

## McKINNEY AIRPORT DEVELOPMENT CORPORATION

JANUARY 15, 2014

The McKinney Airport Development Corporation met in regular session in the Dowdy Board Room, 5900 S. Lake Forest Drive, McKinney, Texas, on January 15, 2014 at 8:00 a.m.

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

Other City/Staff/Guests present: Mayor Brian Loughmiller, Councilman Roger Harris, City Manager Jason Gray, John Sullivan, Jim Wehmeier, Cindy Schneible, Adam Wilbourn, Ken Wiegand, Eric Pratt, and Cindy Rowe.

**14-040** Minutes of the McKinney Airport Development Corporation Meeting of December 23, 2013. Board members unanimously approved the motion by Board member Frederick Mowery, seconded by Board member Tom Ferraro, to approve and refer the Minutes to City Council.

**14-041** Financial Report – November 2013 financials were reviewed. It was suggested to re-arrange the report.

**14-042** Board Chairman Report – Chairman Wroten reported throughout the meeting on various topics.

**14-043** Board and Liaison Updates:  
City Report – Mayor Loughmiller reminded members of City Council's upcoming strategic planning retreat on January 30, 2014. They would like to see a priority list of airport needs and potential prospects for the hangars.

MEDC Report – Jim Wehmeier reported that they will have their board and planning meeting next week. Two master developers will be presenting to City Council and the MEDC board so that negotiations can continue on the Gateway site.

MCDC Report – Cindy Schneible updated members on the grants funded and the upcoming applications for quality of life projects.

**14-044** Airport Executive Director Report – Ken Wiegand reviewed the fuel sales

and traffic operations reports. FBO General Manager Mark Jaraczewski was in New Orleans at the NBAA Scheduler's and Dispatcher's Conference. Ken updated members on construction repairs at the current terminal facility and Hangars B and C. He mentioned additional equipment needed for the FBO such as another GPU and an air conditioning cart for summer. Self-service fueling is needed at the airport especially for PHI, Inc. which operates a medical evacuation helicopter at all hours seven days a week. Currently, they have to purchase fuel elsewhere when McKinney Air Center is closed. The Aerospace facility fire suppression system is completed. Currently, only one 40 foot T-hangar is available for lease. Mark has been meeting with CoCo Good in Marketing/Communications regarding branding for the FBO. They are discussing social media such as Facebook and updating the airport's web site. He is also looking into Flightplan.com to market the FBO for a choice award. The FBO plans an open house after the terminal has been updated sometime in April. Ken and Mark are scheduling meetings with prospective tenants, three have been walk-ins. Mark is working with MISD on their student aviation program. Chairman Wroten commented that the traffic totals for this fiscal year kept pace with last year's numbers which is good considering the transition. The fuel report added gallons sold (pumped) where previous reporting was only based on the number of fuel gallons purchased. This was due to not having the gallons sold information from the previous FBO. Member Sipiora suggested a report that shows how much fuel is sold each month for Av Gas and Jet fuel relative to the airport's business plan and budget. Jason Gray stated that a standard margin could be used for the past three years. The airport Performa was prepared on an annual basis, not month-to-month but could be used to compare. Ken stated that staff's goal is to increase income and reduce expenses. Member Mowery suggested that the column showing fuel gallons purchased be removed so there is no

confusion. Members inquired if there was any damage to the facilities during the ice storm. Mayor Loughmiller commented on the nice airport ad in the Dallas Morning News aviation section last weekend. Eric Pratt was asked about the de-icing material used to clear ice on the runway.

Chairman Wroten recessed the regular meeting at 8:46 a.m. and members convened into Executive Session. In accordance with the Texas Government Code: A. Section 551.072. Deliberations about Real Property: Covering land from FM 546 to US Hwy. 380 and Hwy. 5 to New Hope Road; B. Section 551.087. Deliberation Regarding Economic Development Matters: Projects 09-03, 10-03, 12-05, 13-01.

Members reconvened into open session at 9:35 a.m. with no action resulting from the executive session.

