

**MINUTES OF THE CITY OF WICHITA**  
**WICHITA AIRPORT ADVISORY BOARD**

**Monday, April 6, 2009**

Present: Robert Beattie, Charles Fletcher, U.L. Gooch, Dwight Greenlee, Willis Heck, John Hennessy, David Murfin, Tom Pryor, Dr. Thom Rosenberg, Jay Russell and Bill Ward

Absent: Ron Estes, Kevin Myles

Airport Staff: Victor White, Brad Christopher, Sandy Coykendall, Kelly Fabrizius, John Oswald, Valerie Wise, Jean Zoglman

City Staff: Joe Allen Lang, Chief Deputy City Attorney

Others: Dan Claassen, ExecHangar

Chairman Fletcher called the meeting to order at 2:30 p.m.

**Approval of Minutes**

*Motion by Greenlee to approve the minutes of the March 2, 2009 Wichita Airport Advisory Board meeting. Motion carried unanimously.*

**Director's Report**

Mr. White advised the Board of several ongoing items. Chairman Fletcher and himself went to Washington D.C. last month for the annual Airport Legislative Conference where they met with both Senators and both Congressmen and their staffs. Mr. White reported they also heard presentations from top officials from the Federal Aviation Administration (FAA), Department of Transportation (DOT) and the Transportation Security Administration (TSA). Congress has recently passed and the President has signed into law the extension of the FAA funding program for the remainder of this fiscal year. It is not the three to five year program that everyone was hoping for, however that program is still in process. Chairman Fletcher said he thinks the main point made to the Senators is that in the FAA authorization bill, Congress has set the Passenger Facility Charge ("PFC") charge at \$7 or \$7.50 and the airport has asked for their support so far as getting the PFC increased so that it could benefit for the terminal project. They were receptive to helping us out as best they could.

Mr. White said they also expressed concern about TSA's Large Aircraft Security Program proposal and the negative impact it will have on the aviation industry. The congressional delegation had already received thousands of negative responses regarding the proposal. Not

only would it affect security at this airport, however it would also require a security program at reliever airports such as Jabara. It would be a completely new program which would be very inconvenient and cost a significant amount of money.

Chairman Fletcher mentioned that it was also discussed to have one of the Congressional delegation members speak at the monthly Aero Club Luncheons. Mr. White said we are also going to send an invitation to speak to the new Secretary of Transportation, Ray LaHood. While he is in town, it would be a fantastic opportunity for the congressional delegation as well as local officials to take the Secretary on tours of the airport, the factories and the National Center for Aviation Training that is under construction and show him the things that are going on here and that Wichita is the Air Capital of the World. Mr. White advised that for next week's Aero Club luncheon the speaker is, Mark Rosenker, the Chairman of the National Transportation Safety Board.

Mr. White advised the Board of a new federal regulation that will go into effect in the middle of May that requires all airlines and/or airports to provide a pet relief area at the terminal facility. The intent is for Americans with Disabilities Act (ADA) service animals to have a place to be relieved while they are traveling, as well as any pet that is being shipped. The airport needs to come up with a place to put the area within a month and a couple of locations have been identified that may work. There are no federal guidelines on what it is supposed to be or how it is supposed to be constructed, although we have received some advice from a number of groups. Airports Council International (ACI) has contracted with an engineering firm in conjunction with one of the ADA groups in Washington to try and develop some kind of a standard that airports might be able to use. Basically, it needs to be a space that is approximately ten foot by ten foot or larger, that has either a grass or gravel surface. It has to be ADA accessible, it has to be fenced and it has to have bags for the debris to be picked up with and thrown away. Dr. Rosenberg said there are commercial products that are available at reasonable costs that could be utilized for that. He advised that he would pass on the information to Mr. White.

Mr. White said the airport has two potential places to put the area, at the west end of the terminal in the grass area and at the east end of the terminal between the building and the control tower. Both locations currently have grass, however construction for the landside utilities is probably going to affect both of those areas, so it may only be temporary.

The City has an ADA Access Board that airport staff and the design team met with in March to discuss the new terminal project. We also discussed issues with the current terminal and things that the airport is doing as a result of some of the recent changes that have been made in the parking lot with respect to the number of accessible parking spaces that have been increased and restriped. A positive step was taken in meeting with this Board to go over the design issues with the new terminal and make sure that the airport is doing everything possible to make sure that it complies with all of the laws, guidelines and regulations for ADA accessibility, and also to see if there is anything additional that the ADA Access Board thought should be done. The Board had several good suggestions, some of which we will ask the design team to incorporate.

