl, Kansas Aircraft Corporation
Evon Williams, Budget Office
Lisa Beeman, Planning Office

The meeting was called to order at 9:00 A.M. by Chairman Craig.

Chairman Craig introduced James A. (Jim) Howard Jr., the Airport Commission's new Director, Property Management. Mr. Metcalfe discussed Mr. Howard's background.

I. APPROVAL OF MINUTES:

MOVED BY MRS. THOMEN, SECONDED BY MR. NOHE TO APPROVE THE MINUTES OF THE MAY 22, 1991 MEETING. APPROVED UNANIMOUSLY (6-0).

VII. NEW BUSINESS:

A. Consider approval of construction by Kansas City Aviation Center of an additional hangar adjacent to the King Hangar on land currently under lease (SE corner of 151st and Pflumm at Executive Airport).

Mr. Franke, Vice President and General Manager of KCAC was present to introduce Don and David Armacost of Peterson Manufacturing. Peterson Manufacturing recently purchased KCAC from Cecil Van Tuyl. Mr. Franke explained that KCAC is requesting permission to construct a hangar adjacent to the King Hangar. The new hangar will be located approximately 75' south of the King Hangar and will be 175' x 140' in size. The hangar will house approximately 15 - 20 corporate aircraft and possibly a production facility for the new "Optica", for which KCAC has the sole U.S. distributorship. The 80' door will be on the east side of the building with access to the ramp. There will be a vehicle parking lot constructed with
10 - 15 spaces. The new hangar will be consistent in color with the existing buildings and the King Hangar will be repainted at the same time. Chairman Craig explained that he and Mr. Metcalfe had visited the KCAC facility a couple of weeks ago and were impressed with the improvements they had made. There was also discussion about the entrance access to their terminal facility. Mr. Metcalfe reported that when the ILS is commissioned, KCAC will lose tiedown and transient ramp space. A grant application has been prepared and submitted to FAA to relocate those areas. FAA has indicated that the relocation may be funded in fiscal year 1992. Staff has also discussed with FAA the funding of the entrance road. They have also indicated that there may be funds in the relocation grant to cover some entrance road improvements. Mr. Franke explained that they would be installing at the west entrance a 10' monument sign depicting services. He reported that KCAC has received a favorable response from the City of Olathe on the approval of the building permit. Mr. Metcalfe stated that staff is in concurrence with the location of the hangar. He reported that the ground is currently under lease and that a Level I environmental audit was completed as part of the transfer of ownership of KCAC. Mr. Metcalfe stated that KCAC has always complied with all requests for financial information. MOVED BY MR. WINN AND SECONDED BY MR. WALTER TO APPROVE KCAC'S SITE PLAN FOR THE CONSTRUCTION OF A HANGAR SOUTH OF THE EXISTING KING HANGAR AND TO RECOMMEND APPROVAL TO THE CITY OF OLATHE. APPROVED UNANIMOUSLY (6-0).

There was discussion about the desirability of developing covenants and restrictions for Executive Airport similar to those of Industrial Airport.

C. Consider approval of transfer of the lease with the Benny I. Nall Estate for 10 Executive Aero Plaza to Air Associates Chartered, Ltd.

Mr. Metcalfe explained that the Airport Commission has a lease with the Benny I. Nall Estate for the building on the east side of Executive Airport. The probate court has ordered that the building be sold to Air Associates Chartered, Ltd, who had an option to purchase the building. The Airport Commission is being requested to transfer the lease from Benny Nall to Air Associates. Lee Sixta, Air Associates, stated the attorneys for the estate have set a closing date of July 1, 1991. Mr. Sixta stated that Air Associates is requesting assurances from the Airport Commission that the assignment will happen after the assets are sold on July 1. Air Associates is also requesting an extension to the lease term. Mr. Metcalfe explained that the lease states that Airport Commission consent cannot be unreasonably withheld. Mr. Winn stated that any new elements to the lease, such as an extended lease term, should be negotiated after the lease is transferred. It was determined that per the new policy, an environmental audit would be required because the transaction included a change in
ownership. Mr. Metcalfe stated that if the lease is transferred
the Airport Commission loses any leverage to negotiate the other
terms. Mr. Winn pointed out that that is not possible anyway
because of the clause that we will not withhold consent
unreasonably. Mr. Metcalfe explained that the lease with Benny I.
Nall includes a rental-in-lieu-of-taxes clause that is based on the
assumption that the improvements will continue to be exempt from
property taxes and that in lieu of tax payments, a payment will be
made to the Airport Commission which is calculated on the appraised
value of the building. The lease requires a monthly payment of
1/12 of what the annual taxes would be on the building if it were
taxable. He stated that the there is not a County appraisal on the
building. Mr. Winn suggested estimating the value of the building
and then adjusting the payment when the value is determined. Mr.
Sixta stated that the option to purchase the building does not
provide for an environmental audit and the trustees are not
requiring the audit. He stated that Air Associates fully intends
to complete an environmental audit after the sale of the building
is complete. Mr. Sixta stated that his company is comfortable with
the condition of the asset and will not require the trustees of the
estate to complete the audit before the purchase is complete. Mr.
Winn asked about past practice of financial review of companies
before leases are transferred. Mr. Metcalfe stated that financial
information has been required in the past when the Commission did
not have a historical comfort level with a new tenant. It was
determined that Air Associates Charter, Ltd. is a corporation.
Chairman Craig suggested reviewing the balance sheet and cash flow
statement. Mr. Metcalfe stated that Air Associates is actually
purchasing the equity in the leasehold estate. The building title
is in the county's name and will stay in the county's name. Mr.
Winn stated that the lease transfer should be consented to today
and that the extension of the lease should be dealt with at a later
date. Mr. Metcalfe stated that Air Associates is requesting two
transactions. The lease would first be transferred to Air
Associates Charter, Ltd. a Missouri Corporation, and then be
transferred to a Kansas Corporation, Air Associates of Kansas, Inc.
who will be the actual lessee. Mr. Winn stated that financial
statements of the entity who owns the assets should be reviewed and
that entity should be required to guarantee the lease. Mr. Sixta
explained that ultimately Air Associates of Kansas will "own" the
building and will lease the space to tenants. Mr. Meyer stated
that the Commission should feel pretty secure because the county
literally owns the building and if the lessee would default, the
county would get the building back and could subsequently re-lease
it. He stated he did not know if the financials need to be
examined because of the security in the buildings. MOVED BY MR.
WINN, SECONDED BY MR. MAYER TO CONSENT TO THE ASSIGNMENT OF THE
BENNY I. NALL LEASE TO AIR ASSOCIATES CHARTER, LTD. AND THEN
SUBSEQUENTLY TRANSFER THE LEASE TO AIR ASSOCIATES OF KANSAS, INC.
SUBJECT TO THEM COMPLETING WITHIN 90 DAYS OF THEIR CLOSING ON THE
PROPERTY A SATISFACTORY LEVEL I ENVIRONMENTAL AUDIT REPORT; THAT
THE PAYMENT IN LIEU OF TAXES BE ESTIMATED AT CLOSING AND BE
ADJUSTED WHEN THE BUILDING IS APPRAISED AND THE MILL LEVY IS DETERMINED; AND TO DIRECT MR. METCALFE TO REVIEW THE FINANCIAL SITUATION OF AIR ASSOCIATES CHARTER, LTD AND AIR ASSOCIATES OF KANSAS AND DETERMINE IF IT IS NECESSARY TO TAKE ADDITIONAL SECURITY FOR THE BUILDING. The Airport Commission was in consensus if Air Associates doesn't complete the audit the Airport Commission will complete the audit and bill Air Associates. Mr. Sixta stated that the company will be seeking private financing and the institution will require the audit. APPROVED (5-0 WITH MR. WALTER ABSTAINING FROM DISCUSSION AND VOTE ON THE MOTION DUE TO HIS HAVING A MINORITY INTEREST IN AIR ASSOCIATES CHARTER, LTD.)

D. Consider recommending approval to the BoCC of the joint venture of Hammer Siler George Associates and BRW Engineering as the consultant to develop the Industrial Park Master Plan.

Mr. Viets discussed the interview process for the consultants. The scoring was independent and the Purchasing Department determined the winner based on the scores from the committee members. MOVED BY MR. VIETS, SECONDED BY MR. NOHE TO RECOMMEND APPROVAL TO THE BOCC OF A CONTRACT WITH HAMMER SILER GEORGE ASSOCIATES AND BRW ENGINEERING AS THE CONSULTANT TO DEVELOP THE INDUSTRIAL PARK MASTER PLAN. The proposal is within the $100,000 budget as was previously discussed by the Airport Commission. The time frame for completion and other particulars will be negotiated in the contract. Mr. Metcalfe stated that under the new county purchasing policy firms are required to submit a proposed fee. Mr. Viets stated that he is comfortable with the choice of the committee. The firm has had experience in similar projects and the team has worked together before. Mr. Winn commented that he thinks it is unfortunate that the county seems to award county contracts to out of town firms. He does however believe the fact that these two firms have worked together before and on this type of project makes him more inclined toward a favorable vote. Mr. Nohe agreed with Mr. Winn's comments and stated that he serves on the CERT Board of Directors and they have discussed with the BoCC the economic status of Johnson County, where it is and where it could be going. One of the suggestions they made was that the BoCC should give consideration to the impact on the local economy by being a little more parochial in the utilization of services and goods being purchased from within the area to help the county through the recessionary cycle. The county has not acted on the suggestion formally. Mr. Viets stated that some of the firms are metro-based, but only one partner of one of the teams has an office in Johnson County and it is not their headquarters. Mr. Nohe also voiced concerns about the amount of money the firms would be spending on travelling to and from Denver. There is currently no weighting on geographic location in the RFP process. Mr. Metcalfe stated that the purchasing policies for RFP's had to be somewhat tailored for the situation. Mr. Hosfield commented that he noted Mr. Winn's comment and is concerned about the RFP process and understands that the process tied the Airport Commission's hands in this particular instance. He commented that
it appeared that in this case it may have been appropriate for the Airport Commission to do the selecting of the consultant. Mr. Winn stated that each member should not lobby for their personal preference but that he wanted to make a point. Mr. Viets stated that he is in favor of the objective numerical process and is in favor of the independent evaluation/secret vote selection process. APPROVED UNANIMOUSLY (6-0). Mr. Viets stated that in the interview process tax increment financing zoning was discussed and he feels the Airport Commission should think about this as a funding vehicle for infrastructure problems.

Chairman Craig announced that Procter and Gamble will announce at 1:00 p.m. E.S.T. today that they have received Food and Drug Administration approval for a new fat substitute product. It will be announced on Monday that the product will be manufactured exclusively by Grindsted Products of Kansas City.

IV. COMMITTEE REPORTS:

B. Industrial Committee

1. Mr. Viets and Mrs. Thomen discussed staff's proposal for a G.O. bond issue to fund various capital items (see committee minutes). The commission directed staff to prioritize the Airport Commission needs for capital items for the budget hearing with the BoCC on July 11. The county budget and finance office are considering the idea of the bond issue. Mr. Metcalfe stated that the issuance of the bonds needs to be determined before the 1992 budget is finalized so the debt service payment is budgeted for. He also explained that in his budget summary memo to the Airport Commission he did prioritize the capital needs. The locomotive was listed as a priority, however, as pointed out in the Industrial Committee meeting, leasing the locomotive is a more favorable option so that money could be designated for other uses. The Airport Commission was in consensus that the water system and source of long-term water is the number one priority. Mr. Metcalfe stated that his suggestion of issuing water revenue bonds would be to construct the pipeline from the new source. Other revenues could be dedicated to the revenue bond issue so the funding could include construction of on-site storage and system repairs. The Airport Commission decided another high priority is the rehabilitation of the rail line. Staff will continue to research the G.O. bond issue.

The meeting was recessed from 10:29 a.m. - 10:36 a.m.
VII. NEW BUSINESS:

B. Consider conceptual approval of a transfer of the lease with KCH Inc. for Hangar 2 at Executive Airport to Kansas Aircraft Corporation.

Mr. Metcalfe explained that since the last meeting when Kansas Aircraft Corporation had proposed to construct a new hangar facility at Executive Airport, they have negotiated a deal with KCH, Inc. to acquire Hangar 2. Tom Meisenzahl was present to request the Airport Commission give conceptual approval of a transfer of the lease from KCH Inc. to KAC. Hangar 2 was constructed with IRB's which have been paid. The hangar is on a separately described piece of property, however KAC is requesting the property be redescribed because KCH's underground storage tanks are located on a the Hangar 2 tract. Mr. Meisenzahl explained that a tentative agreement has been reached to purchase the leasehold improvements for Hangar 2 with the exception of the 20' strip of land east of the current property line. Mr. Meisenzahl stated that the hangar is about twice the size as their proposed building plans. He stated that they are planning improvements to both the exterior and interior of the hangar. They also plan to overlay the ramp with 1½" of asphalt. Mr. Metcalfe explained that the underground storage tanks were installed by KCH's predecessor in approximately 1966. The tanks are registered with the State and the testing must be complete by July 31, 1991. There is some indication that there has been some spillage and leakage from the tanks. Staff is talking with KCH about compliance with the applicable regulations. There is also an area north of the U.S.T. site where there may be some contamination from oil spillage. These areas will remain with the original KCH lease. Mr. Meisenzahl is contacting environmental firms to conduct a Level II environmental audit of the property he is requesting to lease. Chairman Craig requested the agreement be structured so the proceeds from the sale can be escrowed to pay for the testing and any remediation necessary for the U.S.T. site. Mr. Ford stated that the Airport Commission could give conditional consent of assignment upon cleanup of the property. Chairman Craig stated his concern was we want leverage to insure the seller complies with the cleanup of the U.S.T. site. Mr. Fredrichs stated that KCH has discussed removing the U.S.T.'s and installing new tanks which would be in compliance with the new regulations. Mr. Meisenzahl discussed a "Superfund" in Kansas used for the remediation and cleanup of U.S.T. sites. After clarification of the question about the escrow of funds, Mr. Ford responded that the Airport Commission cannot withhold consent of the assignment contingent upon resolution of a problem on property not being assigned. However, since KAC wants the property description changed in the assignment, that may give the Airport Commission leverage over the seller. Mr. Metcalfe pointed out that the KCH lease states they must be in compliance with applicable regulations and if the Airport Commission suspects problems with the U.S.T. site, KCH can be
directed to remediate the problem or be found in default of their lease. Mr. Meisenzahl's offer to KCH was subject to approval of the assignment, a favorable Level II environmental audit and clean up of the site if the audit was not favorable. KAC would like to close the deal on September 1, 1991. There was discussion about adjourning to executive session to discuss the issue. Connie Bye, with the K.C. Star asked for the specific purpose for the executive session. Mr. Ford's opinion was that adjourning to executive session was appropriate to discuss negotiation of contract terms. MOVED BY MR. NOHE, SECONDED BY MR. WALTER TO ADJOURN TO EXECUTIVE SESSION FOR FIFTEEN MINUTES TO DISCUSS PROPOSED CONTRACTUAL TERMS AND THE TRANSFER OF A REAL ESTATE EQUITY OWNERSHIP. Chairman Craig clarified with the concurrence of Mr. Ford that the purpose for the executive session was to discuss with legal counsel the transfer of a leasehold interest and the potential for litigation. APPROVED (4-1, THOMEN DISSenting). MOVED BY MR. NOHE, SECONDED BY MR. WINN TO RECONVENE INTO REGULAR SESSION AT 11:21 A.M. APPROVED UNANIMOUSLY (5-0).

