

MINUTES OF THE CITY OF WICHITA
WICHITA AIRPORT ADVISORY BOARD

Monday, May 7, 2007

Present: Ron Estes, Charles Fletcher, U.L. Gooch, Dwight Greenlee, David Murfin, Jay Russell, Jeffrey St. Clair, Jay Swanson and Bill Ward

Absent: Tim Austin, Dion Avello, Willis Heck

Airport Staff: Victor White, Sandy Coykendall, Kelly Fabrizius, Shannon Feltes-Bauer, Tom Nolan, John Oswald, Valerie Wise, Jean Zoglman, David Ross

City Staff: Joe Allen Lang, First Assistant City Attorney

Others: Mike Carter, DMJM Aviation
Mark Chamberlin, Armstrong Shank
Greg Ferris, Ferris Consulting
Michael J. Phipps, Wichita Airport Hilton
Daniel L. Claassen, ExecHangar
Bob Karlake, President, Midwest Corporate Aviation
Skip Madsen, General Manager, Hawker Beechcraft
Randy Blad, Real Estate Manager, Hawker Beechcraft

Chairman Fletcher called the meeting to order.

Approval of Minutes

*Motion by Mr. Greenlee to approve the minutes of the April 2, 2007
Wichita Airport Advisory Board meeting. Motion carried unanimously.*

Director's Report

Dan Poole Retirement

Mr. White announced that Dan Poole, General Manager of HMS Host retired at the end of last month. After a nationwide search it was announced that his replacement is Charlie Davis, his former assistant.

Presentation to David Ross

Tom Nolan presented a plaque to David Ross, Airport Field Maintenance Superintendent, commending Mr. Ross for his ten years of service to the City of Wichita.

Air Service & Marketing

Valerie Wise announced details regarding the "Bring Humphrey to Wichita" campaign which is an effort to get the public involved to encourage Frontier Airlines to come to Wichita. There have been 1,163 e-mails to date. The campaign has been well received and it is expected that Frontier will make an announcement sometime later this month.

Mrs. Wise reminded the Board of the inaugural Allegiant Air flight to Orlando-Sanford on May 22nd. There will be a celebration in the terminal at Gate 6 that all Board Members will be invited to attend.

Mark Chamberlin of Armstrong Shank provided the Board an update of the "It's A Breeze" advertising campaign and the promise that Wichita Mid-Continent Airport is convenient, friendly and affordable. It was felt that the television advertisements previously created for this campaign did not resonate with the viewers as much as hoped for, therefore different approaches have been considered. A ventriloquist act which consists of Todd Oliver and his dog Irving, who are regular performers in Branson, have been brought on to be spokesmen for the airport. Todd & Irving were recently brought into town to shoot five commercials. The first spot is about the online booking engine which will be added to the website hopefully later this month. Another spot is about the convenience of flying out of Wichita, another about the Courtesy Crew, and then two doughnut spots which can be manufactured later to carry specific fare information or breaking news items. Mr. Chamberlin showed the Board the television campaign that consists of five commercials as well as two radio spots that will run as a companion to the television commercials.

Mr. Russell expressed his opinion that he does not believe in this type of advertising. He asked if there is a way to measure the success of these types of programs. Mr. White stated that any increase is a good increase considering the numbers were down for many months and now there have been six consecutive months of increases. He also stated, that in his opinion, the increases cannot be tied to one specific factor, rather it is the combination of several factors that cause it to happen. One is that the economy is better. Another is that messages are being sent out to a lot of people through the e-mail campaign regarding special fares and promotions. Those levels of outreach did not exist before. A frequent customer rewards program is also being developed.

Discussion ensued regarding the impact of the advertising campaign, the amount of leakage to other airports, and the future of the Regional Economic Area Partnership as it relates to AirTran. The U.S. Department of Transportation's grant for air service development was also discussed.

Mr. White mentioned that the history theming committee would be meeting May 8th at the Greteman group offices. Mr. Murfin asked if anyone had been in touch with Velma Wallace or Mary Lynn Oliver (Beech) who are the descendants of Cessna and Beech and stated that somehow they need to be involved with that committee.