Mr. White reported that a group has received a permit from the Wichita Airport Authority to hold a Tax Day Tea Party next week on April 15<sup>th</sup>. There will be a small demonstration in the field area across from the post office.

Also on April 21<sup>st</sup> the Salzburg Aviation Club from Salzburg, Austria, will be coming to Mid-Continent Airport for a tour. The group consists of about 20 aviation enthusiasts, some of which work at the airports in Salzburg and Vienna. The group will be going to Washington D.C. where they have some events scheduled and then they are coming to Wichita and staff is going to give a presentation on the airport and a tour, and then the group will spend a day touring the factory at Cessna.

On April 10<sup>th</sup> the Airport Authority is hosting the Airport Compatible Land Use Workshop at the Wichita Airport Hilton. The Board is invited to attend this workshop. Mr. Christopher said it is essentially an opportunity to get reacquainted and educated on airport compatible land use and planning policy regulatory matters.

Mr. White said that those Board Members who have volunteered to be on the committee that Chairman Parks from the County has established to discuss birds and wildlife mitigation issues should be getting some kind of notification fairly soon. The Mayor has appointed two City Council Members, Mr. Longwell and Mr. Gray who have agreed to serve on the Committee. Mr. Christopher and I met with them last week to provide a briefing on where the airport is at and let them know the status of the project. Mr. Beattie stated that he was appointed to the Committee in January. At the last meeting we needed two Board Members from the City and two from the County. Mr. Ward and Mr. Myles said they would be two of the City representatives and Mr. Greenlee, Dr. Rosenberg and Mr. Pryor all four County representatives also volunteered. Mr. White asked if there were any other City appointees that would like to serve on the Committee because there are only two and there may be need for a back-up, Chairman Fletcher said he would be available to be a back-up. Mr. White said the first step will be to get together as a group and then the officials will want to hear from the committee members as to what your opinions are and at that point consider what the next steps should be.

Mr. Lang asked how many committee members we ended up with. Mr. White said two Board Members from the City and four from the County. Mr. Lang advised that we would need to make sure that the maximum present in a meeting would be six, or it has to be a public meeting.

Chairman Fletcher asked how Air Service is doing. Mrs. Wise reported that traffic is down, Delta has suspended the Detroit service for two months, even though it has been doing very well, the service will commence again on June 5<sup>th</sup>. Allegiant begins their service to Los Angeles on May 23<sup>rd</sup>. Traffic in February was down 20% compared to last February. Although last February had 29 days, so if that extra day is adjusted for, traffic would have only been down approximately 14%. Mrs. Wise reported that business travel is down and leisure travel is down, although the Las Vegas market is still doing very well.

Mr. White said that early last month we asked the Airport Authority for approval for a two year extension on its advertising contract. The Airport Authority was told that with business being

down all over, it is not the time to start cutting back on promotions and advertising efforts, we need to be hitting it as hard as ever and make sure that when an airline does have a new service or a new fare sale that the word goes out. The Airport Authority unanimously approved the contract for another two year period.

Chairman Fletcher asked with the downtrend in passenger traffic, if everything is still on track for the terminal project funding. Jean Zoglman said we keep updating the numbers. A projection was recently done of the revenues for the current budget cycle and it did show a decrease on the revenue side so we have gone through the expense side to find an offsetting decrease in revenues. At this point it is still on track because the airport is able to absorb any revenue decreases by offsetting expense increases.

Dr. Rosenberg said he is looking at the Jabara fuel reports from February 2008 to February 2009 and how is it that jet fuel is down and corporate is down, but avgas is up. Mrs. Zoglman said the corporate over there is Rage and Excel, so the figures are completely dependent on the activity that takes place there. Mr. White said that one thing he has noticed is that avgas sales are very dependent on the weather whereas jet fuel sales are not as dependent on the weather.

Chairman Fletcher said that he recently learned that there are a couple of privately owned fueling locations at Jabara. Mr. White said that is what is categorized as corporate which shows that it is down 65%. Their traffic is down considerably, however the jet fuel sales at Mid-Continent are down considerably as well.

Dr. Rosenberg said some of the decrease in fuel may be attributed to the loss in passengers because if you look at the decrease in the number of passengers it comes out to about 1.7 million less pounds of people flying.

