

## **McKINNEY AIRPORT DEVELOPMENT CORPORATION**

**DECEMBER 23, 2013**

The McKinney Airport Development Corporation met in regular session in the Dowdy Board Room, 5900 S. Lake Forest Drive, McKinney, Texas, on December 23, 2013 at 8:00 a.m.

Board members Present: Frederick Mowery, John Wroten, Steve McCarter, Keith Clifton, Kenneth Sipiora, Tom Ferraro, and Terry Johnson. City Staff/Other present: Mayor Brian Loughmiller, Councilman Roger Harris, Jason Gray, Trudy Mathis, John Sullivan, Steve Creamer, Ken Wiegand, Mark Jaraczewski, Eric Pratt and Cindy Rowe.

- 13-1305** Minutes of the McKinney Airport Development Corporation Meeting of November 22, 2013. Board members unanimously approved the motion by Chairman John Wroten, seconded by board member Fritz Mowery, to approve and refer the minutes with one change that Fritz Mowery is the liaison for Tirz 2.
- 13-1306** Financial Report – Trudy Mathis reviewed the October 2013 financial reports. Members inquired about the November financials and Trudy said that she would forward them to Ken Wiegand for distribution to members even though the auditors are not finished. Members discussed changing the board's meeting date to the third week of the month in order to receive the previous month's report. Trudy stated that it takes approximately twelve days to close the month.
- 13-1307** Airport Executive Director Report – Ken Wiegand introduced Steve Creamer, Principle and General Manager with KSA Engineers. KSA is the airport's engineer of record and needs to be kept up-to-date on changes at the airport. Eric Pratt, Operations Manager, reported on the ice storm and how it affected operations and facilities at the airport. Eric was asked to report back next month on the cost of the chemicals needed to treat the ice and how long it can be stored. He also pointed out that more storage space for equipment is needed.

McKinney Air Center Report - Mark Jaraczewski, FBO General Manager, reported on fuel sales and stated that contract fuel sales are 60% from Jet A fuel and 40% from AV Gas. Mark met with several prospects interested in moving to TKI. He met with McKinney ISD regarding an aviation program partnership which would allow MISD and Collin College to use airport facilities. Mark discussed his FBO Business Plan and stressed the need for more hangars. There are only three T-hangars available currently. There have been no complaints with the FBO. Mark would like to add self-service for jet and 100 LL fuels to provide 24/7 service and back up fuel storage and delivery systems. PHI is a major tenant and cannot buy fuel from TKI after hours. The options are adding a third shift or putting in self-service. Mark was asked about what aircraft maintenance service is currently available at the airport. He replied that the only area lacking is for major turbo maintenance. Ken stated that the main focus is filling the hangars with business aircraft. The existing terminal building is being repaired and minimally remodeled. The low-cost preferred location for the FBO passenger terminal is to remodel the former aerospace hangar.

Chairman Wroten recessed the regular meeting at 8:51 a.m. After a brief break, members convened into Executive Session at 8:53 a.m. In Accordance with the Texas Government Code: A. Section 551.072. Deliberations about Real Property: Project 12-01 B. Section 551.087. Deliberation Regarding Economic Development Matters: Projects 09-03, 10-03, 12-05, and 13-01.

Members reconvened into open session at 9:53 a.m. with no action resulting from the executive session.

**13-1308** Consider/Discuss/Act on a Resolution to recognize City of McKinney leadership and departments for their dedication in the FBO Transition at McKinney National Airport - Board members unanimously approved the

motion by board member Ken Sipiora, seconded by board member Keith Clifton, to approve the Resolution.

**13-1309** Consider/Discuss/Act on MADC Committees – Chairman Wroten discussed three committees: (a) Tirz 2 covers the airport area and Fritz Mowery was assigned, (b) Marketing, and (c) Business Development. He asked for input on marketing and business development of the airport. Ken reported that staff works closely with MEDC and the City's Communications/Marketing department. MEDC's budget allocates a portion of money for marketing the airport such as brochures, advertisement, etc. Mark Jaraczewski reported on the upcoming NBAA Scheduler's and Dispatcher's Conference which targets the people responsible for scheduling flights and his plans for follow-up with the attendees. Mark and several staff will be attending the conference next month. Ken Sipiora pointed out that sales are actually calling people and asked who was on point to do this. He asked if MEDC had the manpower to effectually go and out and sell the airport on a daily basis. Ken replied no because MEDC does not have enough staff to do so. Ken discussed the hangar situation and noted that TKI needs hangars ready to sell.