The Airport Commission met in executive session from 11:06 a.m. until 11:21 a.m., at which time the regular meeting was reconvened.

MOVED BY MR. NOHE, SECONDED BY MR. WINN TO GRANT CONCEPTUAL APPROVAL TO A LEASE TRANSFER OF THE KCH INC. LEASE FOR HANGAR 2 AT EXECUTIVE AIRPORT TO KANSAS AIRCRAFT CORPORATION, MINUS THE 20' STRIP OF LAND WHERE THE UNDERGROUND STORAGE TANKS LIE WITH THE CONDITION THAT THE ENTIRE ORIGINAL LEASE SITE BE SUBJECT TO AN ENVIRONMENTAL AUDIT AS RECOMMENDED BY THE EXECUTIVE DIRECTOR AND THAT THERE BE FINANCIAL ASSURANCES BY THE SELLER SATISFACTORY TO THE EXECUTIVE DIRECTOR AND LEGAL COUNSEL. There was agreement that financial assurances could be in the form of letter of credit, a performance bond or personal guarantees in the amount of potential liabilities for the situation. Mr. Metcalfe stated that the Airport Commission has no requirements at Executive Airport for setbacks etc. and that the City of Olathe has no problems since there is only one property owner for the entire complex. Mr. Meisenzahl commented he has the same environmental concerns as the Airport Commission, however, he does not want to queer the deal by attaching too many conditions to the consent of assignment. Chairman Craig stated that the Airport Commission feels an obligation to all parties involved to discover and remediate any problems and that the appropriate party to deal with any problems is the current leaseholder, KCH, Inc. Staff will contact KCH about the Airport Commission decision. Mr. Ford stated that his initial reaction is that the action taken would stand the test of reasonableness and that he would make a final determination on the issue after reviewing the documents. APPROVED UNANIMOUSLY (5-0).
VI. UNFINISHED BUSINESS:

A. Airport Zoning Update - Review land use maps.

Lisa Beeman, Planning Office, was present to discuss the comprehensive compatibility plans and proposed land use maps for Executive and Industrial Airports as drafted by the airport-area zoning study group. She reported that staff is near completion on the airport zoning regulations. She summarized the airport area compatibility plans. The primary concerns were noise attenuation and the safety of airport operations. The strategies were the protection of a critical corridor, limiting residential densities within the airport interest areas, to encourage non-residential land uses where appropriate and the use of appropriate regulatory actions/development controls. Additional issues for consideration were the creation of future wastewater districts within airport interest areas and future use and maintenance of open space/county-owned land within the airport interest areas. After several compromises, there was consensus between the study group members on the plans. The plans are now being reviewed by the governing bodies. The County Planning Commission is in favor of the plans and is very interested in the reaction of the Airport Commission. Comments by the governing bodies will go back to the study group for implementation into the plan. Mr. Nohe suggested that the master plan consultant and Jim Howard should review the plan and map for Industrial Airport. Ms. Beeman stated that there may be some potential problems with the acceptance of the plans around Executive Airport by the City of Olathe because of the limited density for residential development. Ms. Beeman stated that after the plans go through the public hearing process, she anticipates each governing body will incorporate the plans for the specific area into their comprehensive plans. Then it is hoped that an interlocal agreement will be signed by all entities, which will outline a process for any deviation from the plan. Staff is hoping the project will be complete and ready for implementation by fall. The Airport Commission will study the plans and discuss them at the July meeting.

III. REPORT OF THE TREASURER:


The voucher list was discussed. MOVED BY MR. WALTER, SECONDED BY MRS. THOMEN TO RATIFY THE DISBURSEMENTS FOR MAY AS PRESENTED. APPROVED UNANIMOUSLY (4-0).

B. Receivables Report.

The accounts receivable list was reviewed and no problems were noted.
C. 1991 actuals vs. budget report.
D. Mid-year budget review.

The reports were reviewed and discussed. Chairman Craig pointed out that revenues are higher than expected.

IV. COMMITTEE REPORTS:

A. Administrative Committee

1. Discuss proposed refinancing of T-hangar bonds.

Mrs. Thomen discussed the refinancing of the bonds as presented in the Committee minutes. Mr. Nohe stated that the county's financial advisor should consider the refinancing with G.O. bonds as well as with revenue bonds.

2. Presentation of the 1992 budget as revised by the County Budget Office.

Mrs. Thomen reviewed the discussion as stated in the Committee minutes. Mr. Walter reemphasized the importance to repair the railroad tracks and to obtain a locomotive.

3. Discuss alternatives for fire station housing.

Mr. Metcalfe reported that the BoCC approved the purchase of a modular building for temporary fire station housing due to the deteriorating condition of the station. The home is expected to arrive August 15. Mr. Adams stated that the modular home is four-bedroom and will accommodate the standard crew.

4. Renovation of Hangar 43.

The Administrative Committee directed staff to meet with the Confederate Air Force and ask for a specific business plan and for financial assurances before the Airport Commission spent any funds to repair the roof on Hangar 43.

B. Industrial Committee

1. Discuss proposed addendum to Grindsted lease.

Grindsted officials are reviewing the addendum which adds one acre to their current leasehold. The only issue yet to be resolved is who pays for the environmental audit.

2. Discuss proposed environmental audit policy.

Refer to the Industrial Committee minutes.
3. Discuss Jet-Tech expansion proposal.

Mr. Metcalfe reported that he and Mrs. O'ffill will be meeting with Norman Gaar to discuss the particulars of an industrial revenue bond issue.

4. Discuss railroad operations at Industrial Airport.

Mr. Metcalfe reported that we have not received a response from Santa Fe on our request for a switching fee increase.

V. STAFF REPORTS:

A. Report of the Director, Aviation:

1. Status of Airport Improvement Program (AIP) projects.

Mr. Fredrichs reported that construction on the Executive Airport ramp project will begin in early July. The draft copy of the study on the ILS is complete. When the final study is complete the plans and specifications will be developed.

B. Report of the Director, Emergency Services:

Mr. Adams expressed his and his staff's appreciation for the Airport Commission's support to resolve the fire station housing problems.

C. Report of the Director, Planning & Administration:

1. Status of capital projects.

The repairs to the pump house roofs are substantially complete.

E. Report of the Executive Director:

1. Property tax legislation.

Mr. Metcalfe reported that he met with Don Jarrett, Chief County Counsel, regarding the implementation of the legislation. Mr. Jarrett stated that the exemption applications that are with the Board of Tax Appeals will have to be amended to cite the new legislation. He also feels that since there are several airports affected by the legislation that BOTA will render a "generic" interpretation of the law. Chairman Craig reported that Rep. Nancy Brown informed him that the City of Liberal has asked for an Attorney General's opinion on the effect of the legislation.

Mr. Metcalfe reported that Rep. Nancy Brown informed him that an interim study committee to study the airport property taxes has been formed and has had its initial meeting. They will visit the
major airports affected by the legislation and will visit Industrial Airport on August 26. They will inspect airport property and possibly hold a public hearing.

The meeting was adjourned at 12:10 p.m.

Phyllis Thomen, Secretary

R. Lee Metcalfe,
Executive Director
JOHNSON COUNTY AIRPORT COMMISSION

ADMINISTRATIVE COMMITTEE AGENDA

Thursday, June 20, 1991 - 7:30 a.m.

Howard Johnsons Restaurant  
I-35 and 95th  
Lenexa, Kansas

1. Discuss proposed refinancing of T-hangar bonds.

2. Presentation of the 1992 budget as revised by the County Budget office.

3. Discuss alternatives for fire station housing.
JOHNSON COUNTY AIRPORT COMMISSION

ADMINISTRATIVE COMMITTEE MINUTES

Thursday, June 20, 1991 - 7:30 a.m.

Howard Johnson's Restaurant
95th and I-35, Lenexa

Committee Members Present:  Thomen, Nohe, Walter

Others Present:  Ben Craig, Lee Metcalfe, Dede
Smyth, Tom Schaefer, Paul
Adams, Ron Cousino

1. Discuss proposed refinancing of T-hangar bonds.

Mr. Cousino, County Finance Director, discussed the possibility of refinancing the t-hangar bond issues. He stated that the 1985 issue in the amount of $1,000,000 was the best candidate for refinancing. The county's financial adviser is reviewing the bond transcript to determine the exact savings if the bonds were refinanced. Mr. Cousino suggested that if any monies were needed to construct additional t-hangars it would be advisable to include that amount in the refinancing issue, making the issue more marketable. His initial review of the transcript revealed there are no sinking fund requirements on any of the three bond issues. It was noted that there is only one bondholder for each of the three issues. Mr. Cousino stated that the financial adviser will submit a written report on their analysis of the proposed refinancing. Mr. Metcalfe stated that there is presently a two-year (50 names) waiting list for t-hangars at Executive Airport. Staff has proposed to construct additional t-hangars when the current issues are paid. The FBO's, however, have been pressuring the Airport Commission to construct additional hangars immediately, stating they are losing business because there is not adequate inside storage for aircraft and the majority of pilots do not want to leave their aircraft outside for permanent storage, so they are basing their aircraft at other airports. Mr. Metcalfe suggested constructing two blocks of t-hangars if it proved financially advisable. THE COMMITTEE DIRECTED STAFF TO PRESENT A BUSINESS PLAN SHOWING THE REVENUES AND COSTS ASSOCIATED WITH THE CONSTRUCTION OF ADDITIONAL T-HANGARS AND TO PRESENT THE REPORT FROM THE COUNTY FINANCIAL ADVISER ON THE REFINANCING WHEN IT IS RECEIVED.

2. Presentation of the 1992 budget as revised by the County Budget office.

Mr. Metcalfe reported that the Budget Office is not recommending any funding from the Capital Improvement Program for Airport requests in 1992. He suggested issuing $1,200,000 of general obligation bonds to be used for capital needs at the airport. The $150,000+ debt service payment for the issue could be paid from the
Airport Commission's operating budget by foregoing some smaller (non-CIP) capital items. The annual budget presently includes approximately $300,000 of capital line items and some of those could be purchased from the bond issue. Mr. Metcalfe discussed the memo sent regarding rail operations at Industrial Airport and reiterated the urgency of the situation. As discussed in the memo concerning the budget summary, Mr. Metcalfe proposed that a locomotive and track rehabilitation be purchased with the general obligation bond proceeds. Mr. Metcalfe stated that the water system rehab in the budget summary memo referred to the necessary rehabilitation of the water system on the Industrial Airport. It has been suggested that revenue bonds be issued for the construction of the new water source and the elevated storage. Mr. Cousino commented before he would recommend a bond issue he would request the Airport Commission submit a five year budget showing the impact of the debt service payment. Mr. Cousino commended Airport Commission staff on the increasing self-generated revenues which subsequently have reduced the general fund support. Mr. Metcalfe reported that staff is expecting some unanticipated revenues for 1991 that were discovered in a review of all the leases. **THE COMMITTEE DIRECTED STAFF TO EXPLORE THE CONCEPT OF THE GENERAL OBLIGATION BOND ISSUE AND REPORT BACK TO THE COMMISSION.**

3. **Discuss alternatives for fire station housing.**

Mr. Metcalfe reviewed the report on the condition of the fire station as submitted by Paul Adams. Mr. Metcalfe reported that the condition of the station is deteriorating and an alternative for temporary living quarters for the employees must be found immediately. Mr. Metcalfe reported that the FAA has reported that it is likely they will fund an Index "A" crash truck for the Airport Commission in 1991. Typically when they fund a crash truck, they will also fund a portion of the fire station where it will be housed. Mr. Metcalfe stated he is reluctant to spend funds on a long term solution until we see what the FAA will do. Staff is recommending purchasing a double-wide mobile home for use as living quarters. The equipment bays in the old fire station will be isolated from the old living quarters so they can remain in use on a temporary basis. Mr. Adams stated that the mobile home could be resold when a new fire station is constructed. Mr. Metcalfe recommended a portion of the unanticipated revenues be used for the purchase of the mobile home. **THE COMMITTEE RECOMMENDED THE PURCHASE OF A DOUBLE-WIDE MOBILE HOME FOR USE AS LIVING QUARTERS FOR THE FIRE DEPARTMENT.**

Mr. Metcalfe reported that staff was told yesterday by the Budget Office that the Capital Improvement Program is recommended to include funds in 1993 for the renovation of Hangar 43, but that it could be temporary—noted so that the cash could be available some time in 1992. Mr. Metcalfe expressed concern about waiting until 1992 to begin repairs because of the deteriorating condition of the building and suggested repairing the roof this year. Mr. Cousino stated that it may be possible to issue temporary notes now for the
rehabilitation of the hangar and defer the payment until 1993. Mr. Metcalfe stated that if the roof were fixed it would slow down the deterioration of the building, but the long-term fix must include repairing the exterior walls to make the building weather-proof.