Mr. Ward asked why there were major drops, except for the parking lots, why is it only 8% when everything else is in double digits. Mr. White said that parking does not track exactly with the activity on the planes, plus the parking rates were adjusted last year so maybe it has not caught up for a full twelve month cycle and the usage of the parking lots have shifted.

Mr. White said that as Jean Zoglman mentioned earlier the airport is testing its expenditures for the remainder of this fiscal year to try and be a step ahead of the game and not spend more than is necessary. The airport has also been working with the City Manager to look at deferring some of the expenses, cutting back on travel and eliminating things that will not be directly noticed by the customers. Chairman Fletcher said he wants to make sure we keep on top of that as a Board because critical decisions will need to be made before too long.

Mr. White said the next step in the project that involves spending money is the Landside Utilities Phase I which will be bid in May. Chairman Fletcher said he believes, as was already discussed, that it will not be money we are going to lose because the terminal is going to have to go in that same location whether it is built now or a few years from now. Mr. White said he agrees on the need to go forward with the package, it prepares the site by allowing us to continue with the demolition of the old Cargo Building, the demolition of the parking lots that are currently used

by employees as well as installing all of the utilities, the water, gas, sewer, and electrical lines that are needed to serve the new site of the terminal. That way, if there is a delay in actually building the terminal itself, the project can be restarted a year quicker than if no utility work had been done.

Chairman Fletcher asked for the status on the legislation needed to establish the rental car fee. Mr. White said the actual legislation will not be taken to the Airport Authority until staff can get a better handle on the design of the parking facility itself, especially the rental car facilities and the cost of what that will be. That will allow for the opportunity to go back to the rental car companies and show them exactly what they will be getting for their money. Chairman Fletcher asked how far into the design phase we are. Mr. White said the contract has not yet been signed, a master plan and a conceptual design of the parking garage is being done, which will include facilities on the landside and the building itself. Mr. White said there will be a meeting later this week on parking issues so soon we will be able to get into the actual design itself.

Chairman Fletcher asked if the airport would have something that could be quickly handed over to the City Council as far as a request for legislation. Mr. White said that it would more than likely be a resolution. Mr. Lang said that could be drafted at any time.

Rip Gooch asked if there had been an opportunity to meet with the new City Manager to get his feelings on building the new terminal and parking garage. Mr. White said in fairness to the City Manager, he has not yet had an opportunity to really get a firm grasp on the project. Mr. White said that he met with the new City Manager for a couple of hours and discussed it, however he has not had the opportunity to go over any spreadsheets, or business plans and financial models, he has been relying on airport staff and the City Finance Director to provide the advice on where the project is at. Mr. White said he will be setting up a meeting with him in the near future to go over the project because some critical decisions are going to have to be made this summer. Mr. Gooch said with the new City Manager and three seats on City Council up for election it may be necessary to obtain more viewpoints on the project. Mr. White said that he was asked to prepare a presentation for the new City Council Members so any new members will have the latest information and know where the airport is at on the project.

### **ACT-3 Project Update**

John Oswald presented to the Board a PowerPoint presentation providing an update on the current schedule and upcoming meetings, the contract packages and schedule and cost estimates.

The Contractors Forum will be held on the 15<sup>th</sup> of April and approximately 175 invitations have been sent out for that. Mr. Greenlee asked if the DBE consultant company will be there. Mr. White confirmed that Charbonnet, the DBE consultant would be in attendance and he passed out the brochure that they had prepared to distribute at the forum.

Mr. Oswald said that there will be at least 21 packages, however there may be 25-30 bid packages of projects of every size to complete the entire project. Mr. Gooch asked if the package numbers were listed in the order they would be bid. Mr. Oswald said they are not in any

certain order. Mr. White said that Package 12, the terminal, may generate interest from all over the country. There will also be several opportunities for subcontractors.

Mr. Russell asked about Package 21 and if it required a temporary approval from the FAA, his understanding was that the present park and ride lot was only approved temporarily. Mr. White said all of that parking will be temporary. Mr. Russell asked if Package 21 was to handle the parking needs at the time the garage is being built. Mr. White said that and there will also be phasing of the parking during the construction of the terminal. When the Landside Utilities starts there are about 400 employee spaces near the terminal that are going to have to be relocated. Therefore it is temporary parking, although it will be for a number of years.