**14-049** Consider/Discuss/Act on Monthly Board Meeting Dates - Board members unanimously approved the motion by Board member Tom Ferraro, seconded by Board member Kenneth Sipiora, to approve revising the meeting dates to the third Thursday of every month at 8:00 a.m.

**14-046** Consider/Discuss/Act on Project Priority List - Board members were given a Six-Year Work Plan that Ken Wiegand prepared outlining the goals, objectives and priorities in two phases. Chairman Wroten stated that he preferred a two-year plan to present to City Council. Ken asked members for their input before he gave it to the City Manager who would then present it to City Council. Mayor Loughmiller stated that it would help City Council to show projected revenue generation off of the costs shown on the list. The Mayor excused himself from the meeting at 9:47 a.m. Ken reviewed the projects on Phase 1 that listed (1) Pavement reconstruction, (2) Self-Serve Fuel Systems, (3) Prospect (Spec) Hangar, (4) Replacement Terminal, and (5) Airport Entrance sign. Councilman Harris noted that if the financials were re-arranged, it would appear that the FBO is generating a positive cash flow which is more than the worse-case scenario was when the decision to buy the assets was made. Councilman Harris stated that after 90 days he feels the airport will see a

positive P&L performance. At that point, you can afford to finance additional investment into the airport. The question for MADDC is what is your long-term vision and long-term strategy.

Members unanimously approved the motion by Board member Kenneth Sipiora, seconded by Board member Terry Johnson, to approve the Project Priority List with the following changes: Keep projects 1 (Pavement Reconstruction), 2 (Self-Serve Fuel), 4 (Replacement Terminal to include a new entrance sign and turbo maintenance company), and 3 (Prospect Hangar) in that order. Add the renewing of the TI hangar lease, selling the HP hangar, and remove Phase 2 from the list. Add a revenue column along with Ad Valorem taxes.

**14-047** Consider/Discuss/Act on Marketing/Sales Recommendation – A handout written by Ken Wiegand entitled “Marketing, Sale-to-Closure Process and Guidelines” was distributed. Ken stated that currently there are three marketing plans floating around: (1) MEDC, (2) City’s Marketing/Communications, and (3) the airport’s Strategic Plan. Chairman Wroten commented that Mayor Loughmiller had not asked for another marketing plan, but what is MADDC going to do different to sell the airport. Councilman Harris inquired about the procedure for who should a prospect contact for lease information. Ken referred members to the handout under “Basic Responsibilities.” Members discussed who is responsible for hangar lease management. Vice Chair McCarter stated that currently there is no one dedicated to go out daily to market and sale the airport. Ken stated that he, as the Airport Executive Director, is responsible for all aspects of marketing and selling the airport.

Member Sipiora suggested that the airport operate as a business, not a department of the City. It can call upon various resources of the City including MEDC and MADDC to assist with marketing and sales but that the airport has the ultimate responsibility.

Members unanimously approved the motion by Board member Fritz

Mowery, seconded by Board member Tom Ferraro, that the City/MEDC is responsible for marketing the airport. Next, Board members unanimously approved the motion by Board member Kenneth Sipiora, seconded by Board member Terry Johnson, to establish responsibility for the sale of airport properties to the Airport Executive Director. Members discussed whether or not to list the need for a staff position to be hired whose sole responsibility would be marketing and selling the airport in the near future. Ken responded that he did not think the position was needed.

**14-045** Consider/Discuss/Act on McKinney Airport Development Corporation Strategic Plan Update. This item was not discussed.

**14-048** Consider/Discuss/Act on the FBO Business Plan. This item was not discussed.

Chairman Wroten introduced Adam Wilbourn with the City of Fairview. Adam announced that the Fairview Town Council has invited Ken Wiegand and John Wroten to attend the meeting on February 4, 2014 to discuss the changes at the airport.

Member Tom Ferraro suggested that the focus markets listed on Ken's paper not be limited to Love Field and Addison Airport. Ken was instructed to update his plan and re-send it to board members for input before it goes to City Council.

Vice Chair McCarter shared a couple of articles on aviation. Chairman announced the next meeting was scheduled for February 20, 2014. With no other business, Chairman Wroten adjourned the meeting at 11:24 a.m.

---

JOHN WROTEN  
Chairman