The committee requested firm assurances from the Confederate Air Force that they can and will follow through on their part of the proposed rehabilitation program and directed staff to solicit from the CAF a written proposal with financial information. Mr. Metcalfe stated he will meet with Phil Harris and Jack Sharp of the CAF and discuss the Airport Commission’s concerns about the project.

The meeting was adjourned at 9:10 a.m.
INDUSTRIAL COMMITTEE AGENDA

Friday, February 22, 1990 - 11:30 a.m.

Doubletree Hotel
10100 College Boulevard
Overland Park, Kansas

1. Discuss land buy at Industrial Airport.
2. Discuss status of airport-area zoning.
3. Discuss scope of services for consultant for Industrial Park Master Plan.
4. Discuss Director of Property Management job description.
5. Discuss request from Ronald Martin to acquire Airport gas wells.
6. Discuss a proposed booth at the National Business Aviation Association annual convention.
7. General Chemical lawsuit.
8. Discuss a meeting with air shuttle representatives and various community members.
9. Update on property tax situation.
JOHNSON COUNTY AIRPORT COMMISSION

INDUSTRIAL COMMITTEE AGENDA

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JOHNSON COUNTY AIRPORT COMMISSION

INDUSTRIAL COMMITTEE MINUTES

Friday, February 22, 1990 - 11:30 a.m.

Doubletree Hotel
10100 College Boulevard
Overland Park, Kansas

Committee Members Present: Viets, Meyer, Winn

Others Present: Lee Metcalfe, Dede Smyth, Tom Schaefer, Ben Craig, Phyllis Thomen, Rick Lind, Bob Ford,

Discuss land buy at Industrial Airport.

The committee discussed proposed properties for acquisition at Industrial Airport.

Discuss status of airport-area zoning.

After discussion of the various aspects of the proposed memorandum of agreement, THE COMMITTEE AGREED THAT THE AIRPORT COMMISSION'S INTENT IS THAT THE REVIEW PROCESS SHOULD FOCUS ON LAND USE/ZONING ISSUES AND FAA HEIGHT RESTRICTIONS RATHER THAN SITE-SPECIFIC DEVELOPMENT PLANS, AND DIRECTED MR. METCALFE AND MR. VIETS TO PURSUE THAT STANCE WITH THE ZONING GROUP. Mr. Metcalfe also noted that the zoning group's recent discussion has centered on residential density within the airport interest area. All the cities have agreed to the airport and planning staff's suggestions, except Overland Park with regard to the Tomahawk Creek basin. They want to get sewers into that area, but they claim they can't feasibly do that without greater density than .5 EDU per acre. Mr. Metcalfe stated we could allow the transfer of density out of a corridor off the end of the runway in which no residential would be allowed, and into areas outside of the corridor but within the airport interest area. The area where no residential development is allowed could be designated as open space/parks ground.

Discuss scope of services for consultant for Industrial Park Master Plan.

Mr. Meyer suggested adding language to the scope of services for the consultant to continue to advise the Airport Commission after the master plan is complete. Mr. Viets commented he still feels we should contract with separate firms to complete the master plan. Mr. Metcalfe stated that the scope of services provides for
consultants to bid both ways; i.e. they can bid on individual pieces of the project, a combination of pieces, or the whole project. He also stated that with separate firms he would advocate appointing a project coordinator. He also noted that the scope of services was written in accordance with the county's purchasing policy for the consultant selection process. The selection process has previously not considered fee proposals as a selection criteria, but the BoCC is now considering that cost should be given a 10% weight in the process. Mr. Metcalfe stated he would like final comments on the RFP by the Wednesday meeting so the process can begin soon.

**Discuss Director of Property Management job description.**

Mr. Metcalfe reported that the job description has been revised after Airport Commission and staff input. The committee will review the new description and provide final comments by the Wednesday meeting so the hiring process can begin soon.

**Discuss request from Ronald Martin to acquire Airport gas wells.**

Mr. Metcalfe reported that Ronald Martin, on behalf of Brock Oil, has proposed to lease the Airport gas wells. Brock would accept the plugging liability and pay the Airport Commission a 1/4 royalty on any production. Mr. Meyer stated the only reason to do the deal would be that Martin would be assuming the plugging liability, which Mr. Metcalfe estimated to be in the $10,000 to $12,000 range. **THE COMMITTEE DIRECTED STAFF TO PURSUE RONALD MARTIN'S PROPOSAL TO ACQUIRE THE AIRPORT GAS WELLS.**

**Discuss a proposed booth at the National Business Aviation Association annual convention.**

Mr. Metcalfe reported that he has had a booth at the NBAA convention in previous years and that it is a good venue for doing airport development business. It would allow the Airport Commission to establish a greater presence in the aviation industry and to make a marketing impression on up to 2,000 business prospects. Mr. Metcalfe stated he hoped to have the new marketing materials for distribution at the convention. **THE COMMITTEE WAS IN CONSENSUS TO HAVE A BOOTH AT THE CONVENTION. THE ENTIRE AIRPORT COMMISSION WILL VOTE FOR FINAL APPROVAL AT THE FEBRUARY 27 MEETING.**

**General Chemical lawsuit.**

Mr. Metcalfe briefed the committee on the lawsuit recently filed by General Chemical Services, Inc., who was the first contractor hired to remove the contents from the underground storage tanks near
Parsonitt Company. They failed to comply with the terms of the contract and were fired. Airport Commission and Legal staff attempted to settle payment with General Chemical. General Chemical did not accept our offer and subsequently filed a lawsuit. A motion to dismiss has been filed by the county legal department. It has been submitted to the judge for a ruling and we are awaiting a response.

**Discuss a meeting with "Air Shuttle" representatives and various community members.**

Mr. Metcalfe reported that the Air Shuttle representatives have requested a meeting with various community businesses who would typically use regional air passenger service. He stated that the details of the meeting are being finalized.

Mr. Metcalfe reported that he met with John Solomon, Kansas City, Missouri's new Director of Aviation and discussed our plans for regional passenger service at Industrial Airport. Mr. Solomon does not feel that we are competing with KCI if we pursue this service.

**Update on property tax situation.**

Mr. Metcalfe reported that the Wichita Airport Authority has introduced legislation to exempt all their property from taxation, similar to the legislation in place for Topeka and Salina. Mr. Metcalfe attended the legislative committee hearing in Topeka on that bill and reported that it was received by the committee with little opposition. Airport and County staff are examining the Airport Commission's opportunities for similar legislation. The Gardner school district would oppose a blanket exemption such as Wichita has requested, but it may be possible to work out an agreement with them to allow them a payment in lieu of taxes based on what their ad valorem taxes would be.

Mr. Metcalfe stated that Gardner school district is drafting legislation which would remove the disputed properties from their assessed valuation to allow for their fair share of state school aid until the property tax issue at the airport is resolved.

The meeting was adjourned at 1:36 p.m.
JOHNSON COUNTY AIRPORT COMMISSION

INDUSTRIAL COMMITTEE AGENDA

Friday, May 17, 1991 - 7:00 a.m.

Waid's - Fairway
4200 Johnson Drive

1. Discuss proposed addendum to Grindsted lease.

2. Discuss proposed Amendment No. 2 to Burns and McDonnell contract.

3. Discuss gas well operations at Industrial Airport.
JOHNSON COUNTY AIRPORT COMMISSION

INDUSTRIAL COMMITTEE MINUTES

Friday, May 17, 1990 - 7:00 a.m.

Waid's - Fairway
4200 Johnson Drive

Committee Members Present: Viets, Meyer, Winn

Others Present: Lee Metcalfe, Dede Smyth
Tom Schaefer, Rick Lind

1. Discuss proposed addendum to Grindsted lease.

Mr. Metcalfe explained that Grindsted officials have requested a lease addendum to add one acre to their existing leasehold property to construct a wastewater pre-treatment facility as has been mandated by the Johnson County Wastewater Department. Mr. Lind stated that the original lease being amended is a bond lease and has many provisions that do not apply to this property. The bond lease states that it cannot be amended without the bank trustees approval, which was not received on the previous addendum approved last summer. Mr. Lind stated is may be necessary to do a separate ground lease for this property. Mr. Winn suggested a clause be added which requires an environmental study be conducted before the property is leased and that the land be returned to its original condition upon vacation by tenant. The cost of the study could be paid for by either party or shared between the Airport Commission and the tenant. Mr. Metcalfe stated that the Grindsted facility is built on an old Navy tank farm. The Army Corps of Engineers, which has been tasked with environmental remediation of former military sites under the Defense Installation Environmental Remediation Program (DERP), is considering clean up of other tank sites on airport property and may be willing to clean up this site if it is found to be contaminated. Mr. Metcalfe suggested the requiring of an environmental study before property is leased could be adopted as a basic policy. Mr. Winn suggested a clause in the addendum prohibiting others from using the pre-treatment facility. The committee directed staff to also remove language from the addendum relating to the "favored nations" clause in the original bond lease. The committee recommended language in the addendum making reference to the fact the facility will be required to be in compliance with the applicable regulations. Mr. Metcalfe stated that the language in the modification states that it does not modify the original lease, which he feels precludes the need for the bank trustee's approval. Mr. Metcalfe also cautioned the committee that, if the lease addendum is made too onerous or the approval delayed significantly, Grindsted's may blame the Airport Commission for delaying its ability to get the pretreatment facility on line. THE COMMITTEE RECOMMENDED APPROVAL OF THE LEASE AS PRESENTED WITH THE CHANGES DISCUSSED. STAFF WAS DIRECTED TO MAKE THE APPROPRIATE CHANGES AND SUBMIT TO GRINDSTED OFFICIALS FOR APPROVAL.
2. Discuss proposed Amendment No. 2 to Burns and McDonnell contract.

Mr. Metcalfe explained that the amendment provided for additional work on the first phase of the Parsonitt soil contamination project which includes additional analysis and soil boring. The total cost of the work authorized to date, including this amendment, does not exceed the original approval from the BoCC of the contract for $71,000, and Mr. Denton has agreed amendments can be handled administratively until that amount is exceeded. Mr. Metcalfe reported Burns & McDonnell calculates that approximately 28% of the cost of cleanup can be attributed to the Navy's use of the tanks for petroleum products. A letter has been submitted to the Army Corps of Engineers (DERP) requesting participation in the cleanup cost. Initial discussions have begun and staff is optimistic the Army Corps will pay a portion of the cost. Mr. Metcalfe reported he had contacted HNTB regarding the Administrative Committee's request to obtain another estimate on the project. HNTB officials stated that in order to validate Burns & McDonnell's calculations it would be necessary to independently duplicate some of the work, which would be costly. It may be possible to simply review test results and draw independent conclusions, but HNTB did not think that would be very helpful. Burns and McDonnell have cautioned staff about the estimate they provided for the cleanup of the contamination because there was at that time much yet to be done in developing specifications for the project and soliciting bids for the work. Also, they do not know how long the soil vapor extraction system will need to be in place. It could be as little as a few months to possibly a few years, which would prove costly. Mr. Winn observed that because the actual remediation work is to be publicly bid, we should gain some comfort that the project is technically sound and the costs are reasonable for the market. THE INDUSTRIAL COMMITTEE RECOMMENDED APPROVAL OF AMENDMENT NO. 2 TO THE BURNS AND MCDONNELL CONTRACT AND AUTHORIZED THE CHAIRMAN TO SIGN.

3. Discuss gas well operations at Industrial Airport.

Mr. Metcalfe reported that Brock Oil Corporation has submitted a proposal to lease and operate the six airport gas wells. They have proposed to close the three wells with no gas and to operate the other three. Brock Oil currently provides gas to Grindsted and Dazey. Brock is proposing to pay the Airport Commission a 1/4 royalty on production from the three wells. Mr. Metcalfe responded to a question and stated that about a year ago proposals were sought for the operation of the all of the wells, both on and off the airport, and Brock submitted the only proposal. Mr. Metcalfe stated he feels the agreement is a reasonable arrangement. The agreement shifts the plugging liability for the wells from the Airport Commission to Brock Oil. He reported that leases on the off-airport wells have probably expired on their own terms and that Brock Oil has indicated they will negotiate directly with those landowners. Mr. Metcalfe proposed quit claiming any interest we may have in the wells, including well hardware, to Brock Oil in exchange for their assuming plugging liability. There was discussion about the financial condition of Brock Oil. Mr. Metcalfe reported the Brock Oil and Gas Corporation is a substantial company in the south. Mr. Winn suggested a time frame for capping the unproductive wells. Mr. Meyer suggested some type of guarantee from the parent company on the performance and that the wells must be plugged by
state standards. The committee discussed a performance bond or a letter of credit as a guarantee but stated those are probably not possible as a long term assurance. Mr. Lind stated he believes the proposed agreement, which is a standard oil and gas lease, provides for plugging the wells within a certain time period when the well is found to be unproductive. Mr. Meyer asked if the agreement gave the Airport Commission the option to cancel if the property was needed for industrial use. Mr. Metcalfe stated he didn't think it would be necessary because the three wells which may be producible are in the clear zone where no development is allowed, and the other three would be closed out within the time limit the committee suggested. THE COMMITTEE RECOMMENDED APPROVAL OF THE AGREEMENT WITH THE APPROPRIATE ASSURANCES FROM BROCK OIL CORPORATION.

