

## MID-WAY REGIONAL AIRPORT JOINT AIRPORT BOARD MINUTES

A regular meeting of the Mid-Way Regional Airport Joint Airport Board was held on Thursday, September 8, 2016, at 4:00 p.m., in the Rex Odom Conference Room, at Mid-Way Regional Airport, 131 Airport Dr., Midlothian, Texas.

Members Present: Kyle Ballard, Chairman  
Randall Porche, Vice Chairman  
Ray Barksdale, Secretary  
David Box

Members Absent: Kent McGuire  
Dennis Lauterbach Jr.  
George Kent

Others Present: Judy Demoney, Airport Manager  
Tammy Bowen, Airport Operations Assistant  
Ken Lantz, FBO Partner, Southern Star Aviation

### REGULAR AGENDA

Opening: Chairman Kyle Ballard called the meeting to order, and Ray Barksdale gave the invocation.

Board Announcements: Judy Demoney announced that she will be hosting an Octoberfest for the Rotary Club on October 13<sup>th</sup> at the Airport.

Ken Lantz announced that he and Vern Mitchell recently bought out Dave Wheeler's interest in the Company are now 50/50 partners of Southern Star Aviation.

Kyle Ballard said that he and Randall Porche discussed the Airport hosting an informational open house for the tenants.

### CONSENT AGENDA:

- Minutes of Meeting held July 14, 2016
- Financial Report
- Airport Operation's Report
- FBO Report

Randall Porche moved to approve the Consent Agenda as presented; second by Ray Barksdale.  
All Ayes.

### REGULAR AGENDA:

Eagles Nest's request for Letter of Agreement involving their pursuit to become public:

Kevin McDonnell, 2740 Falcon Way, Midlothian, TX registered as a speaker, said that Eagles Nest is attempting to change their Airport classification from private to public in order to protect their airspace. Kevin stated that several years ago a tower was constructed right on final to Eagles Nest Estates, and they are trying to protect their airspace from more towers popping up blocking their right to fly in and out of their Airport. Kevin said that Eagles Nest is about three miles Northwest of Mid-Way Airport. One of the requirements of the FAA is to get a letter of Agreement with the Airports around them. Kevin stressed that in no way would they do anything that would compete with Mid-Way's FBO (i.e. selling fuel, maintenance, flight school, etc..) or Airport (i.e. obtaining IRF procedures, establishing traffic patterns violating Mid-Way's patterns, etc..). Kevin explained that their covenant restrictions on file prohibit them from doing such things.

After discussion the Board agreed that they had some concerns. The Board was concerned if Eagles Nest being public would have any effect on future federal funding for Mid-Way. The Board pointed out that it would be impossible to cover everything in the agreement that should not be allowed. There is a concern that issues could arise in the future when the current residents of Eagles Nest are gone, and new people are involved. Then there is the concern with safety. The Board asked Kevin McDonnell to contact TxDOT again since it has been five years since they last spoke, and several of those people have left. Kevin said that he would also contact the City Attorney.

David Box moved to table Eagles' Nest request for Letter of Agreement involving their pursuit to become public until the Board receives additional information from them; second by Ray Barksdale; All Ayes.

Marketing for upstairs terminal office rental space: Judy Demoney said John Bielamowicz with Biel Partners is a commercial broker that offices in Addison, and a tenant at Mid-Way. Mr. Biel sent us a marketing proposal for the upstairs terminal office space. Based on the proposal if the Airport is willing to build out smaller suites we could charge closer to executive office pricing (Class B) of \$300-\$450 per office. If the goal is to lease the entirety of the space, they believe that the Class C office rate of \$14 to \$16 per square foot would be the correct asking price. The pricing is based on other comparable properties in Ellis County. They utilized several major commercial listing sites. The fee would be 6.75% of the total lease, or an amount equal to one month's rent, whichever is greater. If they don't rent the office then we don't pay them anything. The Board recommended that there be a clause that states that any potential tenants that the Airport has already been dealing with be excluded from the broker's agreement. .

David Box moved to approve Judy Demoney negotiating a listing agreement with Biel Partners to help get the upstairs office space leased in the terminal as is; second by Randall Porche. All Ayes.

