



METROPOLITAN TOPEKA AIRPORT AUTHORITY  
TOPEKA REGIONAL AIRPORT & BUSINESS CENTER | BILLARD AIRPORT

## Board of Directors

### Metropolitan Topeka Airport Authority September 18, 2023

**Regular Monthly Meeting ..... 3:00 PM**

Chairwoman Lisa Stubbs brought the regular monthly meeting of the MTAA Board of Directors to order at 3:00 PM with the following Board members present: Brian Armstrong, Sam Sutton, Mike Munson and Joe Ledbetter. Also in attendance were:

- Sam Stallbaumer, WSP USA, Inc.
- Scott Uhl, WSP USA, Inc.
- Jennie Miller, Interior Landscapes
- Greg Smith, Billard T-Hangar Tenant
- Scott Gilchrist, MillionAir Topeka
- John Lueger, Heinen Bros. Ag (via ZOOM)
- Don Loyd – MTAA (TOP Fuel Service)
- Capt. Chris Ortega – MTAA (Police & Fire Department)
- Terry Poley – MTAA (Maintenance Department)
- Timothy Resner of Frieden & Forbes, LP – Legal Counsel to the Board

MTAA Administrative Office staff members present were Eric Johnson, Cheryl Trobough and Matt Narsh.

#### **Item 1. Notice.**

Chairwoman Stubbs inquired if everyone who requested notification had been notified of this meeting. **Ms. Trobough replied that notifications were sent.**

#### **Item 2. Public Comment.**

Chairwoman Stubbs inquired if there was anyone registered to speak during Public Comment. Mr. Johnson replied that there was not.

#### **Item 3. Adopt the Agenda.**

Chairwoman Stubbs stated there was an item to be added to the Agenda as presented. Item 5.a. will be added as "Consider Lift Station Easements Requested by the City of Topeka at Philip Billard Airport. Mr. Ledbetter requested that Item 6. "Consider Approval and Implementation of T-Hangar Lease Form" be changed from an Action Item to a Discussion Item.

**Mr. Armstrong made a motion to adopt the Agenda as amended. Mr. Munson seconded the motion. Motion carried.**

#### **Item 4. Consider Remodeling Expenditure for 438 SE 61<sup>st</sup> St. (Building #167).**

Mr. Johnson reported that Mr. Sneden has been negotiating a commercial lease for the occupancy of one-half of the building located at 438 SE 61<sup>st</sup> St. (Building #167) in the Topeka Regional Business Center.

Mr. Sneden presented information to the Board that the entire 32,000 square foot building is currently subject to a lease with an existing tenant who desires to be released from their lease. The proposed lease currently being negotiated will be a two-year lease term, with two 2-year options.

One condition of the proposed lease is MTAA's construction of a demising wall which will separate the desired north half of the building from the south half which will not be occupied by the prospective tenant. The prospective tenant will reimburse MTAA for the cost of the demising wall over the course of the lease through the negotiated rental rate.

Four quotes for the cost of constructing the demising wall were obtained ranging from \$46,100 to \$77,650. The MTAA will not commence construction of the wall unless and until the new lease is fully executed, or at the very least, a signed letter of agreement is in place stating that prospective tenant assumes responsibility for the cost of the wall construction.

Mr. Sneden stated that Staff continues to investigate the most cost-effective approach from the quotes received to separate this space to meet the prospective tenant's needs and requested the Board to approve an expenditure not to exceed \$77,650.00 for the construction of the demising wall in Building #167 on the conditions as listed.

**Mr. Armstrong made a motion to approve the construction of a demising wall in Bldg. #167 at a cost not to exceed Seventy-seven Thousand Six Hundred Fifty Dollars and No Cents (\$77,650.00) contingent upon a commitment by the prospective tenant. Mr. Ledbetter seconded the motion. Motion carried.**

#### **Item 5. Consider Acquisition of Furniture for TOP Terminal Building.**

Mr. Johnson reported that the construction of the new Billard Airport Terminal is progressing with anticipated completion in late November. Staff met with Jennie Miller of Interior Landscapes to select furniture for the new terminal building utilizing State bid pricing for the items.

Interior Landscapes provided individual costs for each piece of furniture for the Common Area, Conference Room, FBO, Storage and outdoor seating at a total proposed cost is \$131,270.53.

