

AIRPORT COMMITTEE

Time and Place: Wednesday, September 14th, 2016 at 6:00 p.m. at the Wausau Downtown Airport Terminal Conference Room

Members Present: Mohr, Peckham, Diny, Kellbach, Rasmussen,

Members Excused: Abitz, Prehn

Others Present: John Chmiel, Airport Manager, Maryanne Groat, Finance Director, Tara Alfonso, City Attorney

In accordance with Chapter 19, Wisconsin Statutes, notice of this meeting was posted and copy Rasmussen called the meeting to order at 6:05 p.m.

Public Comment

No public comments were made.

Consider Minutes of Previous Meeting, July 13th 2016

Doug Diny asked that the spelling of his last name be corrected. Mohr made a motion to approve the minutes with that correction. Diny second. Approved unanimously

Discussion Regarding T-hangar Tenant Uses of Hangars for Storage

Chmiel explained that WFS has created many pilots in the last few years and these pilots have invested in personal aircraft. This has created a demand for hangars at the Wausau airport. There are currently 20 people on the waiting list for T-hangars. Chmiel presented the committee with a copy of the T-hangar waiting list with an explanation of those on the list that may not be that serious, and who on that list are most serious about needing a hangar. We have lost potential T-hangar tenants to other airports in the area. Recent history indicates there is an opportunity for a T-hangar 1-2 times annually.

A T-hangar tenant must have “operational control” of an airplane to have a T-hangar, but that doesn’t mean that the airplane must be based in Wausau. Chmiel explained two scenarios for tenants that are not beneficial to an active airport because the aircraft under operational control either does not fly, or the aircraft does not fly using Wausau as a “home base”. In the first scenario, the tenant owns an airplane that is either unairworthy or the tenant is not an active pilot. In the second scenario, tenant owns an airplane but has secured a T-hangar to shelter their aircraft on visits to Wausau. In this case, an aircraft is rarely in the hangar. Chmiel explained that tenants with inactive aircraft aren’t necessarily the kind of tenants that make for a healthy airport because another way that tenants support the Wausau Downtown Airport financially is through fuel flow.

Chmiel explained they he does not want to be in a position to pick and choose who should or should not be a tenant. He also feels the airport committee should not be put in that position either. Chmiel stated that based on the waiting list, it is time that the airport committee review the T-hangar lease and assess whether any updates to the lease should be made.

Rasmussen questioned if some of the waiting list would be interested in owning “condominium” style privately constructed hangars. Chmiel stated that he could survey current tenants as well as potential tenants about their interest in that possibility.

Chmiel stated that the tenants are allowed to also store cars, boats, and other equipment as long as they have an aircraft under their operational control. Diny questioned whether a T-hangar tenant who only seasonally uses the hangar can sublease the space. Chmiel stated that the current lease does not allow that. Allowing tenants to sublease could allow a tenant to rent a hangar indefinitely without ever have an aircraft under their operational control. The other problem is enforcing mandatory insurance coverage by the tenant. Who is responsible? The tenant or the sublesor? The City can lose control.

Alfonso stated that the FAA has changed their rules regarding T-hangar usage at airports. Whenever airports receive FAA funding for airport projects, an evaluation of airport hangar usage will take place. If hangars are not being used per FAA recommendations, then FAA funding for future projects can be in jeopardy until FAA recommendations are enforced. Alfonso recommended a review of the new FAA guidelines for hangar use to see if the T-hangar leases should be modified to comply with FAA guidelines. The new FAA guidelines are much more specific about defining a non-aeronautical use of the hangar with regard to aircraft storage.

Diny questioned whether T-hangar use could be tied to flying activity. Chmiel stated that would be hard to measure, giving an example of a current tenant that almost exclusively flies at night. How could flying activity be accurately measured?

Rasmussen stated that although T-hangar rent is a revenue source for the City, the revenue generated through property tax of a private hangar is much greater. Maybe some of the tenants and potential tenants could be shifted to a private hangar situation. Maybe there is an alternate way to solve the problem caused by 3 or 4 tenants who may be abusing T-hangar privileges. Chmiel suggested that he could scribe a letter from the airport committee explaining the current waiting list the situation and ask if any current tenants are considering selling their airplanes and giving up their hangar. Rasmussen suggested a letter polling tenants and current tenants about their interest in a condominium hangar arrangement. If there is enough interest maybe an investor in a condominium investment can be found.