Hilton Hotel Lease

The negotiation phase for this lease is almost finalized. All of the previous issues from last month have been resolved and there have been no significant changes. The Airport recognizes the intent of the tenant Wichita Airport Hotel Associates (the "Hotel") to sell their interest in the property at some point during the term of the lease. The current contract did not permit that, therefore a provision for a future sale has been added. Also included was a provision for reclamation of the property. There are several tracts on the leasehold that may have to be taken back for future infrastructure at the Airport. It could be associated with the terminal or for other growth. The process would entail identifying the area that the Airport would like to remove

from the leasehold, telling the Hotel why the land is needed and giving the Hotel sixty (60) days to review making sure the Hotel does not have an imminent need to develop the area itself. If the Hotel is okay with it or does not respond during the sixty (60) day time period, the Airport reclaims the land. If the reclamation is made during the initial term of the agreement, the land rent will be reduced to reflect the reduction in the land area. If it occurs during the renewal option, no adjustment will be made in that payment to the Wichita Airport Authority and at that time will be based upon the percentage of gross receipts. The target date to make the lease effective is June 1, 2007. In order to make that happen the lease needs to be delivered to the City Council in the next couple of weeks.

Mr. Gooch asked if there was anything in the agreement regarding the size of the parking area. Mr. White reported that initially Mr. Samples had proposed increasing the size of the parking lot by fourteen (14) spaces, which would bring in a little additional rent revenue for the Airport, however, it was not a significant amount of revenue, and to make that happen would require reconfiguring access and roadways, therefore that particular clause was eliminated. Mr. Samples does recognize the need for more parking, and the Hotel has plans at some point to expand their facilities in general. That expansion could mean more rooms, a separate campus next door, or any of several other options that would involve more parking, and more rent.

Mr. Greenlee asked if the Hotel does sell would it remain a Hilton. Mr. White reported that if the Hotel decided to sell it would have to be to a full service hotel that is of equivalent or greater quality than a Hilton. Mr. Ferris stated that the current group is made up of approximately 24 partners. All of the major principal partners would remain, however the entity itself might change. The previous provision did not allow for any type of sale, although the partners have been getting older and some have actually died and their interests are now in trusts. In an effort bring back a group of current operating partners, there will be a transfer, which was one of the reasons for initiating this process. Sometime in the future there may be a potential sale of the property, however the current issue is that some of the partners are ready to retire.

Mr. Murfin asked how the amount of percentage rent relates to the fair market value of the Hotel and what the ground rent would be assuming the current schedule is used. Mr. Ferris stated that the rent would be increased immediately. It will not be by a significant number, but the rent will be increased during that period. Mr. Murfin also asked if there would be a minimum rent? Mr. Ferris stated yes, that he believed it was \$206,000 per year or 85% of an average of the three prior years. Mr. Murfin asked him to explain the subordination clause. Mr. Ferris said that if it goes to that, parking rentals would be subordinated in the initial term and percentage rentals during the renewal terms; however, the land rent would never be subordinated.

Mr. White reminded the Board that the property tax issue still stands as it does in the current agreement that in the event some other government agency levies a tax on the property then the parking rentals or percentage rentals would be reduced by the amount of the tax assessment. If taxes exceed the amount available, the Hotel would be required to pay the difference. This was a hard fought over item that is not in any other lease the Airport has. At this time State law does not allow property tax to be levied therefore it would require a change in the statute for that to become effective.

Mr. Ferris stated that the Hilton is a very marketable hotel and this lease increases the revenue being brought to the Airport significantly. There are no downsides in this document that were not included in the existing lease. Mr. Ferris further stated that from his experience, he believes the City Council will accept their recommendation. The Hotel is just asking for more time, and in return for that is going to give the Airport additional revenue.

Motion made by Mr. Estes to recommend the Hilton Hotel lease for approval by City Council subject to final legal review. Motion carried 8-0. Mr. Murfin abstained.

Operating Budget

Jean Zoglman directed the board to the budget summary information sheet included in their packet. This documents shows revisions to the current budget and the 2008 budget, as well as establishes the 2009 budget. The summary is a component of a larger document that illustrates the division, the mission and the strategies that the Airport uses to accomplish its goals. As this budget was being developed, two things were kept in mind. The first is to keep the rates reasonable for the airlines that operate here. The second is to keep the net income at a level that allows the Airport to pay for the new terminal building. The financial capacity analysis was prepared by Jacobs Consultancy who took the operating projections from the past several years and determined the amount of debt that could be supported in order to build the new terminal. Therefore, this budget was set in order to keep in compliance with that analysis. The net income in that document was about \$4.3 million per year in the base year and it escalated from there. In the three years that are being set here the Airport is at \$5 million, \$4.6 million and \$4.7 million. Therefore, the Airport is at, or above, what is determined to be necessary in order to fund adequate levels for the terminal.