4. Railroad operations at Industrial Airport.

Mr. Metcalfe reported that Heartland Cement, a bulk cement terminal at Industrial Airport, is undergoing expansion to allow for transporting their materials by rail. The increase would mean delivery of approximately five 100-ton cement cars daily. This would more than triple our current rail traffic. Our current locomotive is worn out. A replacement was requested in the 1991 Capital Improvements Program, but was not approved. It has again been requested in the CIP for 1992. With the increase in rail traffic caused by Heartland Cement's expansion it probably will be necessary to replace the locomotive immediately. Mr. Metcalfe stated that the rail service has been used in the past and could continue to be used in the future as a marketing tool. The rail service currently loses money because of the low volume. Mr. Metcalfe explained that there have been no major expenditures for maintenance on the railway over the last fifteen years, which causes a cumulative need for a major investment. The rail service has potential to break even with the increase in traffic generated by Heartland's expansion. There was discussion about turning over the rail service to Santa Fe. Mr. Metcalfe stated that Santa Fe will not bring their locomotives on our tracks without significant improvements, estimated to cost approximately $500,000. Even if Santa Fe would haul the cars to our tenants the Airport Commission would continue to be responsible for the ongoing maintenance of the tracks, so that the only savings to the Airport is in the cost of operating the locomotive. Mr. Meyer stated that the benefit of the rail service should be compared to our costs of operating and maintaining to determine if it is a worthwhile service. The committee suggested exploring outside rail service. Staff will continue researching the matter.
JOHNSON COUNTY AIRPORT COMMISSION

INDUSTRIAL COMMITTEE AGENDA

Friday, June 21, 1991 - 7:30 a.m.

Doubletree - Overland Park
10100 College Boulevard

1. Discuss proposed addendum to Grindsted lease.

2. Discuss railroad operations at Industrial Airport.

3. Discuss proposed environmental audit policy.

4. Discuss Jet-Tech expansion proposal.
JOHNSON COUNTY AIRPORT COMMISSION

INDUSTRIAL COMMITTEE MINUTES

Friday, June 21, 1991 - 7:30 a.m.

Doubletree - College Blvd.
Overland Park, KS

Committee Members Present: Viets, Meyer, Winn
Others Present: Ben Craig, Marty Nohe, Lee Metcalfe,
Dede Smyth, Rick Lind

1. Discuss proposed addendum to Grindsted lease.

Mr. Metcalfe reported that Grindsted officials were not receptive to the
additions to the lease addendum as outlined at the May Airport Commission
meeting. They are not willing to conduct nor pay for an environmental
audit but do not object to the Airport Commission doing so. They also
objected to the clause added concerning others using their pre-treatment
facility, stating they do not want to limit their ability to develop their
business with a subtenant or joint venture. Mr. Lind stated his concerns
had been the use of the facility by a third party. Mr. Winn stated that
his intent was so the Airport Commission would know who was using the
facility and what was being putting into it. The committee agreed the
language could be altered so as not to exclude subtenants or joint venture
partners. Grindsted officials also objected to removing the "favored
nations" clause. The committee agreed to remove the clause from the
addendum but that the clause would not be included in any future leases
with any parties. The committee insisted a Level I environmental audit be
completed and agreed to negotiate for payment of the study.

2. Discuss proposed environmental audit policy.

Mr. Metcalfe stated he would like to address the environmental audit policy
when the new EPA storm water regulations are developed. He believes that
a Level I audit will need to be completed for the entire airport as part of
the EPA storm water compliance process. Mr. Nohe stated that when problems
are discovered in the Level I audit, a Level II is required. Mr. Winn
stated he preferred to complete an environmental audit on a case by case
basis. Mr. Viets commented that any discoveries in the audit could affect
the master plan and where industry would be allowed to develop. Mr.
Metcalfe stated that the Army Corps of Engineers has been tasked with
environmental remediation of former military sites under the Defense
Installation Environmental Remediation Program (DERP), and may be a source
for funding an environmental audit for the entire airport. Mr. Winn
suggested Mr. Metcalfe approach the Army Corps about possible funding for
the study. The committee expressed concern about environmental issues at
the airports and made a clear statement that identifying and properly
resolving environmental problems is an urgent priority for the Airport
Commission.
3. Discuss Jet-Tech expansion proposal.

Mr. Metcalfe reported that Jet-Tech, a tenant at the Industrial Airport, has been looking for a new site to accommodate an expansion up to 30,000 sq. ft. He stated that he has met with Mrs. O'ffill, the owner of Jet-Tech, about possible IRB financing. Mr. Metcalfe has arranged a meeting with Mrs. O'ffill and Norman Gaar, County Bond Counsel, to explore the options.

4. Discuss railroad operations at Industrial Airport.

Mr. Metcalfe reiterated the information in the memo regarding the status of the railroad operations. He reported that Santa Fe has not yet responded to our request for an increase in fees. Mr. Metcalfe is requesting a renewed commitment from the Airport Commission that we are going to stay in the rail business. Mr. Metcalfe stated the rail operation was a good marketing tool and has been specifically mentioned as a strong point by the Industrial Park Master Plan consultants we are interviewing. Mr. Winn suggested leasing instead of purchasing a locomotive. Mr. Craig recommended a complete rehabilitation of the track. THE COMMITTEE WAS IN CONSENSUS THAT WE SHOULD CONTINUE IN THE RAIL BUSINESS BUT SHOULD EXPLORE ALTERNATIVES SUCH AS PRIVATIZATION TO MINIMIZE LIABILITIES AND LOSS OF FUNDS.

Mr. Metcalfe discussed his proposal to issue General Obligation Bonds to fund several capital items including $100,000 for track rehabilitation and $220,000 for acquisition of a locomotive. The debt service payment would be expended from the Airport Commission operating budget. On June 20, 1991 the Administrative Committee directed staff to research the concept of issue G.O. bonds for capital needs. THE INDUSTRIAL COMMITTEE DIRECTED STAFF TO PRIORITIZE THE CAPITAL NEEDS PROPOSED TO BE FUNDED BY THE GENERAL OBLIGATION BOND ISSUE AND REMOVE THEM FROM THE CIP THAT WAS PRESENTED TO THE COUNTY.

The meeting was adjourned at 9:30 p.m.
PHASE I ENVIRONMENTAL AUDIT SPECIFICATIONS

We recommend that a Phase I audit include analysis of the following:

1. Site History.
   (a) Aerial Photos. Review aerial photos to determine past uses of property. These are generally available from a variety of governmental agencies.
   (b) Title Search. Obtain title search that identifies all past owners of the property and review same for any indication of potential environmental problems.
   (c) Review of Historical Topographic Maps. Review historical topographic maps for any site grade changes that might indicate fill areas. These are generally available from a variety of governmental agencies.

2. Site Reconnaissance.
   (a) Present Property Use. Identify present uses of the property and raw materials used.
   (b) MSD Sheets and Chemicals Handled. Review of all material safety data sheets for the presence of any hazardous substances and identify any chemicals used on site for which no MSD sheet is available.
   (c) Solid Waste. Review of RCRA records for hazardous wastes to determine whether hazardous wastes are being properly disposed. Identify method of disposal of other solid wastes, i.e., hauler and ultimate landfill.
   (d) Site Inspection. Inspect real property and facilities located thereon and identify any obviously contaminated areas. Particular attention should be given to stressed vegetation, discharge pipes, ponds, sink holes, dikes, lagoons, trenches, fill materials, storage areas and property boundaries.
   (e) Permits, Etc. Determine if any on site activity requires environmental permit or other authorization (e.g., NPDES permit, UST registration, air permit, RCRA ID number) and determine currency of any such permit or authorization.
   (f) Employee Interviews. Interview appropriate employees (including managers) concerning possible hazardous substances and waste streams and prior uses of property and facilities located thereon.
(g) **UST's.** Identify any underground storage tanks (check for visual evidence of stressed vegetation, fill ports, vents, pumps, concrete pads, saw cuts in paved areas); determine whether tank:

1. is registered;
2. is in use;
3. inventory is maintained;
4. has been tested for leaks;
5. has been remediated; and
6. has been upgraded (corrosion protection and spill/overfill prevention devices).

(h) **PCB's.** Identify any electrical equipment containing fluid contaminated with polychlorinated biphenols (PCB's), note location on site and obtain date of manufacture of the equipment.

(i) **Asbestos.** Identify any friable electrical or thermal insulation, ceiling tiles or floor tiles and any known asbestos containing materials.

(j) **Wells/Groundwater.** Determine whether there are any active or inactive wells on site.

(k) **Neighboring Property Operations.** Identify the operations conducted on neighboring properties.

3. **Regulatory Agencies.** Send out letters to all appropriate regulatory agencies to determine whether there has been any notice of violation with respect to the property, any listing of the property on any CERCLIS list or so-called "mini-Superfund" state list or if there is other pertinent information in this agency's files.

4. **Other Review.** Identify any other matters which the auditor believes appropriate under the circumstances.

5. **Report.** Prepare a report presenting findings and possible environmental risks. A "Draft Report" should be prepared in the first instance to insure that it has opportunity for input before it is finalized.
MEMORANDUM

TO: Airport Commissioners

FROM: Lee Metcalfe

DATE: June 18, 1991

SUBJECT: Railway Operations at Industrial Airport

The Airport Commission operates a 3.5 mile railway on the Industrial Airport as a part of the package of services and amenities associated with the Industrial Park development. The railway trackage was inherited from the Navy with the transfer of the air base to the County. Rail service has been and continues to be one of the key features of the Industrial Park, and has been heavily promoted as part of the marketing effort.

The original concept was that the Santa Fe Railway would operate their locomotives and crews on our track and switch cars to and from our tenant industries. In 1977, Farmers Union Grain (predecessor to Shedd's/Van Den Bergh Foods) constructed their vegetable oil/margarine plant at the Industrial Airport and became the first user of rail service. The first time the Santa Fe attempted to bring one of their large mainline locomotives onto the Airport railway it derailed, and the Santa Fe notified us that they would not bring their equipment onto our rails unless and until we brought the track up to their specifications. We had our engineers (HNTB) study this problem and it was estimated that it would cost $286,000 (1977 dollars) to meet Santa Fe's standards.

Airport staff was able to locate a surplus military light-duty switching locomotive (1943 model) and the decision was made that the Airport would handle the switching of cars on the Airport tracks. This decision was made by the Airport Commission at their regular meeting on April 12, 1977, according to the minutes of that meeting. An agreement was entered into with the Santa Fe (copy attached) to provide for this arrangement, and the Santa Fe agreed to pay us a fee for switching the cars between their tracks and the tenants' spur tracks. This unique arrangement was emphasized in our marketing materials and was a key consideration in the location decisions of several or our tenants (see marketing piece attached).

Currently there are eight tenants with spurs to their facilities.
They are Van den Bergh Foods, Grindsted Products, Howell Mouldings, Royal Tractor, Shade Foods, Heartland Cement, R. D. Long Contracting and DeElliotte Plastics. In addition, we have a "public track" where rail service can be used by those who don't have a dedicated spur. The public track has been used for large, heavy loads, such as the turbine/generator sets that went into Gardner's new electric generating facility, as well as large deliveries of construction materials for various projects at the airport. Of the eight tenants with spurs, four are regular users of rail for receiving their raw materials. They are Van Den Bergh, Grindsted, Shade and Heartland. Prior to recent Heartland Cement's expansion, traffic was averaging just under 200 cars per year. Heartland is now projecting 500 cars through the end of the year, and 600-700 cars per year for the future. We have contacted all of our current users of rail and they all confirm that their use of rail will continue or increase. This means we can expect traffic in the 800-900 cars per year range; an increase of 400-450%.

We have for the last two years requested in our C.I.P. submittal funding to replace our 49 year-old locomotive. It has major mechanical problems and is so old replacement parts are no longer available. We have an estimate to completely overhaul the unit for $186,000, plus rental of a "loaner" at $500 per day. Time to complete the overhaul is 60-90 days assuming parts can be scrounged or fabricated. After the expense of $216,000 to $231,000, we would have an overhauled light-duty switching locomotive.

We have a quote of $220,500 for a completely rebuilt medium-duty switching locomotive more suited to our current needs (considering the heavy "cement" traffic). Our current locomotive weighs 44 tons and is design-rated at 600 horsepower (it is probably actually producing half that!). The locomotive we want weighs 100 tons and has 1,200 horsepower. Typical mainline locomotives weigh 200+ tons, have 4,000 horsepower, and cost $1 million new.

It has been suggested by the C.I.P. committee that we take the money we would spend on the rebuilt locomotive and use it to upgrade the track to enable the Santa Fe to take over the switching. There are several problems with that approach. First, the most recent estimate we have to bring the track up to Santa Fe standards (actually Federal Railroad Administration standards) is $480,000. This is no surprise considering in 1977 it was $286,000, and the track has continued to deteriorate since then. And while, after the expenditure of this $480,000, the Santa Fe may take over the switching and relieve us of the cost of owning and operating a locomotive, we would still be responsible for maintaining the track, which would receive more punishment because of Santa Fe's much heavier locomotives. It has been suggested that we then charge the Santa Fe for the use of our track. The Santa Fe says that mainline railroads "never" pay for the use of a customer's track, but rather the customer is expected to provide the track and maintain it to industry (F.R.A.) standards if they want to receive
Another problem is the Santa Fe's inability to respond to our tenant businesses' needs for intra-plant switching and weighing of cars. We currently can respond to a "re-spot" request in 15-20 minutes. Our tenants count on this service for their "just-in-time" production planning, and in fact their unloading facilities are designed under the assumption cars will be re-spotted for unloading on a short-notice basis. The Santa Fe would require a minimum of 24-hours notice for switching requests, and would use the locomotive and crew off of their "Ottawa Local," which passes by the Airport in the late afternoon on weekdays only. Our tenants tell us this would be "devastating" to their operations.

The final concern with the "Santa Fe Alternative" is cost. The cost of shipping a rail car of product from a supplier to a consumer is normally included in the price of the product. Thus our tenant businesses have already paid to their suppliers the transportation costs for the rail cars of product we deliver to them. The Santa Fe is paid by the shipper for the movement of the car, and the Santa Fe in turn pays us a portion of their revenue to deliver the car. Because rail rates are very competitive, both within the rail market and against the truck market, Santa Fe has very slim margins on the transportation charges for the cars we handle for them. Santa Fe has used the $15 per car fee they pay us as the basis for calculating their rates, and in most cases they have fairly long-term contracts with their customers which lock in the rates for an extended period. They tell us that they could not absorb the cost of actually switching the cars on the airport tracks and would have to "surcharge somebody" to recover their costs. Because of the Santa Fe's high operating costs (relative to ours), our tenants would be looking at a $200-$300 per car additional cost, which they tell us is totally unacceptable.