Hangar Project: Judy Demoney said that the hangar project has been approved by the TxDOT Transportation Commission, and we have funded our share. The project will be advertised by TxDOT on September 11<sup>th</sup> and 18<sup>th</sup>. Pre-bid will be on September 21<sup>st</sup>, and the bid opening will be on October 4<sup>th</sup>. Construction should begin sometime in November. Judy said that she and Tammy Bowen discussed the assigning of the eleven new T-hangars and their recommendation would be to offer them to anyone on the waiting list with larger aircraft and any existing tenants with larger aircraft that needs the space. Judy told the Board that it is stated in our "Hangar Waiting List Policy" that we reserve the right to give consideration to those with larger aircraft when larger hangars become available. Any hangars left would be offered to current tenants. Judy said that she will be sending an email to our current tenants to gauge interest. If there happens to be more interested than what is left then to be fair we would hold a lottery. Judy recommended that the rates be set for the hangars after we do our hangar rate survey of other Airports in the Spring. The Board was in agreement with the recommendations. A ground breaking ceremony was discussed for the hangar project.

TxDOT Funding: Judy Demoney reminded the Board that TxDOT had been allowing us and other General Aviation airports to bank their NPE funds for future projects. Our hangar project was delayed for the last few years because we were being told by TxDOT that they were not getting any more funds from the FAA because they were seeing all the money being banked, and the FAA said that if the funds are not being used they would like it back to use for other Airports. TxDOT said that when we were ready for our funds that they would see that we got it. For three years no one was getting discretionary funding and projects backed up. Judy told the Board that she has gotten involved because she Chairs the ATAC Committee, which is involved. . A group of large reliever airports went to Washington and visited with the FAA regarding the lack of discretionary funding. The FAA said that TxDOT's management of grant funds was inefficient, so they completely reduced and then eliminated discretionary funding over the past four fiscal years totaling a \$35,000,000 loss to Texas Airports. When the FAA Reauthorization Plan was done a few months ago the FAA decided to release some funds (\$5,000,000). Because we had already finished the design on our hangars we are able to move forward with our hangar project. With the limited funds, and so many projects delayed for the last three year TxDOT will probably only be funding safety and security projects in the foreseeable future. Judy said that TAC and ATAC have joined forces and are pursuing an improvement in transparency, and asking to advise us how they prioritize projects.

Economic Development Opportunities: Judy Demoney told the Board that Crosslands International, Air tractor export/sales, was looking for an 8000 square foot site to build a hangar. The principal was here from Argentina for a visit, and liked our Airport and location. They wanted to build this year. However, it was cost prohibitive due to the fact that they would be responsible for the infrastructure themselves.

Judy said that she spoke with the company in Addison, and they are still interested in leasing Airborne's hangar. However, Airborne has had to put a hold on building their new hangar because funding is so great due the additional cost of having to put the infrastructure in themselves.

Judy asked what can be done as a Board to help in the development of airport property? The Airport is losing business because we don't have shovel ready sites available. `No one wants to come, or can afford to come if they have to develop our property. The Board agreed that the Economic Development Sub-Committee will need to meet, and bring some recommendations to the Board by the October meeting. The Board agreed that at some point we should meet with our Economic Development partners from both Cities about possible opportunities for other funding sources.

Future Capital Improvement Projects: Judy Demoney said that our five year development plan expires next year. Bill Macke with TxDOT said that it is not necessary to do a new five year plan. He said that since we still have some things on the current plan that we can reprioritize off that list. Judy told Mr. Macke that our Airport is not down for any funding until 2019, but he said that they can take a look at our list and there may be some opportunities. Judy reiterated that any funding from TxDOT right now will be used for safety and security projects. Judy said that she recommends that the fencing and gates for airport security be priority. We have continuing problems with cows getting through the fence onto our property. We have had horse riders riding down the side of our runway while a jet was taking off. We have had issues with large coyotes running across the runway. KSA said that they could put some numbers together for us. The Board felt that asphalt rehabilitation should be added to the list.

Ray Barksdale moved to table this item until Judy Demoney revises a new Airport development list covering the next five years, and presents it to the Board by the November meeting; second by David Box; All Ayes.

Public Comments: There were no public comments.

Adjournment: There being no further business,

David Box moved to adjourn; second by Ray Barksdale. All Ayes.

Respectfully submitted, Tammy Bowen, Airport Operations