Regarding the rates to the airlines, the current cost per enplaned passenger is \$5.84. This shows an increase of 2% the first year and 4% the second year. The figures are only gross estimates, and do not take into account different landed weights that may apply in 2008 or 2009.

Mrs. Zoglman pointed out a couple of items that have experienced significant change. On the revenue side, there is a line called "Rental - Other Buildings" that shows substantial increases and that is because the Airport has four additional facilities coming in that will pay facilities rental. The "Rental - Federal Government" line item unfortunately is going down significantly. The reason for that is the Building at 1801 Airport Road is leased to the Federal Government. The lease was negotiated during the early 1990's and they had three years of free rental on the end. There is also a substantial increase regarding the Cargo Building and that is assuming the new Cargo Building will be built. If it comes out as anticipated, it will be a larger facility and will be at a higher rate than the current facility.

Mr. Greenlee asked about the Federal Government line item. Is the Airport still expecting revenue, and just does not know how much? Mrs. Zoglman reported that on the 1801 Building the Airport will still receive the operating payment which is \$170,000 per year, however the Airport will not receive the additional component of rent. It was actually an amortization of the capital improvement at the time an expansion was done in the early 1990's. The lease ends in 2010 and at that point it will go to fair market value or whatever can be negotiated with the federal government at that time.

Mr. White asked if there was consideration in the line item for the Automated Flight Service Building. Mrs. Zoglman stated there is about \$71,000 per year that the Airport receives as an operating payment on the flight service station. Lockheed Martin will discontinue that operation for the federal government as of June of this year at this location. A new agreement was signed last fall with the FAA that goes through mid-2009, however, it is not known at this time if the FAA will continue to lease it or return it to the WAA for leasing to others. Mr. White stated that nobody knows what the future is going to be with that program.

Mr. Murfin asked about the 10.6% increase in personnel services, and asked if that was all due to overtime. Mrs. Zoglman stated that it was mostly due to overtime. The major factors that are causing an overtime budget, especially in 2007, are snow removal overtime and also that Sedgwick County has a new Medical Director that is effecting that certification of our EMT personnel. The training requirement is quite significant and has caused a substantial amount of overtime in order to keep Airport employees up to the new training requirements of the Medical Director.

Mr. Russell asked what is included with the interfund transfers on safety for \$811,530. Mrs. Zoglman stated the City promises to respond with police and fire when called. Mr. Fletcher stated that we have requested in the past that this be lowered because the Airport has its own services, however the request was pretty much ignored. Mr. White stated this is also slowly becoming an issue with the airlines who are asking why, if the Airport has its own police and fire department, are the City and County being paid for EMS protection. The City has recently agreed to at least sit down with us and try to determine how this is being calculated and if there is a better way to do it.

Discussion ensued regarding what the City and County provides in terms of fire, safety and ambulance.

Mrs. Zoglman also pointed out another expense titled Flight Information Display ("FID") Systems in the terminal. It is anticipated that the Airport will be going to a web-based system therefore \$130,000 was added to the 2007 budget. The idea is that if the FID system is going to be replaced in the terminal, it should be replaced now in order to get four years of use out of it as opposed to waiting to install it the year before the terminal is closed down. It will also provide a good experience to know if that is what should be done in the new terminal as well.

Motion made by Mr. Fletcher to recommend the operating budget for approval by City Council. Motion carried 9-0.

General Aviation Hangar Development

At the last meeting the Board asked staff to research Mr. Claassen's proposal, with regard to the right to provide fueling at this airport. Mr. White stated that in the limited time he has had to research, he has found that the more he reads on this subject, the more he needs to continue to read. The archives contained a significant amount of letters, memos and policy decisions from the Wichita Airport Authority that go back to the 1980's regarding this subject. Mr. White also

stated that during the course of the last month he had spoken with Mr. Claassen at least three times either in person or on the phone regarding his proposal.

Mr. White then informed the Board that Mr. Claassen had changed his request. The prior proposal was to develop a condominium style fractional hangar facility that would provide it's own fueling needs. At the last meeting Mr. White stated his opinion that for them to provide fueling within that complex would go against the longstanding policies of the Airport Authority. Then on April 27th Mr. Claassen changed his request to develop his original proposal, or if that does not work, then to actually plan to become a fixed based operator at Mid-Continent Airport. Mr. Claassen was present at the meeting to provide his opinion on the matter, as were representatives of the fixed based operators currently at Mid-Continent Airport. There were also letters and information in the packet from three fixed based operators at Mid-Continent Airport expressing their opinions on this matter.