Chmiel stated that if a new condo hangar would have to be built, it would be best to do it in an undeveloped area of the airport (like the east hangar development area). If T-hangars 1-10 were chosen for demolition for the location of the new condos, the City could potentially lose \$22,000 of rental revenue while the demolition and new construction took place. The airport would lose the tenants who preferred to rent vs. owning a hangar condo. Also, the tenants abusing hangar privileges are located in T-hangars throughout T-hangar units 1-40.

Mohr asked if fire inspections or safety issues regarding storage should be taken into consideration. There may be cases where a T-hangar tenant stores so many non-aviation items as to create a safety or fire hazard. Alfonso cautioned enforcing the rules fairly among all T-hangar tenants.

Alfonso stated that the T-hangar leases are executed month-to-month. A lease can be terminated fairly quickly. It just has to be fair. Chmiel stated that he knows of no tenants who are not following the lease as it is currently written. Alfonso suggested reviewing the new FAA T-hangar recommendations and adopting FAA terminology into T-hangar lease revisions. The decision was made that the airport committee will review the T-hangar lease along with suggested changes after airport management review of FAA guidelines.

Rasmussen also suggested that a discussion with the tenants explaining the waiting list situation and an explanation of the airport committee's interest in this subject. Chmiel stated they he would scribe a letter to tenants, send a link to FAA hangar guidelines, and forward a copy of the current T-hangar lease to the airport committee before the next airport committee meeting.

No further action taken.

Discussion and Possible Action Regarding Private Hangar Construction for Kocourek & Turner

Originally the Kocourek and Turner hangar construction were separate agenda items but the airport committee decided to discuss them simultaneously.

Since the last airport committee meeting, airport management held a meeting between the Bureau of Aeronautics (BOA), City Engineering, and the Kocourek architect, to discuss funding of the east hangar development area. The original east hangar development plan called for installation of taxiways and taxi-lanes with simultaneous installation of utilities for the hangars in the area. Lack of funding precluded the thought that utilities and paving could be done simultaneously. The original utility installation for the hangar development area would have accommodated the Kocourek hangar. Later it was found that the project needed to be phased into multiple years, but the paving would be done first. When it was found that utilities were a priority for the area in order to accommodate the Kocourek hangar east of corporate hangar #4, the request for the meeting with the BOA was scheduled. The BOA stated that they would participate in funding utility installation and that pavement would be delayed until utilities were installed.

The meeting about utilities in the area revealed additional difficulties with the approved space for the Kocourek hangar. The space had previously been approved by the City for the Kocourek hangar, but changes in the building code will not allow the hangar dimensions proposed by Kocourek to fit in that space. Moving the hangar location east will cause it to encroach on the new east hangar development area. At that meeting, it was decided that a location on the southeast side of the terminal apron would be better for the Kocourek hangar with his hangar door facing west. Conversations with Mr. Kocourek since that meeting have confirmed that he is agreeable to the new location. Exact locations of the utilities in this newly proposed area are

currently unknown and so final approval of a specific location is contingent upon how underground utilities currently in that area will affect that location.

Alfonso questioned whether electrical utilities had already been moved for Kocourek. Chmiel explained that electric had already been moved for the east hangar development area, but that the question about utilities now was how sanitary sewer and water could be provided to the east hangar development area and also serve the original Kocourek hangar location. Also storm sewer must be relocated in this area as well. Chmiel explained that the BOA has agreed to assist with paying for this relocation. Alfonso questioned to what amount the FAA would participate. Chmiel stated that it depends on whether what FAA fund it comes from, it will either be 95% paid FAA or 80 % paid by FAA with the City paying the difference. Worst case scenario would be 50/50. Rasmussen reiterated that the City receives the property tax and land lease revenue generation which will eventually pay for the City's portion of the project.

Chmiel distributed a non-scale layout map to the committee showing a proposal for a hangar built by Tom Turner for the space east of corporate hangar #4. The 5000 sq. ft. dimension proposed by Turner will fit in this location and comply with code. Turner would like to build in this location in 2017. Chmiel explained that private hangar construction agreements at the Wausau Airport require the builder to prepare the area between their hangar and the existing taxi-lane or ramp and the City is responsible for asphalt installation. Mr. Turner proposes that the entire area from the face of his hangar to the proposed Kocourek hangar location be paved. Turner provided a list of requests as part of his building agreement with the City along with the layout map that Chmiel distributed. "See attached" map for requests.