Mr. Russell asked what month the terminal package is going to be bid. Mr. Oswald said that it will be bid in the last half of 2009, approximately fall of this year. Mr. White said there are a lot of issues that still need defined and worked out, the airlines have been slowing down their input and that is needed to finalize the plans. Mr. Oswald said perhaps there is a much more desirable bidding environment than existed six or nine months ago. Mr. Russell said the real answer is there is not a better time to bid than right now. Mr. White said the risk is how long to wait to time it right, how long are the contractor's prices going to be good. Mr. Russell said that is his concern on waiting for November. Mr. Oswald said he does not track national trends, but can not expect the economy is going to get better as fast as it got worse.

Mr. Ward asked for clarification on package 12 and if the mechanical and electrical would be big together in one package. Mr. Oswald said yes it would, however there is some special equipment that will probably be bid separate, for example the boarding bridges.

Mr. Murfin asked where the pet relief stations would be in the new terminal. Mr. White said the current thoughts are just outside of the baggage claim area in a courtyard type of location.

Dr. Rosenberg said since we already will have restrooms and the dogs are basically for the travelers, why not put a pet relief area in the restrooms. Mr. Greenlee said he thought that would be an excellent idea to look into. Mr. White said that from the initial feedback he is receiving from all of the airports, no one yet has come up with the idea of putting it in the restrooms although the disabled rights groups are saying that the area should be within the concourses, especially at the connecting hub airports.

Mr. White said that as was reported last month the contract with the artist that was originally selected for the public art project has now been officially terminated. A new artist selection panel will be getting back together and Chairman Fletcher has agreed to be on the panel. Chairman Fletcher said when he attends the meeting he will keep the Board informed as to what the next step will be.

### **Other Business**

Chairman Fletcher introduced Dan Claassen, ExecHangar, who has spoken to the Board in the past about a project that he would like to do and is currently going to provide an update on that.

Mr. Claassen said there are opportunities for people who own and operate corporate aircraft in Wichita. The first and most traditional is that they will go to a Fixed Base Operator (FBO) and will contract with them to house their aircraft, fuel their aircraft and provide the maintenance. The second option is for them to take over some of those responsibilities themselves and there are various ways to do that. Here at Mid-Continent there is a corporation that has leased property, built their hangar, has their own maintenance and fuel, and basically does everything in house. There is also a variety of situations that are happening at Jabara. One individual houses his planes and does maintenance, however does not have fuel. Also two companies each have built their own hangar, however share a fuel farm.

Mr. Claassen said his concept is basically to do a variety of those combined into one operation. It would only be for jet operators, a group of individuals would come together and would build a hangar, put in a fuel farm, and it would have its own operations. In essence they would be owners of this facility, collectively. If a person had an airplane that was 2,000 sq. ft., they would buy 2,000 sq. ft. worth of space in the hangar, they would also have the option to put in an office, they could have their flight staff there and their aircraft. A person would have their own fuel and it would be up to them if they wanted to provide their own maintenance, it is designed around that opportunity.

Mr. Claassen said that for his proposal the cost savings advantage really is to share the costs among several individuals. It is hard to justify building your own corporate hangar and making it cost effective. However, Mr. Claassen said the real advantage to this operation is the savings in the fuel. Instead of buying fuel retail, or at a negotiated price off of retail, which is very typical, there is an opportunity for the company to buy the fuel, put it in the tank and then the fuel is exchanged into the aircraft at cost because all of the individuals that are in the hangar are owners of it. They would pay a fixed percentage based on the space allocated for the overhead costs, but all of the variable costs such as fuel, would be billed to them at cost.

Mr. Claassen showed the Board an example of an analysis of an operator. In the example, the individual's savings is approximately \$60,000 per year. Mr. Claassen said it is only a projection and the actual savings will depend on the operations and the use and size of the aircraft. Mr. Claassen said some people are interested in this project simply because they want their own hangar and the cost effectiveness is not as important, for others it makes sense to them because of the savings associated with it.

Mr. Claassen showed what the hangar facility would potentially look like. It would have a first class, marble or granite approach or front door to Wichita where the owners could bring in their clients. Mr. Claassen also showed an aerial map of the site that was looked at two years ago. It is just south of Ballard on the available vacant land. It is directly off of Airport Road and it would be off of Taxiway Hotel. The plan shows two buildings, however there may only be one. Mr. Claassen said that about two years ago, when Tom Nolan was the acting Airport Director, he did a survey and found enough interest for one building at that time.