Mr. White stated that he did verify from his research regarding the corporate hangar complex providing its own fueling, that the FAA language is pretty clear that "A tenant shall have the right to dispense aircraft fuel into aircraft owned or leased by tenant." Mr. Claassen's proposal does not fit into that narrowly guided set of words because the aircraft would not be owned by the tenant. Mr. White stated that as he understands the proposal, the tenant would be an independent company formed through partnerships with the aircraft operators. The FAA guidance that ties to this subject states that the airport has to allow an aircraft operator to fuel and service their own airplanes, however the words that the FAA uses are very specific. "An aircraft owner or operator may refuel its aircraft provided that the service is performed by the aircraft owner and his employees." What Mr. Claassen is proposing does not fit into the definition that the FAA has provided because the owner of the airplane would not be the one doing the fueling. The FAA also goes on to say that "Self fueling cannot be contracted out to another party." That is a key phrase because the other party would be the independent corporation that Mr. Claassen would create to run and manage the hangar and hire the employees to fuel the plane. Mr. White further stated that it seems pretty clear that the fractional or condominium style complex does not fit into any of the longstanding policies that the airport has adopted and maintained for at least the last twenty years.

Mr. Gooch asked if the fueling part of the proposal had been ruled out. Mr. White stated he thinks Mr. Claassen realized that under those policies he cannot do that and is looking for a different way to get this done. A fixed based operator ("FBO") can provide fueling, so Plan B is that he would like the Board to consider both proposals concurrently. That then brings the question of "how does one become an FBO at this airport" to the forefront.

Mr. Claassen stated that the original request for a condominium hangar still stands and is his preference, however if that does not work, his effort is to get staff to smile, and it is a very difficult situation. So that is why after subsequent conversations with Mr. White he amended the request to say he would like to do one of these two options.

Mr. White said that he understood Mr. Claassen's preference would be to do the condominium hangar if it could be approved, however for the Board to consider the possibility of Mr. Claassen becoming an FBO it is a whole different analysis. There are three full service FBO's on Mid-

Continent Airport today. Staff has done some initial analysis of the fuel pumped at Mid-Continent since 2002 to determine how many gallons of gas were pumped by the various categories of operators, and there have not been increases, and in some case there are decreases, therefore it is not like there is an unmet demand showing a need to have a fourth FBO at Mid-Continent.

The FAA highly recommends that airports adopt some sort of set of minimum standards. The WAA's longstanding policy has been that the standards are reflected in the policies, contracts and agreements that exist between the existing tenants and the Authority. The FAA states that if an airport decides that it wants to have an additional FBO on the airport it does not have to simply enter into a negotiation with a particular candidate, rather it should consider having a competition and a request for proposals. Then if an Airport determines there is a need to have another business on the airport to provide additional public services that the best way to select someone is to have the standards reflected in a Request for Proposals ("RFP") document stating this is the size of leasehold that would be needed, this is the size of hangars needed, and that becomes your standard that others can then bid upon. That way an airport can consider the experience, the financial capabilities and the type of business plan a proposer would have to pick someone to operate as an FBO. Mr. White stated that he is advising the Board that based on his research, he does not think this airport needs another FBO. The three FBO's that are currently at the airport have each made multi-million dollar investments, the airport has long-term contracts with each of those firms, the fuel business is not going up, and there is not any unmet demand.

Mr. Russell asked what happened in Kansas City when this type of facility was built. He was thinking that these were new customers Mr. Claassen was bringing in that are not currently being served here today.

Mr. White reported that with the limited research he has done on other places that have allowed situations like this to occur, and some airports have even encouraged fractional or condominium style hangars, in every case it has been a major metropolitan area that has a lot of airports and a lot of airplanes and either the hangars are full or there is an unmet demand. Kansas City is one of those examples. Kansas City International is not comparable to this airport. There is only one FBO at KCI and it does not provide hangaring for anyone other than transient customers. The competition amongst the airports in the Kansas City area is strict and the Kansas City downtown airport is full. There are a lot of different dynamics involved from one airport to the next.

Another airport Mr. White talked with is Sarasota, Florida. Sarasota currently has two FBO's and there is a company out of Massachusetts that has an identical concept to what Mr. Claassen is proposing. Mr. White spoke to the developer of that company who stated that Sarasota's policies would not allow that type of facility to be built there either, however there is enough business at that airport that they needed to have a third FBO. The company then decided that it would become an FBO which the Airport Authority approved, and the plan is to build the biggest FBO on the Sarasota airport, surpassing the two already there.