Another alternative that has been suggested is that we just announce that we are no longer in the rail business and either let the Santa Fe and the tenants work it out amongst themselves, or let the tenants switch to truck service. In addition to being an abdication of our legal and moral responsibilities to our tenants, it is my opinion that we would incur legal/financial liabilities far exceeding the operating costs of our little railway. Several of our leases with rail-served tenants have language similar to that in the attached excerpt from Shade Foods' lease (paragraph K). Several of our rail-served tenants have invested hundreds of thousands of dollars in rail-side materials handling systems based on the airport's assurances of continued rail service and based on our reliable and responsive service in the past. And regardless of what arrangement the tenants and Santa Fe may come up with, we will still own and have liability for the tracks. Our agreement with the Santa Fe requires that we maintain the track "at (our) sole expense" and according to Santa Fe and Federal Railroad Administration standards, even though the Santa Fe may take over
switching services.

We would be able to continue providing the switching service, including proper maintenance of the track, and at least break even financially, if we were to adjust our rates for intra-plant moves and if we could get an increase in the switching fee paid to us by the Santa Fe. Exhibit "1" illustrates the cash flow situation prior to the Heartland Cement expansion. The expense numbers are estimates as many of the actual expenses are "buried" in the Industrial Park cost center. Exhibit "2" shows the situation with the Heartland traffic and with a "new" locomotive, which is absolutely needed whether we have the Heartland traffic or not. Exhibit "3" shows the cash flow situation with the Heartland traffic and adjusted rates. We have proposed to the Santa Fe that they increase their payment to us from $15 per car to $60 per car. This proposal was formally made to them on June 7, 1991. We have not yet had a response. If they accept the $60 rate and we increase our other rates to $60/car, we can break even with the new locomotive and a preventative maintenance program for the track.

If we cannot get $60/car out of the Santa Fe, we could adjust our intra-plant rates even higher and we could perhaps assess a surcharge for track maintenance of some amount per car (see Exhibit "4"). However, there is a point at which the tenants may reduce their use of our services and/or rail service in general due to cost (elasticity of demand), thus reducing our revenues and reducing the number of cars over which to spread our fixed costs, which increases our "per-car" costs. The trick here will be to find the "threshold of pain" for both Santa Fe and our tenants.

The capital investments needed to get the railway in sound and efficient operating condition are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>New (rebuilt) locomotive</td>
<td>$220,500</td>
</tr>
<tr>
<td>Track rehabilitation</td>
<td>$100,000</td>
</tr>
<tr>
<td>Runaround track (for more efficient operation)</td>
<td>$65,000</td>
</tr>
<tr>
<td><strong>TOTAL CAPITAL</strong></td>
<td><strong>$385,500</strong></td>
</tr>
</tbody>
</table>

With a proper preventative maintenance program costing about $12,000 per year, these capital investments could reasonably be amortized over a twenty-year useful life, yielding an annual "depreciation" cost of less than $20,000. We believe this to be a very reasonable investment, both from a business perspective and from a marketing/tenant relations perspective.

**SUMMARY**

It is staff’s recommendation that the Airport Commission and the Board of County Commissioners renew their commitment to the Industrial Airport railway and that the necessary steps be taken to position the operation for improved financial performance. The
rail service is a unique feature of the Industrial Airport industrial development and will be a valuable marketing tool in the future. And perhaps most importantly, we have an historical relationship with our rail-served tenants which is one of the most positive aspects of the industrial park to date, and which deserves to be continued for the many reasons discussed above.
The Atchison, Topeka and Santa Fe Railway Company

P.O. Box 1738, 900 Jackson Street, Topeka, Kansas 66628
Telephone 913/235-0041
Ext. 4224

May 8, 1980

G-59003

Mr. Joe D. Dennis
Executive Director
Johnson County Airport Commission
One Industrial Parkway
Industrial Airport, Kansas 66031

Dear Mr. Dennis:

Referring to your letter of April 14 to Mr. Rose advising that due to increased fuel and labor costs, the Johnson County Airport Commission wishes to raise the rate set in paragraph 4(a) of agreement dated January 16, 1978 (Santa Fe's Secretary's No. 154462), from $10.00 per car to $15.00 per car effective May 1, 1980.

The Santa Fe is agreeable to increasing the switching rate referred to in paragraph 4(a) of Contract No. 154462 to $15.00 per car effective May 1, 1980 through at least March 31, 1982. Will you please acknowledge this arrangement on the duplicate copy of this letter and return the same to this office for completion of our file.

Yours truly,

H. J. Briscoe
General Manager

ACKNOWLEDGED:

JOHNSON COUNTY AIRPORT COMMISSION

5-14-80

Its Exec. Dir.

EDR: lr
Between

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY

and

JOHNSON COUNTY AIRPORT COMMISSION

--- ooo ---

AGREEMENT

Relating to switching arrangements at Johnson County Industrial Airport at Gardner, Kansas.

DATED January 16, 1978
AGREEMENT

THIS AGREEMENT, entered into, in duplicate, as of the 16th day of January, 1978, by and between THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware (hereinafter referred to as "Santa Fe"), and the JOHNSON COUNTY AIRPORT COMMISSION (hereinafter referred to as "Commission").

WITNESSETH:

Commission owns certain trackage connecting with trackage owned and operated by Santa Fe serving the Johnson County Industrial Airport (hereinafter called "Industrial Park") in Johnson County, Kansas. Ownership of said trackage is as described on print marked "Exhibit A" and made a part hereof.

The parties now desire to enter into an agreement providing for the performance by Commission of certain switching obligations of the Santa Fe, for payment of such performance and for the use and maintenance of certain trackage.

NOW THEREFORE, it is agreed by and between the parties hereto as follows:

1 (a). Commission grants to Santa Fe the right to operate over its trackage as shown on said Exhibit "A" and such additional trackage as may be connected thereto by Commission from time to time. Santa Fe's right as common carrier to operate motive power and rolling stock, and to perform acts incidental thereto on said trackage is hereby acknowledged.

1 (b). Commission shall, at its sole cost and expense, as an independent contractor, provide and operate for Santa Fe suitable motive power for the handling of traffic of Santa Fe destined to, originating from, and on Commission's track and right of way within the Industrial Park, all as shown in green and blue coloring on said Exhibit "A", and such additional trackage as may be connected thereto by Commission from time to time, and Commission will transport all such traffic thereover, for which services Santa Fe shall
pay Commission a switching charge as provided in paragraph 4 (a) hereof
(hereinafter called "switch charge") for cars switched by Commission for
Santa Fe as provided herein.

1 (c). In event at any time, in Santa Fe’s judgment, Commission
fails for any reason to provide adequate service to industries within
Industrial Park, Santa Fe may, upon verbal notification of its intent to
the Commission, provide such service for so long as Santa Fe deems necessary,
and Commission shall immediately grant permission under the terms of this
agreement. Commission may also request Santa Fe to operate within Industrial
Park under the terms of this agreement, Santa Fe to be the sole judge as to
the necessity to do so.

1 (d). Neither Commission nor Santa Fe shall operate on track
shown in green coloring on said Exhibit "A" when the other party is operating
thereon, and each party shall keep said track clear when not in actual use
and shall not use said track for the storage of cars or engines. So long as
Commission is providing service under this agreement, Santa Fe shall operate
on track shown by blue only upon Commission’s request; provided, however,
Commission shall not operate over the blue track at any time Santa Fe is
operating thereon.

1 (e). Commission shall pay to the Santa Fe, from time to time,
within twenty (20) days after bills are rendered therefor, the entire cost
of maintaining and renewing those portions of the track as shown by red and
purple coloring on said Exhibit "A" beyond the clearance points, the Santa Fe
to be the judge of the necessity for and character of maintenance required
on the red and purple track. It is understood that the expense of maintaining
and renewing the red and purple track shall include any expense to which the
Santa Fe may be put in the way of paving, sewers, crossing protection or other work, because of the existence of the red and purple track.

1 (f). Commission shall at all times, and at its sole expense, maintain, or cause to be maintained, all trackage as shown by yellow, green and blue coloring on said Exhibit "A" and such additional trackage as may be connected thereto by Commission from time to time, in such safe and satisfactory condition as necessary to conform with Santa Fe standards and specifications, and to conform with all applicable standards promulgated by the Federal Railroad Administration and other governmental agencies. Santa Fe may at any time, at its option, refuse to operate over or transfer cars upon said track whenever Santa Fe, in its judgment, determines that the track is unsafe or unsatisfactory. If and when, in Santa Fe's judgment, such unsafe or unsatisfactory condition has been remedied, Santa Fe shall resume such operation over and transfer of cars upon said track.

2. Commission shall employ all persons and furnish all equipment necessary to perform the services contemplated by this agreement and such persons shall be and remain the agents, representatives or employes of Commission. Santa Fe shall have no control whatsoever over the employment, discharge, compensation of or services rendered by Commission's employes, and it is the intention of the parties to this agreement that Commission shall be and remain an independent contractor and nothing herein contained shall be construed as inconsistent with that status.

3. Commission shall switch, handle and deliver over to points of destination within its boundaries all cars delivered to Commission by Santa Fe, and Commission shall further switch, handle and deliver over to Santa Fe all cars destined to move in interstate or intrastate commerce via Santa Fe from points of origin within its boundaries.
4 (a). Santa Fe shall pay to Commission a switch charge of $10.00 for each loaded car switched by Commission hereunder and received or delivered to or from Santa Fe in line-haul service, it being understood that the reverse empty movement required on such loaded cars will be made without additional compensation; provided, however, the term "loaded car" shall be deemed to include any car which is received from Santa Fe, handled by Commission in intra-terminal switch service, for which Santa Fe receives a tariff switching charge, and delivered back to Santa Fe, all in an unloaded condition.

4 (b). Santa Fe shall pay Commission Twenty Dollars ($20.00) for each car not moving in line-haul service which is switched by Commission between industries within the Industrial Park in intra-terminal service at Santa Fe's request.

4 (c). Any switching performed by Commission within the confines of a single industry within the Industrial Park shall be at the request of the industry to the Commission at a charge to be determined by Commission. This provision shall also include the weighing of cars; however, it is understood and agreed that Santa Fe will accept the weight for billing purposes if verified by proper Association of American Railroads weight agreement.

4 (d). Commission shall bill Santa Fe monthly for the service provided under this agreement. Bills shall be supported by a statement showing the cars handled by car number with the date and time each car was received and delivered and the industry or industries to which each car was delivered or from which each car was received. Commission shall, in addition to the foregoing, furnish daily Santa Fe a statement showing the initial and number of the individual cars handled and the time cars are actually delivered to,
picked up or released by industries, and Commission shall issue all constructive placement notices on behalf of Santa Fe and furnish copy of such notices to Santa Fe immediately. Santa Fe shall furnish daily Commission with a schedule of switches to be made, itemizing the initial and number of the individual cars, time said cars are actually delivered over to Commission, and the destination and/or point of origin for each said switching movement.

4 (a). At the end of any period of twelve (12) calendar months either party may request an adjustment of the switch charges provided for in this agreement. Upon receipt of such request, each party shall appoint a representative to participate in the determination of whether there should be such an adjustment. The representatives shall determine any adjustments in the amount of the switch charge based upon any increases in the Commission's cost of performing the service; it being the intent and purpose hereof that the Commission shall continue to provide such switching service only so long as the activity can be reasonably determined to be economically feasible as an independent operation conducted by the Commission.

5. If at any time a controversy shall arise between the parties hereto with respect to their rights or duties under this agreement, upon which the parties are unable to agree, the question in dispute shall be submitted to a board of arbitrators consisting of three competent, disinterested persons. The party desiring such arbitration shall give written notice thereof to the other party, setting forth definitely the point in dispute and naming the person selected by the moving party as arbitrator. The provisions of Kansas Uniform Act on Arbitration (K.S.A. 5-401, et seq.) shall apply in all matters of arbitration hereunder.
6 (a). It is mutually agreed that delivery of cars by Santa Fe to Commission shall be considered accomplished, and cars shall be deemed to be in Commission's possession when the cars are actually placed beyond the clearance point on the track identified as "Track 16", and the Commission has received notification of such delivery.

6 (b). Delivery of cars by Commission to Santa Fe shall be considered as accomplished and cars shall be deemed to be in Santa Fe's possession when the cars are actually placed between points A and B on the track identified as "Industrial Lead No. 11" and Santa Fe has received notification of such delivery.

7. Commission and Santa Fe agree that in their operations, their agents, servants and employees shall exercise reasonable care and precaution for prevention of accidents or damage, and shall prescribe suitable operating rules and regulations therefor.

8. As between the parties hereto, each party shall be responsible for the acts and omissions of its agents, servants, employees and invitees while on or about the trackage covered by this Agreement. If any claim or liability shall arise from the acts or omissions of the agents, servants, employees or invitees of more than one party, any claim or liability arising therefrom shall be borne by such parties equally; PROVIDED THAT such loss, damage, injury, death, or expense did not arise from the installation, maintenance, use, state of repair or presence of any gates adjacent to or across the track. For if any loss, expense, damage, injury or death shall arise from the installation, maintenance, use, state of repair or presence of any gates, then Commission shall bear the entire loss, damage or expense pursuant to Paragraph 9, below.
9. Unless otherwise required by statute or order of competent public authority, Commission may, notwithstanding anything contained in paragraphs 8 and 15 (a) and (b) hereof to the contrary, at its sole cost and expense and in a manner satisfactory to the Santa Fe, use and maintain two (2) existing gates across the track at the locations shown on said Exhibit "A", said gates to be opened whenever necessary to enable the Santa Fe to operate over the track. Said gates shall be deemed to be a part of the Industrial Park, and notwithstanding anything contained in this agreement to the contrary, Commission shall and will at all times indemnify and save harmless the Santa Fe against all claims, demands, actions or causes of action, arising or growing out of loss of or damage to property, including said gates, and injury to or death of persons, including employees of the Santa Fe and employees of Commission, resulting in any manner from the construction, maintenance, use, state of repair or presence of said gates across the track, whether such loss, damage, injury or death be caused or contributed to by the negligence of the Santa Fe, its agents or employees, or otherwise, and that it will promptly pay to the Santa Fe the full amount of any loss or damage which the Santa Fe may sustain, incur or become liable for and all sums which the Santa Fe may pay or be compelled to pay in settlement of any claim on account thereof.