Turner requests a "curb cut" to allow access to the north side of his hangar for vehicles from the current airport parking lot. City would be responsible for access to the utilities for the Turner hangar. Turner asks that the fence be re-routed to connect directly to his hangar rather than go around it. Turner is requesting that the apron for his hangar be installed by June 1st. Chmiel stated he felt that would be a difficult request to accommodate. Turner's request also include finding a different parking location for the Medevac Helicopter. Chmiel stated he didn't think that would be a problem and that possibly WFS could provide Medevac with a tug which would make it easier for them to move the helicopter to a location anywhere on the apron to make safe departures and arrivals. Turner's final request was regarding tax valuation of his new hangar. Rasmussen stated that the airport committee cannot comment or establish property tax assessment procedures at the airport and therefore cannot commit to anything regarding that request. Only the tax assessor can make those decisions. Even the finance committee cannot establish taxation policy. Rasmussen suggested that a development agreement could be created for this hangar for Dr. Turner which would address all of these requests. The committee proceeded to tour the proposed locations for the Kocourek and Turner hangars.

Kellback made a motion to approve the proposed Turner hangar location and direct staff to create a draft development agreement addressing Dr. Turners requests outlining Dr. Turner's and the City's obligations which could also be an attachment to the land lease for the hangar. Diny second. Mohr stated that he did not agree with the request that "the assessed value of the hangar not to construction cost of the hangar". Rasmussen requested that this statement be stricken from any attachment or development agreement since the airport committee or finance committee

could agree to such a statement. All committee members agreed to make that part of the motion. Motion carried unanimously.

Mohr made a motion to approve the proposed Kocourek hangar location contingent upon the ability to locate utilities. Second by Diny. Motion carried unanimously.

Chmiel questioned if the agreements will have to be completed before going to the finance committee for lease approval. Rasmussen stated that if a financial investment is necessary by the City that will have to be part of the agreement approved by the finance committee. Alfonso stated that since the airport is a non-standing committee, the issue needs to be approved by finance committee which is a standing committee, before it can be approved by City Council. Whether it goes to planning commission before finance does not matter.

Rasmussen stated that she felt assessed value should not be addressed in the land lease and should only be decided upon by the assessor. Planning can decide the specific layout and location. Finance just needs to know how much it will cost. Chmiel confirmed that the utility installation has already been FAA approved, but the curb cut, apron install and fence attachment have not so should be part of the agreement. Alfonso recommended that a site map should be created for each hangar addressing specifically (dimensions) each request and who is responsible for what, approved by planning commission before it is reviewed by the City Attorney and finance. Rasmussen stated that an agreement to relocate the helicopter take-off and landing area would not be part of the agreement. Chmiel stated that he is OK with including a helicopter parking agreement in Turner's agreement since Medevac does not have exclusive rights to any part of the apron. Alfonso and Chmiel agreed

Update Regarding Installation of A7 Corsair in Alexander Park – Chmiel

Chmiel informed the committee that the Alexander Park improvement project has been approved by airport committee and the park and recreation commission. The next step is approval by planning commission. The City Planner informed Chmiel that a public hearing to approve the A7 Corsair in Alexander Park does not require a public hearing. The Mayor's office has applied to the Air Force for the City of Wausau to take stewardship of the A7 Corsair. Chmiel explained that the Air Force requires that the "highest elected official" must apply for stewardship. The City is waiting for a reply from the Air Force regarding this application.

Alfonso stated that she will need to review the minutes but it is possible that the Council may have to approve the contract once it is approved by the Air Force. She said she will research. Rasmussen confirmed with Chmiel that cost of the improvements and the move of the aircraft will be covered by funds raised by the neighborhood group.

Chmiel stated that fund raising by the Neighborhood Group is going well. No further action taken.

Update Regarding Alexander Park/Run the Runway 5K Race – Chmiel

Chmiel updated the committee about the 5K sponsored by the neighborhood group as a fundraiser for Alexander Park. There are currently 55 walkers/runners registered and the hope is to get over 100. The event is planned as an annual fund raiser not only for the Alexander Park project but also for future neighborhood projects.

Chmiel explained that the event has been promoted as a race, but really it's a social and family

Airport Manager Report – Chmiel

Chmiel presented the committee with the airport manager report. He highlighted that although fuel flow was down 5% compared to 2015, 2016 is still a success since 2015 was 35% better than 2014 and Chmiel thought it would be difficult to match or exceed 2015.

Aircraft rental is up double digits, and although that is not a huge profit source for WFS it is great for the future of the airport. Without new pilots, fuel flow cannot be maintained, hangars cannot be filled and demand for new private hangars will not remain. Chmiel stated that Wausau Downtown Airport is busier than surrounding airports.

Airport Budget Review – Groat

Groat was unavailable so the airport budget was not reviewed.

Mohr moved to adjourn the meeting, second by Kellbach. Motion carried unanimously and meeting adjourned at 7:21 p.m.

Respectfully Submitted by John P. Chmiel, Airport Manager