

City of Keene
New Hampshire

AIRPORT ADVISORY COMMITTEE
MEETING MINUTES

Friday, July 15, 2016

8:30 AM

Dillant-Hopkins Airport Terminal

Members Present:

Clark Dexter, Chair
Robert Bergevin
Richard Kasper
Peter Delaney
Robert Sutherland
Bill Hutwelker
Rodney Thompson

Staff Present:

Jack Wozmak, Airport Manager
Elizabeth Bendel, FBO

Members Not Present:

Josheph Bendzinski
Mike Moriarty
Mitchell Greenwald, Councilor
Joseph Briggs

1) Call to Order

Chair Dexter called the meeting to order at 8:30 AM.

2) Approval of Minutes- June 17, 2016

Mr. Bergevin made a motion to approve the minutes of June 17, 2016, which was seconded by Mr. Kasper and carried unanimously.

3) Airport Manager Report

Mr. Wozmak indicated the T-hangars remain 100% occupied with one on the wait list. He said they are moving forward on the construction of a new hangar at the end of the "taxiway to nowhere." The estimated cost is \$1-1.5 million. Mr. Wozmak met with the owner and contractors to continue dialogue about bid packages. Mr. Bergvin questioned the footprint of the hangar. Mr. Wozmak replied 110-140/160. He said the door opening itself will be 110 feet. Mr. Delaney asked if the land is being leased from the City and what the lease term is. Mr. Wozmak replied the land is being leased from the City and the lease is typically 20 years with three five-year renewal periods; an aggregate of

approximately 35 years. Mr. Wozmak continued that he had a conversation with another hangar owner who wanted to build a larger hangar at their current site.

Mr Wozmak continued that he met with a representative of Greyhound Bus Lines regarding the airport being a bus stop for Keene. Their principal concern is that most college students live downtown within walking distance of the current bus stop. Greyhound is open to the idea if college students can get to the airport. The airport facility could build on and create revenue for the Greyhound freight service. Fees could be gathered if the airport delivers and receives Greyhound freight packages. Helping with their freight activity could continue moving the airport toward becoming a transportation center. Mr. Sutherland asked if the airport would be a second bus stop in addition to downtown as a lot of students walk to the stop. Mr. Wozmak indicated that conversation continues with City department heads as to how to move forward and not leave passengers behind. Mr. Sutherland indicated the City has historically expressed interest in wanting to keep the bus stop downtown. Mr. Wozmak replied they will see if these issues can be overcome and add to airport service.

Mr. Wozmak continued that the airport has executed a contract with Prospect Communications to develop a marketing and communication plan for the airport. The kick-off meeting has taken place and the marketing committee will reconvene over the next few months.

Mr. Wozmak indicated a forest management contract has been executed with Meadowsend Timberland and an inventory of the forested land around the airport will begin. There is approximately 100-200 acres of forested property around the airport. The inventory will take into account biodiversity and wildlife to create a sustainable forest management plan. A forest management plan ensures forest sustainability, sustains and preserves biodiversity, mitigates airport noise, and enhances neighborhood aesthetics. Mr. Wozmak said this will take several months to set up. Mr. Bergevin asked the timeframe of the plan. Mr. Wozmak replied it will be a phased approach beginning with the inventory, followed by a public information session, and tentatively beginning implementation by winter. He thinks the differences will be visible by year-end but it is a rough timeline.

Mr. Wozmak continued that he has reached out to Cargair in Montreal to see if they are be interested in using Keene as a destination for their cross-country student pilot training. This is a part of the airports awareness and marketing outreach, particularly seeking to engage student pilots at Keene on a regular basis as part of their training.

Mr. Wozmak stated he had an excellent conversation with the Dean of Enrollment at Landmark College around join marketing efforts. The College specializes in students with learning disabilities and recruits high-end customers who are more likely to use a small, private, local airport. Mr. Wozmak wants to integrate the airport services with the college customer base. This would involve the airport information being included in the College's marketing as a nearby airport. The College is on the cusp of updating their marketing profile so this conversation is timely. Mr. Sutherland asked if Keene is closer

to the College than Rutland or Lebanon. Ms. Bendel replied yes, they are the closest and most accessible airport.

Mr. Wozmak continued that he had the same joint marketing conversation with Northfield Mt. Hermon School. He said they seemed interested in the potential.