10. Each party in the operation of its locomotives, cars and trains or other motive power over track shall comply with the Federal Safety Appliance Act and all other applicable laws, rules and regulations promulgated by the Department of Transportation, Interstate Commerce Commission or other lawful authority governing the construction, equipment of, renewal of, or maintenance of, or operation of its locomotives, cars, trains, equipment, track or other
property, and shall indemnify, protect and save harmless the other parties
from and against all loss, damage and expense, penalties, fines, judgments:
or punishments arising from, growing out of, or incidental to the violation
of any such laws, rules or regulations.

11 (a). In case suit shall be commenced against any party hereto
on a claim or cause of action arising in connection with the respective
obligations set forth herein, for which the other party is solely or partly
liable hereunder, the party so sued shall promptly give to the other party
notice in writing of the pendency of such suit, and thereupon such other
party so notified shall assume the defense or participate in the defense of
such suit, as the case may be.

11 (b). No party hereto shall be concluded by any judgment against
any other party hereto, unless it shall have had reasonable notice in writing
that it was required to defend, and reasonable opportunity to defend or
participate in such defense. When such notice and opportunity shall have
been given, the party so notified shall be concluded by the judgment or decree
as to all matters which were or could have been litigated in such suit.

12. It is understood that Santa Fe shall be regarded as the origi-
nating or delivering carrier on all traffic moved to and from the station by
Santa Fe in line-haul service beyond for all purposes.

13. Except as otherwise specifically provided for in tariffs from
time to time published by Santa Fe, Santa Fe's cars shall not be used in
service between industries within the Industrial Park. Commission shall
reimburse Santa Fe at the per diem and penalty per diem rate (to be computed
in accordance with the current code of per diem rules - freight, governing
settlement for the use of railroad-owned freight cars between common carrier
railroads) when such cars are used in violation of the provisions of this paragraph; such per diem and penalty per diem charge shall be in addition to any demurrage or other charges applicable to Santa Fe's tariffs.

14. Cars shall be delivered to industries by Commission promptly upon receipt of the same from Santa Fe and shall be delivered to Santa Fe promptly upon release of the same by industries. Commission shall pay Santa Fe per diem and penalty per diem for all cars not delivered by Commission by 5:00 P.M., following the first 7:00 A.M., after receipt from Santa Fe or release by industries for each day each car remains undelivered. For purposes of per diem payable by the Commission under the provision of this section, a per diem day shall constitute that period from 12:01 A.M., through 11:59 P.M., the same day. Per diem days payable shall commence at 12:01 A.M., the first day after receipt from Santa Fe or release by industries and continue through to 11:59 P.M., for every day each car not delivered by the 5:00 P.M., following the first 7:00 A.M., after receipt from Santa Fe or release by industries for each day each car remains undelivered.

15 (a). Commission shall require all industries located within the Industrial Park to provide and maintain standards required by the rules and regulations of the Corporation Commission of the State of Kansas covering lateral and overhead clearances on all track over which Santa Fe may be required to operate, and such clearances shall not be less than 22½ feet above top of rail and 8½ feet from the center line of track, except where loading and unloading platforms may be installed with clearances of 5-3/4 feet from the center line of the tracks. The horizontal clearances herein prescribed are for straight tracks; for curved tracks compensation shall be made so that the equivalent to the minimum clearances herein prescribed shall be maintained.
15 (b). Commission shall comply with the provisions of Santa Fe's standard industrial track agreement, a copy of which is attached hereto, marked "Exhibit 1", covering the use and operation of industry track over which Santa Fe may be required to operate within the Industrial Park and require all industries to also comply with same. Santa Fe shall not be required to operate on any trackage which is not covered by the provisions of Santa Fe's standard industrial track agreement.

16. Notwithstanding any other provision of this agreement, Commission shall comply with all environmental statutes, ordinances, rules, regulations, orders and decisions (hereinafter referred to as "Standards"), issued by any federal, state or local governmental body or agency established thereby (hereinafter referred to as "Authority"), relating to Commission's use of the track. Commission in its use of the track shall at all times be in full compliance with all Standards set by any Authority, including, but not limited to, Standards concerning air quality, water quality and noise. In the event Commission fails to be in compliance with Standards set by any Authority, Santa Fe may, after giving reasonable notice of the failure to Commission, take whatever action is necessary to bring the track into compliance. Commission shall reimburse Santa Fe for all costs (including, but not limited to, consulting, engineering and legal costs) incurred by Santa Fe in bringing the track into compliance with such Standards, and also all such costs incurred by Santa Fe in abating a violation of such Standards, protecting against a threatened violation of such Standards, defending any claim of violation of such Standards in any proceeding before any Authority or court, and paying any fines or penalties imposed for such violations. Commission shall further indemnify and save harmless Santa Fe
from any claim of a violation of such Standards regardless of the nature thereof or the Authority or person asserting such claim, which results from Commission's use of the track, whether such claim arises in whole or in part from the negligence of the Santa Fe or otherwise. Commission at its cost, shall assume the defense of all such claims regardless of whether they are asserted against Commission or Santa Fe.

17. Each party shall pay all taxes, levies and other assessments on all its locomotives, cars, trains, equipment, track or other property owned by such party.

18. This Agreement may be terminated by either party upon six (6) months' prior written notice to the other party of its intention so to do. No termination hereof shall affect Santa Fe's right as a common carrier to operate over the trackage covered by this agreement, subject to the provisions of paragraph 1 (c).

19. This Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto, but no party may assign this Agreement without the prior written consent of the other party.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY

ATTEND:  

[Signature]
Assistant Secretary

ATTEND:  

[Signature]
Assistant to General Manager

JOHNSON COUNTY AIRPORT COMMISSION

By [Signature]  
Its Executive Director
SECRETARY'S CONTRACT NO. ________

- oCo -

Between

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY

and

JOHNSON COUNTY AIRPORT COMMISSION

- oCo -

SUPPLEMENTAL AGREEMENT

Relating to substitution of Exhibit "A" print in Contract 154462 covering switching arrangements at Johnson County Industrial Airport at Gardner, Kansas.

DATED March 27, 1986
SUPPLEMENTAL AGREEMENT, Made as of the 27th day of March, 1986, between THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, a Delaware corporation (hereinafter referred to as "Santa Fe") and JOHNSON COUNTY AIRPORT COMMISSION (hereinafter referred to as "Commission").

RECIPIENTS:

Santa Fe and Commission are now parties to a contract dated January 16, 1979 (Santa Fe's Secretary's Contract No. 154462) relating to the ownership, operation and maintenance of trackage and switching obligations to Commission's Industrial Park near Gardner, Johnson County, Kansas, as modified by letter agreement dated May 8, 1980, adjusting the switching rate. Said contract, together with any and all modifications, supplements and amendments thereto, whether or not referred to above, being hereinafter called the "Original Contract".

The Kansas Department of Transportation is making certain improvements and changes to Highway 56 which necessitates changes in trackage serving Commission's Industrial Park. The parties hereto desire to substitute a revised Exhibit "A" print in the Original Contract to show the trackage as it will exist upon completion of the Highway Project.

AGREEMENT:

IN CONSIDERATION of the sum of $1.00, and other consideration, the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed between the parties hereto as follows:

1. That the print hereto attached, No. 5-05117, dated January 22, 1986, revised February 14, 1986 marked Exhibit "A", showing the trackage as it will exist upon completion of the Highway Project is hereby substituted Exhibit "A" print attached to and made a part of the Original Contract.

2. Due to said new Exhibit "A" print using Point designations for the various segments of trackage rather than coloring as shown on the Exhibit "A" attached to the Original Contract, it is hereby agreed that the color references used in the Original Contract are designated on Drawing No. 5-05117 dated January 22, 1986, revised February 14, 1986, as follows:

<table>
<thead>
<tr>
<th>Designation in Original Contract &amp; Exhibit &quot;A&quot;</th>
<th>Designation on Drawing No. 5-05117 dated January 22, 1986, revised February 14, 1986</th>
</tr>
</thead>
<tbody>
<tr>
<td>Red Track</td>
<td>Bold Track Pt. SW to Clearance Pt.</td>
</tr>
<tr>
<td>Purple Track</td>
<td>Hatched Track Point &quot;C&quot; to Point &quot;D&quot;</td>
</tr>
<tr>
<td>Yellow Track</td>
<td>Hatched Track Point &quot;D&quot; to Point &quot;E&quot;</td>
</tr>
<tr>
<td>Green Track</td>
<td>Hatched Track Point &quot;E&quot; to Point &quot;B&quot;</td>
</tr>
<tr>
<td>Blue Track</td>
<td>Hatched Track Point &quot;B&quot; to End</td>
</tr>
</tbody>
</table>
3. Commission shall be responsible for maintaining warning devices and crossing surface on Highway 56 and expense associated therewith.

4. That as herein modified the Original Contract shall continue in full force and effect.

IN WITNESS WHEREOF, this Supplemental Agreement has been duly executed in duplicate by the parties hereto as of the day and year first above written.

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY

By ______________________

Its ______________________

JOHNSON COUNTY AIRPORT COMMISSION

By ______________________

Its ______________________

APPROVED AS TO FORM

General Attorney - Kansas
SAVE 24 TO 48 HOURS ON OUTBOUND SHIPMENTS

With track scales in place on the Johnson County Industrial Airport railway system and a diesel switch engine available for moving cars on 20 minutes notice, it is not necessary to have the Santa Fe take outbound cars to Kansas City yards for weighing. Loaded cars can proceed directly to their destination or next connection to save as much as two days in the total elapsed shipping time.

SANTA FE MAINLINE ACCESS ANYTIME

The Johnson County Industrial Airport provides on-call rail car switching within the boundaries of the airport with its own diesel switch engine and qualified engineer. Within minutes, cars can be shuttled into position for loading in or out, or for spotting ready to be picked up by one of the 54 trains which pass each day on the Santa Fe mainline.

There are 3½ miles of team track in place, from which spurs can be extended from virtually any plant site in the park.

Incoming carlots of freight can be picked up from the Santa Fe access and moved to the tenant's spur without having to depend on shuttle service from the railroad.
the Land, subject to such user's obligation to pay normal and customary charges for the use of such utilities, and subject to temporary interruption of all or part of such services due to facts or circumstances reasonably beyond Landlord's control.

(k) Landlord will continuously during the existence of this Lease, provide and maintain a railroad lead track, servicing the Land, which lead track shall connect to the mainline of the Santa Fe Railroad, or its successor in interest, and at any time during the Lease Term, Tenant may construct either or a part of the Project, or as an addition pursuant to Section 11.4, a railroad spur track connecting to such lead track, and Landlord will maintain or cause to be maintained rail switching services for the Project, at no cost to Tenant other than the Service Charges, required to be paid under the Service Agreement, provided however that Landlord may make reasonable charges to Tenant for each time Landlord provides local switching services to Tenant if Landlord is not paid for such switching services by the railroad, or Landlord does not charge the railroad for such services.

(l) The Land currently has, and during the existence of this Lease will at all times have direct access to a public dedicated roadway, and that all roadways within the Johnson County Industrial Airport servicing the Property will be maintained in a reasonable manner, including timely snow removal, at no cost to Tenant, except as such costs are reflected in Impositions payable by Tenant pursuant to Section 7.1 hereof and the Service Charges payable under the Service Agreement.

(m) It has no knowledge of any facts or circumstances which would reasonably lead Landlord to believe that the Land might presently contain or might be presently contaminated in any manner, by Hazardous Waste or any Hazardous Substance either above or below ground level, or that there are any pits, buried tanks, barrels or other type containers, either above or below ground, of any kind or type, which might contain Hazardous Waste or any Hazardous Substance, or that there are any discharges of any kind or type from the Land which might be in violation of the Federal Water Pollution Control Act (33 U.S.C. § 1251, et seq.).

(n) It will comply with the terms and provisions of the Service Agreement.
JOHNSON COUNTY INDUSTRIAL AIRPORT RAILWAY

PRO-FORMA REVENUE & EXPENSE STATEMENT

CURRENT CONDITIONS

REVENUES

<table>
<thead>
<tr>
<th>Service</th>
<th>Rate</th>
<th>Quantity/Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switching Fees from Santa Fe</td>
<td>$15</td>
<td>200 cars/year</td>
<td>$3,000</td>
</tr>
<tr>
<td>Intra-plant Moves/Re-spots</td>
<td>$45</td>
<td>80 cars/year</td>
<td>$3,600</td>
</tr>
<tr>
<td>Track Scales</td>
<td>$45</td>
<td>130 cars/year</td>
<td>$5,850</td>
</tr>
</tbody>
</table>

TOTAL REVENUES: $12,450

Avg. Revenue per Delivered Car: $62

EXPENSES

<table>
<thead>
<tr>
<th>Expense</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor (300 hrs./yr. @ $16/hr. x 2 man crew)</td>
<td>$9,600</td>
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<tr>
<td>Locomotive (fully depreciated, no replacement reserve)</td>
<td>$0</td>
</tr>
<tr>
<td>Locomotive Operating Expense (fuel, lube, normal maintenance)</td>
<td>$5,600</td>
</tr>
<tr>
<td>Track Rehabilitation &amp; Maintenance (1)</td>
<td>$12,000</td>
</tr>
<tr>
<td>Scale Maintenance &amp; Certification</td>
<td>$1,000</td>
</tr>
<tr>
<td>Contingency (rerails, extraordinary repairs, etc.)</td>
<td>$4,000</td>
</tr>
</tbody>
</table>

TOTAL EXPENSES: $32,200

Avg. Cost per Delivered Car: $161

Note (1): Assumes on-going program of preventative maintenance and selective rehabilitation.