Mayor Loughmiller stated that City Council needs to know the airport plans/concerns on marketing the airport for the next 12-24 months so they can discuss priorities at City Council's Retreat on January 30, 2014. He stated that it was not the airport director's job to sell the airport. Keep in mind the budget and where the money comes from. Roger Harris inquired about the actual revenue compared to the initial proforma. Roger agreed that someone needs to be selling the airport. Mark Jaraczewski stated that staff needs to get in front of the chief pilots who make the decisions. Mayor Loughmiller asked what the staff and board were going to do differently from what was done before now that the assets were acquired. Ken Wiegand suggested that staff meet with

Marketing & Communications and MEDC and come up with some recommendations and a more formal marketing plan to present at the next board meeting.

Mark Jaraczewski announced he was leaving the meeting due to a flight home for the holidays. He stressed the importance of the FBO having a competitive advantage over other competitors, whether it is looking at adding an overhead canopy over parking space or building a separate facility that stands out.

Chairman Wroten suggested that a priority list be prepared with number one being improving the existing FBO/terminal facility. Number two would be utilizing the aerospace facility as the main FBO/terminal, and the third option is to build a FBO/terminal from scratch.

**13-1310** Consider/Discuss/Act on the Minimum Standards – Ken Wiegand briefly reviewed the current minimum standards and discussed several changes that are needed. Members received a copy. FAA's Grant Assurance # 22 says that the airport has to be available to all classes and kinds of aeronautical activities. It is up to the board and staff to make sure the rules and regulations work in favor of well-placed development. Self-fueling and SASOs (Specialized Aviation Services Operation) were discussed. Another important area to look at is off-airport access.

**13-1311** Consider/Discuss/Act on the Strategic Plan – Members received a copy of the staff-recommended updates to the plan. The By-laws require the submittal of a strategic plan along with the airport's annual operating budget. Ken outlined the requirements of becoming a commercial air carrier airport (Part 139). Charter services do not fall under the Part 139 rules. The mission statement, vision and goals were discussed.

**13-1312** Consider/Discuss/Act on the Airport Layout Plan – Members received a list of ten proposed changes to the ALP along with a land acquisition plan. The ALP is part of the airport's master plan. Land in and around the airport was discussed, including FAA's air space requirements. The

Mayor excused himself due to a prior commitment. Member Sipiora asked Ken to place the items in order of priority. Placement of T-hangars was discussed along with fire protection codes/requirements. The current pavement reconstruction project will provide more ramp parking but will take about two years to complete. Chairman Wroten asked Ken what his preferences would be for a terminal facility. Ken stated that renovating the aerospace facility would be the most cost efficient after fixing up the current terminal building with new paint and carpet for the interim.

Councilman Roger Harris asked members to provide City Council with a list of priorities, time frames, financial needs along with marketing plans one week prior to their strategic retreat on January 30, 2014. All members and staff agreed that the number one priority would be a new terminal/FBO facility in a renovated aerospace building. It would take approximately 6-9 months to renovate that facility. This would be plan A. Plan B would be to tear down the existing terminal building, move some T-hangars and build a new terminal.

Members broke for lunch at 12:15 p.m. and returned to their seats with the food at 12:20 p.m.

**13-1313** Consider/Discuss/Act on the FBO Business Plan – Members received a proposed draft of the FBO Business Plan.

**13-1314** Consider/Discuss/Act on the MADC Board Work Plan – Members discussed who is responsible for marketing and selling the airport. Councilman Roger Harris stated that the Council would be interested in what the board decides. Chairman Wroten suggested that MEDC is responsible to sell, lease, and renew all facilities at the airport with full support of the airport staff. Who decides what the sale or lease price is and what the terms/conditions are? Chairman Wroten also suggested that MADC be responsible for this. Would the airport own the sales process and leverage the skills, assets, etc. to MEDC? These are

questions to be answered.

Members discussed changing the board meeting date to the third week of the month but would wait until next month's meeting to vote on it. It was agreed to change the meeting date in January to the 15<sup>th</sup> at 8:00 a.m. to accommodate City Council's retreat meeting requirements.

A motion was made by Chairman Wroten to adjourn the meeting at 12:49 p.m. The motion was seconded by Member Ferraro and passed 7-0.

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JOHN WROTEN  
Chairman