The operation structure shows that ExecHangar is the entity that would have the relationship with the airport. Under the contract Mr. Claassen would operate the facility for ExecHangar, he would construct the facility and provide the day to day management of the operations. He would be the individual ordering the fuel and hiring the employees, basically he would be the turnkey individual responsible for the operation.

Mr. Claassen showed the Board an article from Addison Airport illustrating what that airport is doing with ExecHangar. Mr. Claassen said the lease is signed and finalized, however the funding is not yet in place. It shows how ExecHangar was able to partner with the airport in attracting this type of operation. Mr. Claassen said he believes Addison Airport is very satisfied with the approach and potential that it provides for operators on the airport.

Mr. Claassen concluded his presentation and invited any questions from the Board.

Dr. Rosenberg asked how the \$79 per square foot estimate was arrived at, is it the average cost for all of the hangars or is that figure projected for Wichita. Mr. Claassen said that number was projected for Wichita, but it includes the hangar, the fuel farm and the equipment.

Dr. Rosenberg asked where ExecHangar will get its fuel. Mr. Claassen said from independent sources on the open market. Whoever gives the best price is who the company will buy it from, however the reality is that it all comes from the Phillips Terminal. It is purchased from different individuals and through trade agreements, however it is all pulled at the same terminal and that is very common.

Chairman Fletcher said he did not hear Mr. Lang's answer on if there is more than one owner in a condominium type arrangement, does it get past the rule that only the owner can pump fuel for their own aircraft. Mr. Lang said that local rules can be set up however an airport wants, however what you are trying to avoid is sales to the public.

Mr. Heck asked if this Board made the decision on this proposal or the City Council. Chairman Fletcher said the City Council makes the final decision, however this Board makes a recommendation. Mr. White said in this matter more than most the City Council/Airport Authority would rely very heavily on this Board's recommendation and advice.

Chairman Fletcher said one of his main concerns was how much business would this be taking from current FBO's or would this draw new business to Mid-Continent from someplace else. Mr. Claassen said two aircraft would move to Mid-Continent from Augusta. Chairman Fletcher said in his mind this proposal would not be hurting the current FBO's by taking business away from them. Mr. Claassen said he may have said that wrong, of the four to five aircraft that would be in the main building, two of those would be coming from off airport so three to four would be from Mid-Continent or Jabara.

Dr. Rosenberg asked what type of funds would come back to Mid-Continent as far as rental fees from the hangar. Mr. Claassen said in reality the only thing the airport would gain is

insignificant revenue off of land because the airport already receives revenue from the fuel and his proposal would only change it from one facility to another.

Chairman Fletcher said that ExecHangar will build the building and the airport will own the land and the building, then after 20 years typically the company would pay fair market value for the building(s) to rent them back from the airport. It brings a little more land and a little increased fuel flow.

Mr. Gooch said it seems to him that this project is very close to fractional ownership, it is almost the same type of arrangement. For instance Mr. Claassen said that he will be running the company, however the individual owners will be fueling their own airplanes.

Mr. Claassen said there would be employees at the facility that will do the fueling of the aircraft. They would be employees of the facility. If a person has an airplane there, it is their employees that will take their airplane and fill it with their fuel.

Mr. Gooch said that it goes back to the same concept as shared ownership. One person could not operate, maintain airplanes and furnish the fuel, however if you buy a share, you own that share so you can still get those things.

Mr. Claassen said the general concept is that he is not a friend of the FBO's. The bottom line is the effect to them in round numbers is approximately \$50,000 per aircraft. If there are three FBO's on the field and only two airplanes come off of this field, the net effect to them is going to be somewhere around \$25-27,000 in lost revenue, however the maintenance does not go away and his proposal could potentially bring more aircraft to this field in the way of maintenance revenue.

Mr. Heck asked if the plan would start out with just one building. Mr. Claassen said it depends on the demand, however the site would allow for up to two buildings to be built.

Mr. Claassen said that when he did this project in Texas he did not received any opposition from the FBO's and it was highly advertised, he also received a unanimous vote from the City Council. However at Mid-Continent Airport there are letters of opposition in the file, and he would think that the FBO's are going to come out in full force against the proposal. Mr. White said he suspects the FBO's will not change their opinion.