EXHIBIT "1"
JOHNSON COUNTY INDUSTRIAL AIRPORT RAILWAY

PRO-FORMA REVENUE & EXPENSE STATEMENT

CURRENT CONDITIONS PLUS NEW HEARTLAND CEMENT TRAFFIC

REVENUES

<table>
<thead>
<tr>
<th>Service</th>
<th>Rate</th>
<th>Quantity</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switching Fees from Santa Fe</td>
<td>$15</td>
<td>800 cars/yr</td>
<td>$12,000</td>
</tr>
<tr>
<td>Intra-plant Moves/Re-spots</td>
<td>$45</td>
<td>320 cars/yr</td>
<td>$14,400</td>
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<tr>
<td>Track Scales</td>
<td>$45</td>
<td>130 cars/yr</td>
<td>$5,850</td>
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<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td></td>
<td></td>
<td><strong>$32,250</strong></td>
</tr>
</tbody>
</table>

Avg. Revenue per Delivered Car $40

EXPENSES

<table>
<thead>
<tr>
<th>Expense</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor (500 hrs./yr. @ $16/hr. x 2 man crew)</td>
<td>$16,000</td>
</tr>
<tr>
<td>Locomotive Lease ($220,000 capital cost, 10 yr. term)</td>
<td>$31,323</td>
</tr>
<tr>
<td>Locomotive Operating Expense (fuel, lube, normal maintenance)</td>
<td>$4,800</td>
</tr>
<tr>
<td>Track Rehabilitation &amp; Maintenance</td>
<td>$12,000</td>
</tr>
<tr>
<td>Scale Maintenance &amp; Certification</td>
<td>$1,000</td>
</tr>
<tr>
<td>Contingency (rerails, extraordinary repairs, etc.)</td>
<td>$4,000</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>$69,123</strong></td>
</tr>
</tbody>
</table>

Avg. Cost per Delivered Car $86

EXHIBIT "2"
**JOHNSON COUNTY INDUSTRIAL AIRPORT RAILWAY**

**PRO-FORMA REVENUE & EXPENSE STATEMENT**

**CURRENT TRAFFIC PLUS NEW HEARTLAND CEMENT TRAFFIC @ NEW RATES**

**REVENUES**

<table>
<thead>
<tr>
<th>Service</th>
<th>Rate</th>
<th>Volume</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switching Fees from Santa Fe</td>
<td>$60</td>
<td>800 cars/year</td>
<td>$48,000</td>
</tr>
<tr>
<td>Intra-plant Moves/Re-spots</td>
<td>$60</td>
<td>320 cars/year</td>
<td>$19,200</td>
</tr>
<tr>
<td>Track Scales</td>
<td>$60</td>
<td>130 cars/year</td>
<td>$7,800</td>
</tr>
</tbody>
</table>

**TOTAL REVENUES**

$75,000

**Avg. Revenue per Delivered Car**

$94

**EXPENSES**

<table>
<thead>
<tr>
<th>Expense</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor (500 hrs./yr. @ $16/hr. x 2 man crew)</td>
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<td>$12,000</td>
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<td>$1,000</td>
</tr>
<tr>
<td>Contingency (rerails, extraordinary repairs, etc.)</td>
<td>$4,000</td>
</tr>
</tbody>
</table>

**TOTAL EXPENSES**

$69,123

**Avg. Cost per Delivered Car**

$86

**EXHIBIT "3"**
# JOHNSON COUNTY INDUSTRIAL AIRPORT RAILWAY

## PRO-FORMA REVENUE & EXPENSE STATEMENT

### CURRENT TRAFFIC PLUS NEW HEARTLAND CEMENT TRAFFIC @ NEW RATES
**PLUS TRACK MAINTENANCE SURCHARGE**

### REVENUES

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
<th>Quantity</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switching Fees from Santa Fe</td>
<td>$40 per car</td>
<td>800 cars/year</td>
<td>$32,000</td>
</tr>
<tr>
<td>Intra-plant Moves/Re-spots</td>
<td>$60 per move</td>
<td>320 cars/year</td>
<td>$19,200</td>
</tr>
<tr>
<td>Track Scales</td>
<td>$75 per car</td>
<td>130 cars/year</td>
<td>$9,750</td>
</tr>
<tr>
<td>Track Maintenance Surcharge</td>
<td>$10 per car</td>
<td>800 cars/year</td>
<td>$8,000</td>
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</table>

**TOTAL REVENUES**

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<table>
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<tr>
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<tbody>
<tr>
<td></td>
<td>$68,950</td>
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**Avg. Revenue per Delivered Car**

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### EXPENSES

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</table>

**TOTAL EXPENSES**

<p>| | |</p>
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<tbody>
<tr>
<td></td>
<td>$69,123</td>
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</table>

**Avg. Cost per Delivered Car**

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</table>
JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING AGENDA

Industrial Airport, Kansas

Wednesday, December 18, 1991 - 9:00 A.M.

TAB

A  I.  APPROVAL OF MINUTES of November 26, 1991 meeting.

II.  REPORT OF THE CHAIRMAN:

B  III. REPORT OF THE TREASURER:
   B.  Receivables report.
   C.  1991 actuals vs. budget report.
   D.  End-of-year projections.

C  IV.  COMMITTEE REPORTS:
   A.  Administrative Committee:
   B.  Industrial Committee:

D  V.  STAFF REPORTS:
   A.  Report of the Director, Aviation:
      1.  Status of Airport Improvement Program (AIP) projects.
   B.  Report of the Director, Fire/Rescue Services:
   C.  Report of the Director, Planning & Administration:
   D.  Report of the Director, Property Management:
   E.  Report of Legal Counsel:
   F.  Report of the Executive Director:
      1.  Update on water source proposals.
VI. UNFINISHED BUSINESS:

E VII. NEW BUSINESS:

A. Consider recommending approval to the BoCC to terminate a guaranty agreement for the 1979 Airport Revenue Bonds (Kansas City Aviation Center) with Van Enterprises, Inc. and execute a new and substitute agreement with Peterson Manufacturing Company.

B. Consider approval of a one year renewal of the contract with Midwest Air Traffic Control Services, Inc. to operate the Industrial Airport control tower.

C. Consider recommending approval to the BoCC an addendum to the Emergency Medical Services contract with Rural Fire District No. 1 and the City of Gardner for 1992.

VIII. BUSINESS FROM THE FLOOR:

IX. ADJOURNMENT
JOHNSON COUNTY AIRPORT COMMISSION

INDUSTRIAL COMMITTEE AGENDA

Friday, May 17, 1991 - 7:00 a.m.

Waid's - Fairway
4200 Johnson Drive

1. Discuss proposed addendum to Grindsted lease.

2. Discuss proposed Amendment No. 2 to Burns and McDonnell contract.

3. Discuss gas well operations at Industrial Airport.
Revision A

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING AGENDA

Industrial Airport, Kansas

Wednesday, May 22, 1991 - 9:00 A.M.

TAB

A  I. APPROVAL OF MINUTES of April 24, 1991 meeting.

II. REPORT OF THE CHAIRMAN:

A. Report on incubator work session with BoCC (5/16/91).

B III. REPORT OF THE TREASURER:

B. Receivables report.
C. 1991 actuals vs. budget report.

C IV. COMMITTEE REPORTS:

A. Administrative Committee:

B. Industrial Committee:

1. Addendum to Grindsted lease.
2. Amendment No. 2 to Burns and McDonnell contract.
3. Gas well operations at Industrial Airport.

D V. STAFF REPORTS:

A. Report of the Director, Aviation:

1. Status of Airport Improvement Program (AIP) projects.

B. Report of the Director, Emergency Services:

C. Report of the Director, Planning & Administration:

1. Status of capital improvement projects.

D. Report of Legal Counsel:

E. Report of the Executive Director:

1. Report results of fuel flow fee survey.
2. Industrial Park Master Plan RFP.
3. Director of Property Management.
5. Shawnee District Court decision on gas well property taxes.
6. Annual golf tournament.
VI. UNFINISHED BUSINESS:

VII. NEW BUSINESS:

10:00AM 1. Kansas Aircraft Corporation proposal.

2. Consider recommending approval to the BoCC to award the bid for the Executive Airport east tiedown and apron project.

3. Consider approval of Supplemental Agreement No. 1 to Authorization No. 3 for Professional Services dated February 27, 1991 for ILS project at Executive Airport.

4. Consider recommending approval to the BoCC to accept a grant from the Federal Aviation Administration in the amount of $838,231 for the Phase II land buy at Executive Airport.

VIII. BUSINESS FROM THE FLOOR:

IX. ADJOURNMENT
I. APPROVAL OF MINUTES of March 29, 1991 meeting.

II. REPORT OF THE CHAIRMAN:

III. REPORT OF THE TREASURER:
   B. Receivables report.
   C. 1991 actuals vs. budget report.

IV. COMMITTEE REPORTS:
   A. Administrative Committee:
      1. 1992 budget.
      2. Contribution to proposed Hwy 56 corridor improvements.
   B. Industrial Committee:

V. STAFF REPORTS:
   A. Report of the Director, Aviation:
      1. Status of Airport Improvement Program (AIP) projects.
   B. Report of the Director, Emergency Services:
   C. Report of the Director, Planning & Administration:
      1. Status of capital improvement projects.
   D. Report of Legal Counsel:
   E. Report of the Executive Director:
      1. Industrial Park Master Plan RFP.
      2. Director of Property Management.
      4. Shawnee District Court decision on gas well property taxes.
VI. UNFINISHED BUSINESS:

VII. NEW BUSINESS:

1. Consider approval of a Memorandum of Understanding regarding airport-area zoning at Industrial and Executive Airports.

2. Consider approval of the 1992 budget.

VIII. BUSINESS FROM THE FLOOR:

IX. ADJOURNMENT
I. APPROVAL OF MINUTES of February 27, 1991 meeting.

II. REPORT OF THE CHAIRMAN:
A. Chairman's absence at June 26 meeting.
B. Site for April 24 meeting.

III. REPORT OF THE TREASURER:
B. Receivables report.
C. 1991 actuals vs. budget report.

IV. COMMITTEE REPORTS:
A. Administrative Committee:
B. Industrial Committee:

V. STAFF REPORTS:
A. Report of the Director, Aviation:
   1. Status of Airport Improvement Program (AIP) projects.
B. Report of the Director, Emergency Services:
C. Report of the Director, Planning & Administration:
   1. Status of capital improvement projects.
D. Report of Legal Counsel:
E. Report of the Executive Director:

1. Airport-area zoning MOU's with cities.
2. Legal issues update.
3. KCAC sale.
4. K-10 Corridor Committee.
5. Industrial Park Master Plan RFP.
6. Director of Property Management.
7. Property tax legislation.
8. CIP review with budget office.

VI. UNFINISHED BUSINESS:

VII. NEW BUSINESS:

9:30 am  A. Discuss budget for small business incubator -
           Dennis McKee - CERI.

VIII. BUSINESS FROM THE FLOOR:

IX. ADJOURNMENT
INDUSTRIAL COMMITTEE AGENDA

Friday, February 22, 1990 - 11:30 a.m.

Doubletree Hotel
10100 College Boulevard
Overland Park, Kansas

1. Discuss land buy at Industrial Airport.
2. Discuss status of airport-area zoning.
3. Discuss scope of services for consultant for Industrial Park Master Plan.
4. Discuss Director of Property Management job description.
5. Discuss request from Ronald Martin to acquire Airport gas wells.
6. Discuss a proposed booth at the National Business Aviation Association annual convention.
7. General Chemical lawsuit.
8. Discuss a meeting with air shuttle representatives and various community members.
9. Update on property tax situation.
I. APPROVAL OF MINUTES of January 8, 1991 meeting.

II. REPORT OF THE CHAIRMAN:
A. Discuss proposed change in Airport Commission meeting date and time.

III. REPORT OF THE TREASURER:
B. Receivables report.
C. 1990 year end actuals vs. budget report.
D. 1991 actuals vs. budget report.

IV. COMMITTEE REPORTS:
A. Administrative Committee:
1. Discuss proposed terms and rates for agriculture leases - Industrial and Executive Airport.
2. Discuss retail sales tax on water at Industrial Airport.
3. Discuss Gardner's proposed improvements for Hwy 56 corridor.

B. Industrial Committee:
1. Discuss land buy at Industrial Airport.
2. Discuss status of airport-area zoning.
3. Discuss scope of services for consultant for Industrial Park Master Plan.
4. Discuss Director of Property Management job description.
5. Discuss request from Ronald Martin to acquire Airport gas wells.
6. Discuss a proposed booth at the National Business Aviation Association annual convention.
7. General Chemical lawsuit.
8. Discuss a meeting with air shuttle representatives and various community members.
9. Update on property tax situation.
V. STAFF REPORTS:

A. Report of the Director, Aviation:
   1. Update on land purchase at Executive Airport.
      a. BoCC resolution requesting increase in expenditure allowance.
   2. Update on ramp project at Executive Airport.
   3. Update on ILS project at Executive Airport.
      a. Authorization for Professional Services - HNTB.

B. Report of the Director, Emergency Services:

C. Report of the Director, Planning & Administration:
   1. Status of capital improvement projects.
   2. Status of airport improvement projects.
   2. Report on BoCC work session - 50th anniver. air show.

D. Report of Legal Counsel:

E. Report of the Executive Director:

VI. UNFINISHED BUSINESS:

VII. NEW BUSINESS:

A. Consider recommending approval to the BoCC of an interlocal cooperation agreement for fire services with Rural Fire District No. 1.

B. Consider recommending approval to the BoCC of an interlocal cooperation agreement for fire services with the City of Gardner.

C. Consider approval for release of old helmets to Industrial Airport firefighters when newly purchased helmets arrive.

10:00am D. Consider approval of a memorandum of understanding with the Confederate Air Force regarding Hangar 43.

E. Discussion with Kansas City Aviation Center about majority stock transfer.

F. Discuss proposed 1992 capital improvements program.

G. Consider approval of a Right of First Refusal with JcAir Associates.

VIII. BUSINESS FROM THE FLOOR:

IX. EXECUTIVE SESSION TO DISCUSS:

A. Executive director's performance evaluation.

B. Land acquisition.

XI. ADJOURNMENT
I. APPROVAL OF MINUTES of December 11, 1990 meeting.

II. REPORT OF THE CHAIRMAN:
   A. Discuss proposed change in Airport Commission meeting date and time.

III. REPORT OF THE TREASURER:
   A. Disbursements for December 1990.
   B. Receivables report.
   C. 1990 actuals vs. budget report.

