

McKINNEY AIRPORT DEVELOPMENT CORPORATION

July 2, 2014

The McKinney Airport Development Corporation met in special session in the Second Floor Conference at McKinney National Airport, McKinney, Texas, on July 2, 2014 at 8:00 a.m. Note that the regular scheduled meeting on June 26, 2014 was cancelled due to lack of a quorum. Several items on that agenda needed to be voted on and recommended to City Council at their meeting on July 15, 2014.

Board members Present: John Wroten, Steve McCarter, Keith Clifton, Kenneth Sipiora, and Tom Ferraro. Absent: Frederick Mowery and Terry Johnson.

Other City/Staff/Guests present: Councilmen Roger Harris and Ray Ricchi, Mayor Brian Loughmiller, Acting City Manager Tom Muehlenbeck, Deputy City Manager Jose Madrigal, Adam Wilbourn, Airport staff Ken Wiegand, Mark Jaraczewski, Eric Pratt, and Cindy Rowe.

14-618 Minutes of the McKinney Airport Development Corporation Meeting of May 15, 2014. Board members unanimously approved a motion by Board member Tom Ferraro, seconded by Board member Steve McCarter, to approve and refer the May 15, 2014 minutes to City Council. Member Keith Clifton abstained from voting.

14-624 Consider/Discuss/Act on Construction of a Transient Hangar. Deputy City Manager Jose Madrigal reviewed the Pro-Forma options with members. Assistant Airport Director Mark Jaraczewski stated that he has turned hangar customers away almost daily. Mayor Loughmiller commented that the airport needs to be capturing hangar business, not turning it away. Vice Chairman Steve McCarter stated that he sees the common hangar serving two purposes. One as a transient hangar, and two as a "spec" hangar for a customer who wants to lease it exclusively or purchase it. Members also discussed the options of selling or leasing the existing HP hangar.

Board members approved a motion by Board member Tom Ferraro, seconded by Board member Steve McCarter, to approve and refer to City

Council the City design/build option of a Transient/Common Hangar based on the construction costs not to exceed \$1.5 million and the size of the hangar determined by the plot size as presented in the Pro-Forma. Member Keith Clifton abstained from voting.

14-622 Consider/Discuss/Act on Adjustment of Land Lease Rate. Airport Executive Director Ken Wiegand presented a white paper on airport land lease rate adjustments highlighting rate history, current requirements/revenues, rate/tract analyses, and a table showing tract areas with proposed rates ranging from \$0.45 to \$0.65 per square foot depending on location/access. Chairman Wroten inquired how often rate adjustments are allowed. Airport staff's first recommendation is to maintain high rates along roadways on airport land to preserve them for commercial aeronautical activities (CAA) and to provide a negotiated land lease discount to CAA for developing road-side land. Recommendation two is to use the land lease rates as listed in Table D of the white paper. Members discussed the pros/cons of the suggested rates. The rates are published online. Airport Operations Manager Eric Pratt pointed out that TKI is the only general aviation airport in the area with perimeter access, security fencing, and CCTV. Councilman Roger Harris pointed out to be careful of possible discrimination with applicants. He said to consider that some airports are comparable and not competitive, while some airports are competitive and not comparable. Ken Wiegand reminded members that lease rates affect the off-access formula in the Minimum Standards.

Board members approved a motion by Board member Kenneth Sipiora, seconded by Board member Steve McCarter, to approve and refer to City Council a land lease rate adjustment between \$0.45 and \$0.65 per square foot depending on parcel location allowing airport staff and City Council the flexibility to price accordingly. Member Keith Clifton abstained from voting.

14-623 Consider/Discuss/Act on informal Airport Layout Plan Drawing changes.

Chairman John Wroten stated up front that he considers the proposed drawing presented today to be the airport layout plan which represents over 200 pages of boring reading and also represents a couple years of work involving several consultants to complete. John stated that he does not think we should change it every time we have a bright idea. He recommends that the Airport Board, which consists of mostly new members, set aside the item until a more in-depth analysis can be made. Ken Wiegand reviewed the proposed changes and the reasoning behind them. Ken stated that the changes would be sent to TxDOT Aviation for review and file. TxDOT would make notes and let the Airport Director know if anything stood out that they could not support. The airport and Council is not obligated to act on the changes and still has flexibility to make changes at any time. Member Tom Ferraro reminded members that the changes would not affect the current Airport Master Plan. Chairman Wroten pointed out that changes could cause unnecessary rumors. Ken pointed out the timing of the suggested changes could generate some federal funds for land and multi-year construction projects at 90% in the future. The changes would justify a request for funding. John stated that he would never support buying \$6 per acre land to reposition T-hangars when the land could be folded into a prospect that has revenue generating capabilities.

Board members approved the motion made by Board member Tom Ferraro, seconded by Board member Kenneth Sipiora, to approve and refer to City Council changes to the Airport Layout Plan Drawing with a vote of 3 - 1 - 1, John Wroten voting no and Keith Clifton abstaining.

14-625 Consider/Discuss/Act on Airport Development Committee

Recommendations. Members reviewed the recommendation paper prepared by Member Ken Sipiora as a member of the committee. Board members unanimously approved the motion by Board member Steve

McCarter, seconded by Board member Tom Ferraro, to approve and refer to City Council the Airport Development Committee recommendations. Member Keith Clifton abstained from voting.

No Citizen comments.

Board Member Tom Ferraro commented that the Open House events held on June 27th and 28th at the McKinney Air Center were a great success. Members discussed whether or not to hold the regular scheduled board meeting on July 17 as several members will be out of town. Chairman Wroten asked staff to email all the board members stating that the July meeting will not be held. If something urgent comes up, a special board meeting can be called.

Chairman Wroten recessed the regular meeting at 9:43 a.m. stating that there would be no Executive Session.

JOHN WROTEN
Chairman