Mr. Ward said if he understands the proposal correctly, ExecHangar would be a limited FBO. Mr. Claassen said it would be just like Koch. ExecHangar would build their own facility, put in their own fuel and house their own aircraft. Only instead of Koch owning it, there will be three to five people owning the corporation. Mr. Ward said so it is a corporate ownership and Mr. Claassen will be hired to run it. Mr. Claassen said that in a limited liability company there is a company manager which is akin to a President of a corporation and he will be that company manager, he works for the company.

Mr. Hennessey asked what happened two years ago when the airport was first approached with this proposal. Mr. Claassen said that he made a private presentation to the then Acting Manager, Tom Nolan. Mr. Nolan supported the proposal, however said that he did not want to take it to the Board unless there was enough support for the concept. Mr. Claassen said he went out in the marketplace and talked to aircraft owners and operators and obtained sufficient interest in his proposal. However, it became public and then the airport received letters of opposition and it stopped there. Mr. Claassen said he presented it to the Board at that time and the Board did not approve the proposal.

Mr. White said the reason for that is that the policies of the Airport Authority that have been in place for decades have not changed and they are still in effect today. The rule is that in order to comply with FAA guidelines and recommendations an owner of an aircraft is allowed to service and fuel its own aircraft. In the 1980's Koch asked for the privilege and a decision was made to allow corporate self-fueling. The one restriction was that a corporation has to have a minimum of 10,000 gallons of jet fuel per month to allow that and Koch qualified for that. What Koch wanted was not unusual, it is pretty common at other airports to have a corporation with a hangar and its own fuel farm. Subsequently, the same thing was allowed to happen at Jabara. Jack DeBoer chose to build a hangar and not provide fuel, and Rage and Capital Excel are individual corporations that chose to share the ownership and operation and maintenance of a fuel farm in between the two hangars. The precedent has been set to allow corporate hangars to have their own self-fueling facilities. What is not mentioned in the longstanding current policy is having multiple owners in the same hangar such as a condominium operation like this. The FAA rules are specific in one direction where it says an airport must allow an individual to self-service and self-fuel it's own aircraft with it's own employees, however the FAA goes on to say that an airport does not have to allow an arrangement like this that involves a coop or condominium hangar, and that it is a local airport decision.

Mr. Hennessey said that was a time when there was a lot of joint ownership in aircraft. This same concept was there, however it was not structured like this. Mr. Claassen said the situation at Jabara where there are two separate hangars sharing the same fuel farm is more of a stretch to the current policy than his proposal.

Mr. Greenlee said this is a condominium arrangement, as opposed to Koch being a sole owner of the facility and solely fueling their own aircraft. Koch also pulls their fuel from the airport facility as opposed to having its own facility. Mr. Claassen said that is true, however this room full of people could collectively own one airplane and build a hangar for that one airplane and put its own fuel farm in.

Mr. Heck said the rules and regulations have not changed, so what is the next step. Chairman Fletcher said that it can be decided to change the rules to allow this to be done. Mr. Heck asked if that would require the airport's attorney to review this and see if that can be done. Mr. Hennessey suggested getting staff's input as well. Mr. Lang said if there is a proposal to consider which would require a rule change it will be necessary to hold a hearing on the issue to hear both sides.

Mr. Claassen said it would be encouraging for him to get an informal show of hands of support.

Mr. Hennessy said that he knows how the previous staff felt about this issue and he supports the concept, however he would like to know what the current staff thinks because that weighs a lot with him. Mr. White said this issue was looked into a couple of years ago and it led to the creation of the Minimum Standards Sub Committee, however after collecting all of the minimum standards from various airports, very few would allow something like this to happen. Mr. White said that when he was preparing to draft the minimum standards he was prepared to continue on with the same policy of not allowing it. That is why he has not presented the standards yet, knowing that that this would be controversial and he has not yet seen the reason why the rules should be changed. However, he, Chairman Fletcher and Mr. Claassen recently met to discuss the proposal. Mr. White said he is willing to listen, but thinks we need to get the input of the current FBO's. Mr. White said the airport owes that to them morally and contractually. When the FBO's all signed their long-term contracts with the airport some years back there was an understanding, a commitment on the part of the Airport Authority that the rules that were in effect would remain in effect. If the airport decides to change the rules that allows what the FAA calls an unlevel playing field.