Mr. Fletcher asked if in the Kansas City situation they are pumping their own fuel and if they are how are they getting around the FAA regulation that was just read by Mr. White. Mr. White said that as he mentioned last month, the FAA does not prohibit what Mr. Claassen is proposing,

however what the FAA states in its rules is that an airport does not have to allow it to happen. The FAA publishes two main books: Exclusive Rights and Minimum Standards. Both run parallel on this subject. The purpose of the Exclusive Rights guidance is to make sure that the airport is operated for the benefit of the public, and that any aeronautical activities protect the level and quality of services offered to the public.

Mr. Fletcher said that the Airport could choose to allow the hangar to be built, but as far as being able to fuel airplanes in the hangar, it sounds like the FAA says you cannot do it. Mr. White stated that under this particular type of legal arrangement he would interpret the FAA as saying it is prohibited, because that service cannot be contracted out to someone else. Mr. White stated that this would put them into an unfair competitive advantage to the existing FBO's, who under all of the Airport's existing contracts and policies are the only ones on this airport that are currently allowed to provide fueling, other than a corporation which has its own airplanes. From his experience at other airports, Mr. White feels that if the Authority were to change the current policy and allow this to happen, the three existing FBO's at this airport would have cause to be concerned that something might have been done to damage their standing at this airport as well as their investments.

Mr. Gooch asked what the definition of an FBO is. Mr. White replied that the FAA defines an FBO as a commercial business granted the right by the airport to operate and provide aeronautical services, such as fueling, hangaring, tie down, aircraft parking, aircraft rental, flight instruction and aircraft maintenance. The airport's three existing FBO contracts generally follow along those same definitions. Mr. White read some excerpts from the contracts that correlate with the definition from the FAA.

Mr. Russell asked how they determined in Sarasota that they needed another FBO and then let them build the biggest one they have. Mr. White said he had not had the chance to research that situation as much as he would have liked, however there is a rule of thumb that airports typically use to determine whether or not they have reached some sort of a threshold of business activity to decide whether there is a need to have another FBO. One of those is how much gas is pumped per year at the airport. The target is about a million gallons of fuel per year. Mr. Whites stated that to try and determine where this airport stands, he had Jean Zoglman and her staff go back to 2002 and see how close this airport is to that standard. Interestingly enough, for the jet fuel business at this airport for 2006, Hawker Beechcraft had 958,000 gallons of jet fuel, Yingling had 730,000 and Eaglejet had 613,000. Those numbers show that two of the FBO's are below the mark and Hawker Beechcraft is right on target. By looking at just the raw numbers it appears that if you added a fourth split, someone is going to face a negative impact.

Mr. Fletcher asked what if someone came to us with a proposal that they could be the best FBO on the airport and provide a better service, make fuel cost less and be the premiere FBO. How could the Authority tell someone not to come in and compete for that type of business.

Mr. Greenlee said by his way of thinking that is the point when you put together an RFP and take a look at the actual management plan and how their proposal would accomplish those things.

Mr. Fletcher said those minimums are close to what the airport's current FBO's are providing already. Mr. Fletcher asked Mr. Claassen if he was planning on servicing small general aviation aircraft. Mr. Claassen stated that he would like to have the rights to perform to the level of service that all of the current FBO's are granted. Mr. White said this concept is not unique to Wichita. Other airports require someone with a concept like what Mr. Claassen is proposing to make a deal with one of the current FBO's on the airport to get the fuel from them. The part of this proposal that is causing the most concern, is the fueling component.

Skip Madsen of Hawker Beechcraft introduced himself and stated that a lot of the fuel that Hawker Beechcraft sells is for resale, charters and other things that are not a part of this equation, therefore if another FBO came on it would be a challenge for them to make it financially. The other thing he would ask is what services are not being met and if there are customers that feel like they are not getting a good deal, he would advocate that you go to the three existing FBO's and say are you willing to strike a fuel deal to service the customers in this new condominium hangar facility to give them a special rate so that they know that they are going to get the best fuel deal.

Mr. Claassen stated that it is a very exciting age for general aviation and this is a possibility to invite and attract more clientele than exists today. He does not see it is a matter of saying there are 475 operations today and lets divide the profits among the current FBO's. Mr. Claassen feels that we can attract new individuals, research new markets and bring new revenue to general aviation in Wichita. Mr. Claassen further stated this is the air capital of the world, let's lead the way.