Mr. Johnson and Mr. Sneden presented reduction options to the Board:

- Selecting a more industrial look for the outdoor seating reduces costs by \$4,384.04; (concept approved by Board)
- Selecting different furniture for the FBO Lobby could reduce the price by approximately \$3,500.00; (concept rejected by Board)
- Eliminating three tables and twelve chairs in the common area saves more than \$4,400.00; (concept rejected by Board)
- Purchasing office and conference room chairs similar to those recently purchased for staff would further reduce the price by more than \$4,000.00. (concept approved by Board)

Mr. Johnson's recommendation to the MTAA Board of Directors was to authorize staff to contract with Interior Landscapes for the purchase of furniture described in the presented proposal with efforts being made to reduce the final expense from the total proposed cost of \$131,270.53 as discussed.

**Mr. Munson made a motion for staff to purchase for the new TOP Terminal Building furniture from Interior Landscapes at a cost not to exceed One Hundred Thirty-One Thousand Two Hundred Seventy Dollars and Fifty-three Cents. (\$131,270.53). Motion carried.**

#### **Item 5.a. Consider Lift Station Easements Requested by the City of Topeka at Billard Airport.**

Mr. Johnson reported that the City of Topeka will be replacing their lift station located at Philip Billard Airport. Currently, the lift station is located in the small building adjacent to the Stone Hangar. The City has requested a permanent easement for the new lift station along with a temporary easement to be used during construction. The City will abandon the easement for the old lift station once construction of the new facility has been completed. Chairwoman Stubbs asked what will happen to the small building once the City abandons their easement. Mr. Johnson stated the City has not shared their plans for the structure.

Mr. Ledbetter asked if the MTAA had a drawing of the area that will be abandoned. Mr. Johnson replied that the MTAA is not in possession of a drawing of the current lift station easement. Mr. Resner stated the City has a blanket easement but they feel the need to have something more

specific going forward. Mr. Armstrong offered to recuse himself from this item due to involvement with the survey of the easement.

**Mr. Sutton made a motion to approve the request made by the City of Topeka for the temporary easement for construction of the lift station and permanent easement as presented. Mr. Munson seconded the motion. Motion carried with Mr. Armstrong abstaining from the vote.**

**Discussion Items:**

**Item 6. Consider Approval and Implementation of T-Hangar Lease Form.**

Mr. Johnson reported that as part of an overall plan for modernization, improvement and revenue optimization of the T-Hangars located at Philip Billard Airport, Mr. Sneden and MTAA staff have toured numerous similarly-situated airports in the region to survey T-Hangar operations and worked with legal counsel to develop a new form lease to govern occupancy of the T-Hangars.

The new form lease was presented which establishes uniform enforceable standards for all T-Hangar occupants. This will ensure the T-Hangars are consistently utilized going forward by aviators committed to flying and, to some extent, patronizing the airport services available to them. Uniform standards also provide a degree of surety to all occupants that they are sharing space with other safe and responsible tenants.

Plan for Implementation:

- Effective immediately, all NEW T-Hangar tenancies will be documented using the new form lease.
- In October and November, at least two "townhall" type meetings will be held for existing T-Hangar tenants to ensure they understand the purpose and effect of the new form lease.
- By January 1, 2024, all T-Hangar tenants will be operating under the new form lease.

Chairwoman Stubbs asked if this process will also address lease rates. Mr. Sneden stated that it does not but rates will be addressed in a later conversation. Chairwoman Stubbs asked how MTAA T-Hangar rents compare to other airports in the region visited during the tour. Mr. Loyd responded that MTAA T-Hangar rent is less expensive than other surrounding airports.

Greg Smith, T-Hangar Tenant, addressed the Board. Mr. Smith outlined several differences between some of the T-Hangars at Billard and at other airports in the region. He asked that the Board take those differences into consideration.

It was the consensus of the Board that the work to develop a new T-Hangar lease continue. Mr. Armstrong asked Mr. Resner about Board members attending the townhall meeting. Mr. Resner responded that if a quorum is present then the subject matter would dictate it has to be an open meeting. Mr. Sutton suggested coordinating the townhall meeting with the EAA and Post 8 to capture a majority of the people that are tenants at Billard airport. Mr. Ledbetter requested that minutes are taken during the townhall meeting to identify those in attendance and their concerns. Mr. Munson asked if staff modeled the fuel loyalty concept from another airport. Mr. Loyd responded that Manhattan Airport has a similar program. Mr. Sutton stated that Billard Airport is still one of the highest prices for 100LL in the area. Mr. Johnson replied that the TOP Fuel Service price for 100LL is actually below average. The average identified in the TOP Fuel Service survey is \$6.84/gal and the TOP Fuel Service price is \$6.24/gal. Mr. Johnson explained that it appears some FBO's are setting their fuel prices to recover the cost of fuel while others are adjusting their prices in anticipation of the cost of the next load. Mr. Munson asked how the fuel loyalty program would be affected by self-service fuel if we get to that point and stated some adjustments may be needed then.