IV. COMMITTEE REPORTS:
   A. Administrative Committee:
   B. Industrial Committee:
      1. Discussion of amendment to Burns-McDonnell contract.
      2. Discussion of Dazey Corporation occupying Bldg. 45.
      3. Discussion of gas lines at Industrial Airport.
      4. Discussion of Director of Industrial Development.
      5. Discussion of standard lease form.

V. STAFF REPORTS:
   A. Report of the Director, Aviation:
      1. Update on Phase I Land Purchase at Executive Airport.
   B. Report of the Director, Emergency Services:
   C. Report of the Director, Planning & Administration:
      1. Status of capital projects.
   D. Report of Legal Counsel:
   E. Report of the Executive Director:
      1. Update on airport-area zoning.
      2. Discuss date of proposed joint meeting with the Olathe Chamber of Commerce.
VI. UNFINISHED BUSINESS:

VII. NEW BUSINESS:

1:30 pm 1. City of Gardner presentation of a landscape plan for Highway 56.

2. City of Olathe annexation request by Asphalt Sales Company.

3. Consider approval of an amendment to the Burns and McDonnell contract.

VIII. BUSINESS FROM THE FLOOR:

XI. ADJOURNMENT
Revision "A"

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING AGENDA

Industrial Airport, Kansas

Wednesday, September 25, 1991 - 9:00 A.M.

TAB

A  I. APPROVAL OF MINUTES of August 28, 1991 meeting.

II. REPORT OF THE CHAIRMAN:

1. Report on the joint meeting with the Olathe City Council.
2. Discuss work session with BoCC.
   (October 7 at 2:30 p.m.)
3. Discuss date for November meeting.
   (regular date is day before Thanksgiving)

B III. REPORT OF THE TREASURER:

B. Receivables report.
C. 1991 actuals vs. budget report.
D. End-of-year projections.

C IV. COMMITTEE REPORTS:

A. Administrative Committee:

B. Industrial Committee:
   1. Environmental Audit policy.
   2. Water rates.
   3. Property taxes.
   4. Enterprise zone.
   5. Tax increment financing district.

D V. STAFF REPORTS:

A. Report of the Director, Aviation:
   1. Status of Airport Improvement Program (AIP) projects.
B. Report of the Director, Emergency Services:
1. Status of installation of modular living quarters.
2. Update on discussions regarding Fire District legislation.

C. Report of the Director, Planning & Administration:

D. Report of the Director, Property Management:
1. Status of Industrial Airport land acquisition.

E. Report of Legal Counsel:

F. Report of the Executive Director:
2. Status of airport-area zoning.
3. Review the locomotive bids and confirm financing.

VI. UNFINISHED BUSINESS:

VII. NEW BUSINESS:

A. Consider approval of Authorization No. 4 for Professional Services with Howard Needles Tammen Bergendoff in accordance with the Retainer Agreement dated June 21, 1990, for design services and construction monitoring of the west apron expansion project at Executive Airport.

B. Consider recommending approval to the BoCC of an easement to Kansas City Power and Light Company for the relocation of an existing power cable due to the construction of the east tiedown project.

VIII. BUSINESS FROM THE FLOOR:

IX. ADJOURNMENT
INDUSTRIAL COMMITTEE AGENDA

Thursday, September 19, 1991 - 7:00 a.m.

Doubletree (Terrace Room) - Overland Park
10100 College Boulevard

(Dan Guimond, Hammer Siler George Associates, our master plan consultants, will be present for the meeting)

1. Environmental Audit policy.
2. Water rates.
3. Property taxes.
4. Enterprise zone.
5. Tax increment financing district.
Revision "A"

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING AGENDA

Industrial Airport, Kansas

Wednesday, August 28, 1991 - 9:00 A.M.

TAB

A  I.  APPROVAL OF MINUTES of July 24, 1991 meeting.

II.  REPORT OF THE CHAIRMAN:

B  III.  REPORT OF THE TREASURER:


B.  Receivables report.

C.  1991 actuals vs. budget report.

D.  End-of-year projections.

E.  Consider submitting a request to the BoCC to amend the Airport Commission budget authority.

C  IV.  COMMITTEE REPORTS:

A.  Administrative Committee:

1.  Discuss proposed t-hangar bond refinancing.

2.  Discuss proposed meetings with various governing boards.


B.  Industrial Committee:

9:05 a.m.

1.  Discuss proposed addendum to Grindsted lease.

D  V.  STAFF REPORTS:

A.  Report of the Director, Aviation:

1.  Status of Airport Improvement Program (AIP) projects.

B.  Report of the Director, Emergency Services:

1.  Status of installation of modular living quarters.

2.  Update on discussions regarding Fire District legislation.
C. Report of the Director, Planning & Administration:

1. Consider approval of surplus property list to be sold at county auction.

D. Report of the Director, Property Management:

1. Status of railroad operations.
2. Status of Industrial Airport land acquisition.

E. Report of Legal Counsel:

1. Status of property tax legislation/BOTA.

F. Report of the Executive Director:

2. Update on rezoning applications for property adjacent to Executive Airport.

VI. UNFINISHED BUSINESS:

VII. NEW BUSINESS:

A. Consider paying a water line special assessment for Executive Airport to the City of Olathe.

B. Election of officers.

Present:  
Nominees*:

Chairman - Ben Craig
Vice-Chair - Mark Viets
Treasurer - Stan Meyer
Secretary - Phyllis Thomen

*(Positions to be filled for one year term.)

VIII. BUSINESS FROM THE FLOOR:

IX. ADJOURNMENT
I. APPROVAL OF MINUTES of June 28, 1991 meeting.

II. REPORT OF THE CHAIRMAN:

1. Discuss election of officers.  
   (By-laws call for elections to be held in August)

III. REPORT OF THE TREASURER:

B. Receivables report.
C. 1991 actuals vs. budget report.
D. End-of-year projections.

IV. COMMITTEE REPORTS:

A. Administrative Committee:
B. Industrial Committee:
C. Air Show Committee:

V. STAFF REPORTS:

A. Report of the Director, Aviation:
   1. Status of Airport Improvement Program (AIP) projects.
B. Report of the Director, Emergency Services:
   1. Status of installation of modular living quarters.
C. Report of the Director, Planning & Administration:
   1. Status of capital improvement projects.
D. Report of the Director, Property Management:

1. Status of railroad operations.
2. Status of Industrial Airport land acquisition.

E. Report of Legal Counsel:

F. Report of the Executive Director:

1. Update on Executive Airport lease transactions.
2. Update on the Interim Committee on Assessment and Taxation.

VI. UNFINISHED BUSINESS:

9:30 a.m.

A. Consider approval of draft comprehensive compatibility plans for Industrial and Executive Airports.

VII. NEW BUSINESS:

A. Consider approval of a sublease between Olathe Manufacturing, Inc. and The Toro Company for floor space within 100 and 150 Industrial Parkway.

VIII. BUSINESS FROM THE FLOOR:

IX. ADJOURNMENT
JOHNSON COUNTY AIRPORT COMMISSION

Air Show Committee Meeting
July 9, 1991
Agenda

I. Call to Order

II. Introductions

III. Issues for Discussion
   a. Advisability of the Airport Commission hosting an air show at the Industrial Airport
      Identify potential benefits to the Airport Commission and the Community
      Identify potential problems associated with conducting an air show at Industrial Airport
   b. If hosting an air show is considered desirable, when is the most favorable time frame?
   c. If a decision is made to go ahead with the planning for an air show - who/whom will be involved in/responsible for producing it?
   d. If there is an air show - will it be a one time event or a recurring event?

IV. Committee Recommendations

V. Adjourn
JOHNSON COUNTY AIRPORT COMMISSION

ADMINISTRATIVE COMMITTEE AGENDA

Thursday, June 20, 1991 - 7:30 a.m.

Howard Johnsons Restaurant
I-35 and 95th
Lenexa, Kansas

1. Discuss proposed refinancing of T-hangar bonds.

2. Presentation of the 1992 budget as revised by the County Budget office.

3. Discuss alternatives for fire station housing.
1. Discuss proposed addendum to Grindsted lease.

2. Discuss railroad operations at Industrial Airport.

3. Discuss proposed environmental audit policy.

4. Discuss Jet-Tech expansion proposal.
JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING AGENDA

Industrial Airport, Kansas

Tuesday, November 26, 1991 - 9:30 A.M.

TAB

A  I.  APPROVAL OF MINUTES of October 23, 1991 meeting.

II.  REPORT OF THE CHAIRMAN:

1.  Introduction of Roger Sellers, new Airport Commission member.

B  III.  REPORT OF THE TREASURER:


B.  Receivables report.

C.  1991 actuals vs. budget report.

D.  End-of-year projections.

C  IV.  COMMITTEE REPORTS:

A.  Administrative Committee:

B.  Industrial Committee:

1.  Gas line appraisal.

2.  Property tax update.

3.  Wastewater finance proposal.

4.  Environmental audit implementation.

5.  Water rates philosophy.

D  V.  STAFF REPORTS:

A.  Report of the Director, Aviation:

1.  Status of Airport Improvement Program (AIP) projects.

B.  Report of the Director, Fire/Rescue Services:

C.  Report of the Director, Planning & Administration:
D. Report of the Director, Property Management:

E. Report of Legal Counsel:

F. Report of the Executive Director:
   2. Update on water source proposals.

VI. UNFINISHED BUSINESS:

VII. NEW BUSINESS:

A. Consider recommending approval to the BoCC of an addendum to the ground lease with William J. Lewis and Bary L. Marquardt (Stouse Sign) for 3.97 acres.

B. Consider recommending approval to the BoCC the purchase of an ambulance for the Airport Emergency Services Department.

C. Consider approval of the Authorization for Professional Services with HNTB for design, preparation of construction documents and construction monitoring for the east t-hangars and apron project at Executive Airport.

VIII. BUSINESS FROM THE FLOOR:

IX. ADJOURNMENT

11:00 a.m. FAREWELL RECEPTION FOR PAUL WALTER
JOHNSON COUNTY AIRPORT COMMISSION

INDUSTRIAL COMMITTEE AGENDA

Thursday, November 14, 1991 - 7:30 a.m.

Doubletree - Overland Park
10100 College Boulevard

1. Gas line appraisal.

2. Property tax update.

3. Wastewater finance proposal.

4. Environmental audit implementation.

5. Water rates philosophy.
Revision "A"

JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING AGENDA

Industrial Airport, Kansas

Wednesday, October 23, 1991 - 9:00 A.M.

TAB

A I. APPROVAL OF MINUTES of September 25, 1991 meeting.

II. REPORT OF THE CHAIRMAN:
   1. Discuss date for November and December meeting.

B III. REPORT OF THE TREASURER:
   B. Receivables report.
   C. 1991 actuals vs. budget report.
   D. End-of-year projections.

IV. COMMITTEE REPORTS:
   A. Administrative Committee:
   B. Industrial Committee:
   1. Discuss date for meeting. (week of Nov. 4 or 11)

C V. STAFF REPORTS:
   A. Report of the Director, Aviation:
      1. Status of Airport Improvement Program (AIP) projects.
   B. Report of the Director, Fire/Rescue Services:
      1. Update on discussions regarding Fire District legislation.
   C. Report of the Director, Planning & Administration:
D. Report of the Director, Property Management:
1. Status of environmental audit implementation.

E. Report of Legal Counsel:

F. Report of the Executive Director:
1. Report on BOTA rulings. (due Oct. 18)
5. Update on water source proposals.

VI. UNFINISHED BUSINESS:
A. Consider recommending approval to the BoCC of a bid for the purchase of a locomotive.

VII. NEW BUSINESS:

:30 a.m.
A. Presentation by Byram and Associates of a concept for a golf course near Industrial Airport.

10:30 a.m.
B. Consider a request from Howell Mouldings, Inc. for reimbursement of expenses related to sewer line rodding caused by excessive grease accumulation.
C. Consider approval of appraisal contracts with Shaner, Donoho and Nunnink to conduct appraisals at Industrial Airport.

VIII. BUSINESS FROM THE FLOOR:

IX. EXECUTIVE SESSION: Advice From Counsel
RE: Potential Litigation.

X. ADJOURNMENT
JOHNSON COUNTY AIRPORT COMMISSION

MONTHLY MEETING AGENDA

Industrial Airport, Kansas

Wednesday, October 23, 1991 - 9:00 A.M.

TAB

A   I. APPROVAL OF MINUTES of September 25, 1991 meeting.

II. REPORT OF THE CHAIRMAN:

1. Discuss date for November and December meeting.

B   III. REPORT OF THE TREASURER:

B. Receivables report.
C. 1991 actuals vs. budget report.
D. End-of-year projections.

C   IV. COMMITTEE REPORTS:

A. Administrative Committee:
B. Industrial Committee:
   1. Discuss date for meeting. (week of Nov. 4 or 11)

D   V. STAFF REPORTS:

A. Report of the Director, Aviation:
   1. Status of Airport Improvement Program (AIP) projects.
B. Report of the Director, Fire/Rescue Services:
   1. Update on discussions regarding Fire District legislation.

C. Report of the Director, Planning & Administration:
D. Report of the Director, Property Management:
1. Status of environmental audit implementation.

E. Report of Legal Counsel:
1. Report on BOTA rulings. (due Oct. 18)

F. Report of the Executive Director:
2. Status of water rate study.
3. Update on water source proposals.

VI. UNFINISHED BUSINESS:
A. Consider recommending approval to the BoCC of a bid for the purchase of a locomotive.

VII. NEW BUSINESS:
A. Presentation by Byram and Associates of a concept for a golf course near Industrial Airport.

10:30 a.m.
B. Consider a request from Howell Mouldings, Inc. for reimbursement of expenses related to sewer line rodding caused by excessive grease accumulation.

C. Consider approval of appraisal contracts with Shaner, Donoho and Nunnink to conduct appraisals at Industrial Airport.

VIII. BUSINESS FROM THE FLOOR:

IX. ADJOURNMENT