Mr. Wozmak indicated he has continued conversations with Thomas Transportation and have closed the gap on some of their concerns regarding a new building on leased airport property. Discussions continue, particularly regarding financial assistance. Mr. Sutherland asked if the plan was still to lease and not sell the property. Mr. Wozmak replied yes, there is no plan to sell. Thomas is comfortable with a lease knowing it will be long-term agreement. Now the discussion is about financing as there is no presumption of City tax dollar use. Mr. Sutherland indicated, as the parking lot is already leased to Thomas, it is in need of resurfacing. He thinks that could be a part of the agreement. Mr. Wozmak indicated he does not want to jump into repaving too soon until the building location is decided. Mr. Kasper indicated the impediment for a private entity is finding financing without owning the property, unless the City would subordinate. Mr. Wozmak stated he does not foresee the City doing that. He spoke with an airport development group and most airports do this sort of leasing. Mr. Kasper indicated financing for that type of lease is usually for larger entities or commercial use so the banks have more than a hangar for collateral. He said that is an impediment that will exist with any smaller tenant. Mr. Wozmak agreed and said he wants the property capitalized to be at the airport. He indicated they are early in the process of developing the airport and a long way from reaching a conclusion about surplus property. He indicated there are options for those who cannot get financing. The Small Business Association, SBA-504, mitigates interest, guarantees the loan to the bank, and reduces the private entity's contribution to 10%. That is one way to overcome risk in such a situation. Mr. Sutherland indicated MEDC could help develop something like that. He also questioned the difference between a hangar out front and a bus garage. Mr. Wozmak replied there is a significant difference. Mr. Thompson indicated Thomas already has valuable property on Route 12 and assets where they are considering adding a distal rental car business. Mr. Wozmak indicated he believes the proposed hangar owners will do their due diligence financially. He thinks there is great potential but his job is not to worry about the financing but the lease terms

Mr. Wozmak continued that he has arranged to rent an "over the rail" mower to cut the bushes around ditches and wetland areas, which is typically done every few years.

Mr. Wozmak said he also reached out to NAI Norwood Group to acquaint them with the airport and its development capacities. They were quoted in an article about business growth at Manchester so he reached out.

Mr. Wozmak indicated he also contacted Wiggin Airways regarding freight operations at Manchester airport, a primary FedEx connection.

Mr. Wozmak continued that the Precision Approach Pathway Indicator (PAPI) lights were damaged in a plane crash. They have been replaced at a cost of approximately \$14,000, covered by insurance. Some subsequent damage was discovered so there will be a supplemental claim.

Mr. Wozmak said the prospective tenant for the Alps Restaurant chose another property to rent, so the search for a tenant will resume. He may try to work with a local relator. Mr. Sutherland asked if there is still an opportunity to sell it; he spoke with the City Manager about if that property was acquired with FAA funds. Mr. Wozmak replied he does not know the answer; it may be possible to secure aviation easements for it. Mr. Sutherland said all properties eligible for easements should be identified as there is a historical problem of cost to maintain these properties. Mr. Wozmak replied finding a long-term tenant would be a stream of revenue. Mr. Sutherland suggested focusing on the core operations of the airport, not buying and revenue. Mr. Wozmak said at the moment the airport owns it so they will try to rent it. Mr. Kasper asked the value of keeping the property if it does not serve the airport. Mr. Wozmak replied he was not involved in buying it. Mr. Sutherland questioned he approach as he thinks it is eligible for easement; he will continue discussing it with the City Manager. Mr. Thompson asked if the property could be a viable option for Thomas Transportation instead of altering the highway for access to the roundabout; he indicated that is a possible back-up plan. Mr. Wozmak indicated they will see where it goes and that would not be a transportation center.

Mr. Wozmak continued that the NH DOT conducted its "5010" safety inspection of the airport and they concluded that overall, the airport is in excellent condition and is very well maintained. There are no safety issues within the runway safety areas or the obstacle free zones.

Mr. Wozmak indicated the airport received \$16,039.25 on June 22, 2016 from NH as an Aircraft Operating Refund based on activities at the airport. Ms. Bendel asked if that figure comes from registration fees or something else. Mr. Wozmak stated he believes so but is unsure.

Mr. Wozmak continued that he will be investigating the potential for the Keene airport to be a Free Trade Zone. This offers very specific and essential tax incentives for any company using the airport for the movement of goods. He learned there was a conversation about it many years ago. If, in the future, there is more freight passing through the airport there would be a financial incentive. He indicated he will be gathering more details. Ms. Bendel stated approximately seven years ago she gave a presentation to the AAC on Free Trade Zones; she will find the information for Mr. Wozmak.

Mr. Wozmak added that there was another plane crash the previous week, bringing the total to three. The situation was handled well and as safely as possible.

Mr. Wozmak indicated in early November, Chair Dexter will report airport activities before the City Council.