**Item 7. Review Submitted Proposals for Billard Airport Restaurant Operator.**

The review process for the selection of the restaurant operator was discussed. Mr. Johnson informed the Board that the time period for submitting proposals closed at 2:00pm on the day of the Board meeting. Mr. Johnson then offered suggestions on the process moving forward for the selection of a restaurant operator. It was reported that three proposals were received but a review has not been completed to determine if those submitted are responsive. Additional discussion regarding the ability to conduct interviews in executive session took place. Mr. Resner advised the Board that this process did not meet the standard for executive session. Mr. Resner recommended having two Board members participate in the process and report back to the full Board. Chairwoman Stubbs and Mr. Ledbetter volunteered to serve on the interview panel. Mr. Ledbetter requested they be provided a few questions that can be asked. Mr. Armstrong recommended that all conforming bidders be afforded the opportunity to interview.

**Item 8. Security Fence at Billard Airport.**

Mr. Johnson advised the Board that the fence design was shared with Billard tenants that will be impacted by the construction of the fence and gate installation. Only a few comments were received and those were shared with the Board via email. Several provided feedback and Mr. Blocker in Hangar 14&17 submitted a drawing to propose an alternate layout of the fence. The proposal is nearly identical to the masterplan layout which includes a future driveway. Mr. Johnson stated that with no additional changes, staff will work to advertise this project for bid and bring the results to the Board during the October meeting.

**Item 9. Electric work / meters on Billard T-hangars.**

Mr. Johnson explained that during the tour of other airports in the region, no other airports had individual meters. In addition to the expense of installing the meters, staff would also be required to read the meters on a monthly basis. Mr. Ledbetter suggested he would be willing to consider a cost escalator in lieu of meters. Mr. Ledbetter also requested staff provide a clear interpretation of the limits of work a tenant is allowed to do in a T-Hangar. Mr. Johnson suggested staff also review the hangar keepers liability insurance policy to see what limitations may be identified.

**Item 10. Billard Business Center (office space rental, et al. in the old Billard Terminal).**

Chairwoman Stubbs asked for clarification because she thought the existing terminal building was to be demolished. Mr. Johnson explained that the existing terminal building is at, and in many cases, beyond its useful service life. Staff requested HTK provide a cost analysis of renovating the building to current code so it can be used as a business center. Chairwoman Stubbs asked what constructing a new large hangar would cost. Mr. Johnson stated the approximate cost of a new hangar is \$367 per square foot. Mr. Ledbetter brought up several points regarding the renovation of the building for future use by local pilots and the community. Mr. Ledbetter also requested more accurate numbers for the renovation of the building. Mr. Johnson said he would reach out to HTK to request more information on the renovation and will provide this information to the Board. Chairwoman Stubbs inquired when the building is scheduled to be demolished. Mr. Johnson responded the schedule shows December 2023 following the completion of the new terminal building. Mr. Armstrong asked if there was a parking requirement that we needed the space for. WSP Project Manager, Sam Stallbaumer, replied the area would be returned to green space stating that additional parking, if needed, could be constructed along the North side of NE Sardou or in the green space created when the old terminal building is demolished.

**Item 11. Forbes Terminal Parking Lot.**

Mr. Johnson stated the Topeka Regional Airport terminal parking lot pavement will be addressed during the Forbes Avenue projects in the spring of 2024. This project is being designed now with plans to be advertised for bid in October 2023.

**Item 12. Leasing Policy.**

Mr. Ledbetter suggested that now that a lease has been proffered, this item can be omitted without discussion.

**Item 13. Future monthly meeting reports / agenda items: (Maintenance Reports; Financial Reports; Monthly Fuel Sales at Billard; Directors' Comments).**

Chairwoman Stubbs requested more information regarding this item. Mr. Armstrong asked Mr. Ledbetter to provide details on the additional items he requested be added to the agenda. Mr. Ledbetter explained the reasoning for requesting the maintenance report is for the Board to better understand what staff is accomplishing. Mr. Ledbetter continued to say that financial reports are key for the Board to understand what the MTAA reserves are, future outlays, etc. The monthly fuel sales should identify sales and trends. Lastly, Mr. Ledbetter explained that on other Boards he has served on, the directors have had the opportunity to speak during the meeting to present ideas and concerns. Mr. Ledbetter further explained that by providing for directors' comments it better involves the board in the operation. Mr. Sutton then commented that he liked the idea of the directors' comments as something came up just prior to the meeting that he wanted to address. Ms. Stubbs agreed that adding directors' comments is an easy addition but that even without that on the agenda, directors are still encouraged to address their concerns. Ms. Stubbs continued to say that financial reports the Board typically receives are sufficient but that with Ms. Trobough being a single-person-shop, there are times that the report is not provided during the monthly meeting. Mr. Johnson added that this has been an extremely hectic year with all the additional grants that are in play and the start-up of the FBO. Mr. Ledbetter recapped his desire to include Maintenance Reports, Monthly Fuel Sales Reports, Financial Reports and Directors' Comments on the monthly agenda.

