

COLLIN COUNTY AIRPORT DEVELOPMENT CORPORATION

SEPTEMBER 9, 2013

The Collin County Airport Development Corporation met in regular session in the Dowdy Board Room, 5900 S. Lake Forest Drive, McKinney, Texas, on September 9, 2013 at 8:00 a.m.

Board members Present: Daniel Jones, Glynn Raymer, Andy Cowan, Frederick Mowery, John Wroten, and Steve McCarter. Absent: Mark David. Also present was John Sullivan, Security Committee Chairman and Emeritus Harry McKillop.

City Staff/Other present: City Manager Jason Gray, Mayor Brian Loughmiller, Councilman Roger Harris, Mike Livezey, Darrek Ferrell, Lisa Koslan, Dave Roesch, Pete Huff, Karen Van Winkle (Arlington Airport Director), John Valencia, Cayti Huston, Judge Keith Self, Airport Executive Director Ken Wiegand and Assistant Cindy Rowe.

13-903 Mark Duebner, Director of Aviation for the City of Dallas, gave a PowerPoint presentation on the re-development of Love Field.

13-911 Minutes of the Collin County Airport Development Corporation Meeting of August 8, 2013. Board members unanimously approved the motion by Board member Glynn Raymer, seconded by Board member Frederick Mowery, to approve the minutes of the Collin County Airport Development Corporation Meeting of August 8, 2013.

13-904 Financial Report – Lisa Koslan from Finance was in attendance to answer any questions on the July financials. One member asked if there were any more payments expected from TxDOT Aviation. Ken replied that there was one more payment expected.

13-905 Board Chairman Report – Chairman John Wroten presented a parting gift to members Andy Cowan and Glynn Raymer. Both were thanked for their dedicated service to the board which ends September 30, 2013.

13-906 Marketing Report – Fritz Mowery reported that due the acquisitions, he and Ken will coordinate with MEDC on changes to marketing.

13-907 Business Development Report – To be discussed in executive session.

13-908 Security Committee Report – Committee Chairman John Sullivan

updated members on a new self-assessment survey distributed to three members of the committee at the last security meeting held on September 5, 2013. A checklist, scoring sheet and questions were passed around for members to view. John stated that TKI's score based on TSA's assessment was 42 out of 45. The assessment is based on TSA's benchmark and security level. The self-assessment is due back November 1, 2013.

John and the committee recommend changing the policy on phone remote access due to abuses. It was suggested to change it where tenants must reapply upon badge renewal which is every two years. Tenants must be notified of the change.

13-909 Board and Liaison Updates:

City Report – Mayor Loughmiller reported that the City Council authorized the City Manager to go forward with the asset acquisition. Council is also revising all the board bylaws and general responsibilities, i.e. length of terms. Council would like to give people an opportunity to serve at least six years instead of four on a board due to complexity of projects. Because of the changes taking place at the airport, new board member appointments have been delayed. Council will be looking at the bylaws and management agreement and discussing it at the next Council meeting in September. Roger Harris agreed with the Mayor and had nothing else to add.

City Manager Jason Gray reiterated that on September 3, 2012 City Council voted to go to contract on the airport properties acquisition. To update members, he stated that the City has an executed binding offer letter in hand and that Friday, September 6, 2013 was the last day for Cutter to respond to the right-of-first refusal stand point. He stated that Cutter Aviation did not respond in any way. The City is fully engaged in transition and in getting the final contract with Schuler Development finalized. A copy of the City Manager's "Airport Properties Asset

Acquisition” presentation dated September 3, 2013 to City Council was given to each board member.

Board member Daniel Jones asked if something formal was sent to Cutter Aviation about responding to the right-of-first-refusal. Jason Gray replied that there was a formal letter of offer sent to them through Schuler which laid out the time frames, etc. Mayor Loughmiller stated that City Council had authorized the City Manager to make an offer to Cutter to allow them to continue fuel sales at the current terms of the contract through the end of the year and then at a 50/50 revenue sharing for six months after that. That was the last offer City Council authorized to make with Cutter Aviation. Mayor Loughmiller stated that he and the Council appreciates the efforts of the airport board and wants to assure members that upcoming changes will be in line with other boards like MEDC and MCDC. Ultimately, City Council has to make the final decisions and is held accountable to the tax payers for those decisions. Council looks at the airport and the major financial investment being made and tries to make sure internal operations are consistent with the accountability of the Council. The Mayor stated that he and City Council want to continue to have a very active and involved airport corporation.

Councilman Roger Harris commented that the next 90 to 120 days is going to prove to be pretty intense realizing what you “caught.” After listening to the Director of Aviation from Love Field this morning, there are a couple of things that need to be in our sights. The long-term goal is tax base and development of the airport. The hurdles of operations are what we need to get over and get under our belt and move on. That is why Council was so willing to make this investment into the airport and see the substantial potential.

Board member Steve McCarter thanked City Council for making the decision to support the airport and stated that the press release was very well written and made an excellent compelling story to the citizens of

McKinney as to why the airport is one of the best investments.

MEDC/MCDC Report - Cayti Huston, Marketing Specialist, reported that Emerson is moving into their new building this week with a grand opening sometime in November 2013. MCDC is working and researching the aquatic facility. MCDC gave out \$50,000 in promotional grants.

Cutter Aviation Report – Mike Livezey reported that August fuel sales were 12% above plan. He is continuing to work with CAF on the October 3-6, 2013 event at the airport. Another upcoming event is the Sons of the Flag, a group that raises funds for burn victims of the military. They are working to bring in the Golden Knights (parachute team). Another event is a fun run, 10-K held at the airport November 8-9, 2013. Cutter Aviation has offered a smooth transition to the City Manager. Mike stated that Cutter was under the impression that the right-of-first-refusal expired on September 5, 2013 prior to the Council Meeting. He stated that Cutter did not think the offer was feasible from a business standpoint.

13-910 Airport Executive Director Report – Ken Wiegand noted that the current year's operations were 4% over last year. Congratulations were extended to Pete Huff on his reappointment to the Texas Aviation Advisory committee. City staff has been working on procurement of equipment, service agreements, outsourcing agreements and personnel for the FBO operation. There will be 6 types of positions to fill for the FBO including a position to replace the Airport Operations Manager that was vacated last June 2013. Ken continues to update the transition list daily and distribute it to the board as well as city staff.

There were no citizen comments. Chairman Wroten recessed the regular meeting at 9:47 a.m. After a brief break, members convened into Executive Session at 9:54 a.m.

In Accordance with the Texas Government Code: 1) Section 551.072: Deliberation About Real Property: 2) Section 551.087: Deliberation Regarding Economic Development Negotiations: Projects: 09-03, 10-03, 12-05, and 13-01.

Members reconvened into open session at 10:45 a.m. with no action resulting from the executive session. The meeting was adjourned at 10:45 a.m.

John Wroten, Chairman