Chair Dexter questioned the status of field mowing at the airport. Mr. Wozmak indicated they have help and are moving forward.

Chair Dexter asked about the Airport Master Plan public information meeting. Mr. Wozmak said the MP is moving forward and that the public information session was similar in tone to the first.

Mr. Delaney asked if there is any progress on talks with Cape Air. Mr. Wozmak indicated there is no progress, customers are necessary first. He said if he can acquire \$1,500 in ticket sales regularly out of Keene that would cover their costs. Part of his conversation with Thomas Transportation was about a partnership opportunity with Cape Air as an alternative to bus trips to NY. Mr. Delaney asked if Cape Air can get a federal subsidy. Mr. Wozmak indicated he would be surprised if they do not already have a federal subsidy as they are the largest regional airline in the country. Ms. Bendel said subsidies are tied to location and they currently have a subsidy with Lebanon. Keene lost their subsidy, and they are hard to get back. Mr. Wozmak continued that if the airport continues to be successful and increases service and marketing, Cape Air could be a higher possibility. Mr. Sutherland indicated it would require some kind of regional survey to gauge demand. Mr. Delaney replied Cape Air operates in more than just the Cape, they are all over the country now. Mr. Wozmak said they need to look into why they stop in Lebanon and not Keene. Mr. Kasper asked if the TSA infrastructure would be necessary if Cape Air came to Keene. Mr. Wozmak replied they would need some element of security they do not currently have. Ms. Bendel said she believes the FBO can perform that function in certain circumstances. Mr. Wozmak said a portion of the ticket price goes toward that.

- 4) **Operations Manager Report**
- 5) **Marketing Committee Report**
- 6) **FBO Announcements**

Ms. Bendel reported that summer operations are going well and are busy. The airport monthly bar-be-que is on July 16 and there will be another in August followed by a safety seminar. An introduction to aerobatics program is coming up as well. She said the airport is being used.

Mr. Wozmak added that the restaurant is doing well. It was busy the previous week for trivia night. There has been a waitlist for the patio. The food is consistent.

- 7) **Topics for Next Agenda**

Mr. Delaney indicated it would be good to have the restaurant owners present their status and progress to the Committee. Mr. Wozmak said he will ask them to come to a meeting.

Mr. Sutherland asked Mr. Wozmak why FedEx left Keene and what it would take to bring them back. Mr. Wozmak said that is why he made the trip to Manchester, because he does not know. He indicated there has been a move to consolidate transportation in the region. He will start conversations with C&S first as a courtesy, as they move a lot around the country. He wants to become more educated on freight mechanisms.

Mr. Sutherland added that he believes low fuel prices play a role in freight mechanisms. He thinks Keene could be a distribution hub for UPS or FedEx in the region. Ms. Bendel indicated they do not pay retail fuel prices, they negotiate with the FBO. Mr. Sutherland questioned air fuel prices compared to the time and fuel costs of ground freight transportation. Mr. Wozmak said he has learned, under all circumstances, air transportation is more expensive; the distinction is time, perishability, and price tolerance. Ground transportation will always be cheaper. The niche is where the product served can observe a higher cost. Mr. Sutherland indicated if those factors or fuel prices play a part, they can be prepared for future change.

Ms. Bendel indicated that FedEx left Keene because the ISL minimums at the airport are relatively high and not functional for someone trying to fly in each day. Mr. Sutherland questioned what ISL is. Ms. Bendel explained that it is the altitude at which a pilot must decide if they can land or not. At many airports, the altitude is lower so planes can land more easily. Mr. Kasper indicated the Keene ISL is 280 feet, which is higher than most. Mr. Wozmak asked why the ISL at Keene is higher. Ms. Bendel said she does not know. Mr. Delaney said it has to do with terrain avoidance and the nearby holding pattern. If it is too low, planes cannot get high enough in the required distance. Ms. Bendel stated, as the FBO owner, the ISL minimum will be a significant problem in acquiring regular service airlines. There is plenty of runway, but if flights cannot get it, the rest is moot. Mr. Delaney added that fog is an issue in the Keene valley and will remain an issue even if the ISL minimum is changed. Mr. Wozmak indicated he will look into it. Mr. Kasper added that the issue will be weather, as only private aircraft can take off regardless of weather. Mr. Wozmak said that will be part of the conversation and perhaps logistics can line up with the contingency of no early morning flights before 10:00 AM when the fog is worst.

8) Next AAC Meeting

The next AAC meeting will take place August 19, 2016 at 8:30 AM.

9) Adjournment

Hearing no further business, Chair Dexter adjourned the meeting at 9:25 AM.

Respectfully submitted by,
Katie Kibler, Minute Taker