Mr. Fletcher stated that we would like to lead the way, however as far as the condominium issue, and establishing an entity that would provide it's own fuel, it would not work at this airport at this time. Mr. Fletcher further stated that if Mr. Claassen could make an agreement with an existing FBO the Authority might consider building the condominium type hangars. As for the possibility of Mr. Claassen becoming an FBO, this Board would have to provide and vote on a set of minimum standards.

Mr. White stated that as he mentioned last month with regard to establishing minimum standards for an FBO the concept of hiring a professional that does this for other airports and FBO's around the country takes a significant amount of time and money, and he is not sure that it is always worth the cost. Mr. White has started, with staff's help, collecting minimum standard samples from other comparable airports from the region and around the country. The policy that the Authority followed in the past is that when looking at the contracts with the three existing FBO's the interpretation was that the smallest of those 3, or the one that has the least amount of services under contract, is the minimum standard. Mr. White also found a set of documents from 1998 where the Airport actually had a workshop on developing minimum standards. It does not look like that they went past that, but the Authority had some goals and held public hearings regarding the listing of public services that an FBO would need to have and the definitions of an FBO.

Mr. Russell asked Mr. Claassen about whether the tenants would be new or whether they would be taken away from someone else. Mr. Claassen stated that one out of the four would be a new tenant.

Mr. Gooch stated except for the fueling, this concept is not new. He remembered the concept for round hangars, but you could not provide the fuel.

Mr. Murfin stated he would not suggest hiring a consultant, but stated he would enjoy seeing a sample of 10-15 other airports minimum standards. Mr. White said the chairman might want to appoint some Board Members to work with staff on a Minimum Standards Committee to help go through this because it is not an easy thing to do. Mr. White also felt that it is important to have inclusion of the general aviation community to get their ideas and opinions so that it is unique to this airport and community.

Mr. Fletcher asked if the Board Members could get copies of other airport's minimum standards. Mr. White stated that it might be easier to build a chart to list the things that are comparable. Mr. White also said that the FAA states that when developing minimum standards, the most critical consideration is the particular nature of the aeronautical activities and the operating environment at your airport. Some of the FAA guidelines are that an airport needs to make sure the standards reasonably protect the investments of existing providers and aeronautical services. The FAA also deems it important to ensure that the standards provide the opportunity for newcomers within the market demand for such services. The FAA also encourages that once you have standards to publish them periodically and to amend them as conditions change.

Mr. White stated he is not anti-progress by any means, however he wants to make sure that the airport is managing its development properly and not making bad policy decisions that could lead the airport, its tenants and others into bad financial situations by allowing something to happen that we know is not going to be successful.

Skip Madsen stated that Hawker Beechcraft is making investments in its facility and is looking to expand even more. Randy Blad of Hawker Beechcraft also stated that he is fully in support of minimum standards, he works with other airports all over the country and he feels that the best run airports with the most fairness and competition that provides a high level of service to the public, are the ones with minimum standards.

Mr. White stated that is a good point, because over the last couple of years people have come to him with their plans to become an FBO at Jabara, and they have walked away when he tells them that we do not currently have minimum standards at either airport. The opinion is that if someone comes in and makes a huge investment, there is nothing to prevent someone from coming in and setting up a second-class facility next door.

Randy Blad of Hawker Beechcraft stated that they always invite fair and open competition, however there are airports where you get too many FBO's and it dilutes the profits so that no one is able to provide a high level of service. Hawker Beechcraft is open 24 hours a day, seven days a week, and they do not have to be. If they cannot maintain a certain profitability from their fuel business, they will not be able to continue that.

Mr. Fletcher stated to Mr. Claassen that the Authority is going to have to develop a set of minimum standards to decide what it takes to be an FBO at this airport as well as determine if another FBO is needed.

Motion made by Mr. Ward to establish a committee to develop a set of minimum standards for a Fixed Based Operator. Motion carried 9-0.

Murfin, Fletcher, Greenlee, Ward all stated they would be willing to serve on the committee.

Terminal Area Redevelopment Program Update

Mike Carter, DMJM Aviation, provided the Board Members a PowerPoint presentation update of the meetings over the last few months regarding schematic design as well as a list of upcoming meetings.

Other Business

Mr. White reminded the Board that their terms as Board Members expire at the end of June. He visited with the City Manager and the County Manager last month and sent them the Board's names as well as the names of the people who initially made the appointments in order to initiate the reappointment process.

The next WAAB meeting will be Monday, June 4, 2007.

Meeting adjourned at 5:29 p.m.

Kelly Fabrizius, Clerk