Mr. Greenlee said that if staff and legal determine this can be done and the FBO's do not express much opposition, the FBO's may say if this is such a good deal maybe they would like to start doing that type of operation and then the airport is involved in a bidding scenario between the existing FBO's and whoever else may want to get into it.

Mr. White said he has discussed this issue with other airports. One airport in Sarasota, Florida was approached by a developer such as Mr. Claassen, to build a condominium hangar operation. The airport's minimum standards did not allow it, and they were not willing to change the standards, however they said if the developer wants to pursue the operation he would have to become an FBO. The developer started up an FBO, and as an FBO, is allowed to build a condominium hangar with fueling rights.

Mr. Claassen said he was waiting for the minimum standards to be finalized, and if it required, he would do the same business model as a full-fledged FBO.

Mr. Hennessy asked if Mr. Claassen was asking for a consensus. Mr. Claassen said he is looking for an indication of whether the proposal is worth pursuing. Mr. Gooch said he needs to have a clear understanding of the rules that exist to determine if there is a rule that is being violated or that needs to be changed, to him the proposal looks like a partial ownership and Part 135 and 91 would apply. Mr. Gooch said the partial ownership advocates did not fight to change the regulation, rather they made a prospective that fit and that is what it seems to him is being done. Mr. Gooch said until he understands it better he is not going to make a decision for or against the proposal. The owners would own the airplane and own the building so he does not know if that is any different than what Koch is doing.

Chairman Fletcher said he would like to see a raise of hands to see if this is something we should go forward on.

Mr. Beattie concurred with Mr. Lang that a hearing should be held on this issue. Mr. Greenlee said that he would like to hear staff's input as well.

The Board did a show of hands and the majority were for going forward with the discussion.

Mr. Claassen thanked the Board for the opportunity and said it sounds to him like he did not do a very good job of educating regarding his proposal last time.

Mr. White said part of the previous concept that was mentioned to Mr. Claassen was an option that he could become an FBO or he could join with an existing FBO for an arrangement where the FBO could provide the fuel on some type of discount basis. Mr. White said he believes Mr. Claassen pursued the second option and did not find the interest at the time. Mr. White said that his concern now is that he does not necessarily think this airport needs another FBO. Chairman Fletcher said that he agreed that another FBO is not needed, however this proposal may fit the niche and potentially bring in new aircraft to this airport.

Mr. Greenlee said that even if the minimum standards were in place, the Board would still need to make a recommendation on whether or not this airport can handle another operation without putting the FBO's investments, the airport's investments and the FAA's investments in jeopardy.

Mr. Pryor said that if competition is good enough for the commercial operation to bring individuals costs down, then why is competition not good for a general operator to bring costs down as well. Mr. White said it could have that effect.

Mr. Lang said an airport is a different situation. The determination was made that Jabara Airport qualified for a single FBO, although normally competition would be desired. However, if the marketplace would not support more than one FBO such that if there were more, they would all fail, then the public is not being served. That determination was made ten years ago and the situation may have changed.

Mr. White said there is not an airport monopoly at Jabara Airport because it is desired, it just happens to be that way. There are no rules that would prevent a second operator, and a second operator would be encouraged to come in, however that operator would have to meet the standard and the question is, what is that standard. The rule that has always been in place is that the newest operator would have to be the same size or larger than the smallest FBO. At this airport there are three FBO's so you would determine which one is the smallest FBO, and the new FBO would have to be at least that size or larger.

Mr. Murfin said to him the key is when are the minimum standards going to be completed. Mr. White said he is considering redoing the process, he has been working on a draft version of the standards that were intended to cover every subject that the FAA says has to be covered. However, the main concern right now is how to define an FBO and what does it take become an FBO on Mid-Continent and Jabara Airports. Mr. White said suggested perhaps it could be condensed to a one page document.

Mr. Murfin asked which rule the self-fueling station at Yingling was covered by. Mr. White said that is was covered because Yingling is an FBO with fueling rights, but again only FBO's can provide fueling to the public. Mr. Murfin said but in that case the public is doing the fueling. Mr. White said that the FAA allows that, there is a difference between self-service and self-fueling and that is called self-service. Mr. Claassen said that he provided self-service fueling on nine airports across the country and it is permitted if permission is obtained.

The next WAAB meeting will be Monday, May 4, 2009 at 2:30 p.m.

Meeting adjourned at 4:39 p.m.

---

Kelly Fabrizius, Clerk