**Information Only Items:**

**Item 14. Monthly Reports**

**14.a. Aviation-Related Issues & Air Service – Mr. Johnson**

Mr. Johnson provided the following report:

- Results from the USDOT on the Small Community Air Service Development Grant are expected at the end of the month. While this is supposed to be when recipients are announced, it has been delayed as long as a few months. MTAA's airline consultant believes that the chance of being awarded a grant is good with the airline support that was received.
- KDOT is accepting KAIP Grant Applications through October 31, 2023. While competition is typically very strong for the limited funds, MTAA is requesting a grant for the continuation of the fence project at Billard Airport.
- The FAA Part-139 Certification inspection at FOE is scheduled for October 17th. Requested documents will be uploaded for the FAA to review in advance of the inspection. The on-site inspection typically is an all-day affair.
- KHP issue – their new aircraft will arrive in December. The taxi-lane intersection used by KHP was not designed for an aircraft of this size. The radius needs to be improved. Staff is working with WSP to identify costs.
- The Air Explorers has requested MTAA's assistance with a pavement overlay project at their hangar. The Air Explorers is a volunteer group that teaches students how to fly. The total project will cost approximately \$22,000 and they have raised about half of that. They are hoping the MTAA could contribute about \$8,000. The lease of the hangar for their operation is a nominal fee as it is an aviation education group that benefits the airport.

**14.b. Economic Development & Leasing Activity – Mr. Sneden**

Mr. Sneden provided the following report:

- Building # 167 – Work is well underway to prepare north half (16,656 sqft.) of the building for occupancy by a prospective new tenant. Lease negotiation is complete; awaiting execution by tenant. MTAA has been approached by three other potential tenants for the other half of the building.

- Building # 151 – Existing month-to-month tenant plans to vacate by end of September. One prospective tenant has already shown interest.
- Building # 621 – Tenant is marketing their remaining leasehold interest. MTAA has made an offer to reacquire the leasehold. This building is directly behind the current MTAA offices and could be put to good use by Police and Fire and as a Business Center.
- Lot 24 - Some TRBC lots are leased month-to-month to major local shippers for short-term trailer storage. This generates moderate income until a higher, more productive use can be identified. Storage of trailers at Lot 24 adjacent to the main entrance, though, may detract from park's desired image. Tenant has been notified that Lot 24 will no longer be available for trailer storage effective November 1, 2023.
- Building # 379 – Prospective tenant has expressed interest in this 2,800 sqft. building. Previous tenant was a welding shop. Roof, HVAC, windows and doors are only 4 years old. Cleaning and moderate electrical work will be required.
- Philip Billard -"Whale" Parcel - Appraisal has been obtained and results communicated to prospective tenant. Awaiting formal offer.
- Additional Economic Development Activities:
  - Federal Advocacy Trip – Washington, DC September 19-20
  - Meeting with Lt. Gov. Toland – September 21
  - TEAM Kansas Boeing Factory Tour – Seattle October 9-11
  - Continued Tenant Introductory Meetings
  - Regular status updates with Go Topeka and Baker Donelson Firm
  - Recruiting continues for Lease Administrator

#### **Item 15. Executive Session**

Chairwoman Stubbs stated there was a need for an Executive Session.

**Mr. Armstrong made a motion that the meeting be recessed for the purpose of an Executive Session, pursuant to the Kansas Open Meeting Laws. The justification for this Executive Session is the need to preserve attorney-client confidentiality in the discussion of lease negotiations. Mr. Armstrong stated that the Executive Session will be for a period not to exceed twelve (12) minutes beginning at 5:08 p.m. and this meeting shall reconvene at 5:20 p.m. The Executive Session is to also include Eric Johnson, Tim Resner and Curtis Sneden. Mr. Ledbetter seconded the motion. Motion carried.**

Chairwoman Stubbs reconvened the Open Session meeting at 5:20 PM stating that there was no action as a result of the Executive Session.

#### **Adjournment**

Chairwoman Stubbs inquired if there was any further business to discuss, hearing none, she asked for a motion to adjourn. **Mr. Armstrong made a motion to adjourn. Mr. Munson seconded the motion and the meeting was adjourned at 5:20 PM.**

These official minutes were approved by the Board of Directors on October 17, 2023.

  
Sam Sutton (Oct 18, 2023 12:36 CD1)

Samuel W. Sutton, Secretary