

City of Keene
New Hampshire

AIRPORT DEVELOPMENT AND MARKETING COMMITTEE
MEETING MINUTES

Tuesday, September 25, 2018

9:00 AM

Dillant-Hopkins Airport Terminal

Members Present:

Curt Hansen, Chair
Beth Bendel, Vice Chair
Councilor Mitch Greenwald
Bill Hutwelker
Joe Bendzinski
Nathan Jacobs
Rick Blood
Brian Johnson

Staff Present:

Rebecca Landry, IT Director/Assistant City
Manager
Jack Wozmak, Airport Manager

Members Not Present:

Mayor Kendall Lane
Peter Delaney

1) Call to Order

Chair Hansen called the meeting to order at 9:01 AM.

2) Approval of Minutes – August 28, 2018

Chair Hansen noted a correction to the minutes: Peter Delaney should be listed as not present. Mr. Wozmak noted the word *flowage* was highlighted in the minutes; that word is correct and should remain.

Mr. Bendzinski moved to approve the minutes of August 28, 2018 as amended, which Mr. Blood seconded and the Airport Development and Marketing Committee carried unanimously.

3) Old Business

a. Runway 14/32 Reconstruction Project & Opening Ceremony

Mr. Wozmak reported the runway is not complete yet and he thinks an opening ceremony should wait until warmer weather. The runway may not be completed for a few more weeks because of weather; parts still need to be re-graded in addition to some elevation changes on the edges and an oil spill that needs to be cleaned. He spoke with Ms. Bendel

about a runway rededication ceremony in the spring that could include: a memorial t-shirt, an open house for pilots with events, and things like ice cream or food trucks. The City might also offset a 10% fuel discount for the day and possibly a subsequent visit. This would only amount to a few hundred dollars for a two day event. He thinks what the City could lose on these gas sales will be made up for with increased volume. The only way to determine if it will be a meaningful effort is to try it. He could also ask tenants to bring their planes out of the hangars for the day for people to experience.

Mr. Bendzinski asked if Monadnock Aviation could give introductory rides for a fee. Ms. Bendel replied they already do that and it could be part of a pre-offer to purchase flight lessons or scenic flights. Members agreed people will pay a lot of money for rides in different aircraft.

Mr. Wozmak reported he spoke with the CT National Guard, who is willing to do a flyover during the event. Mr. Blood suggested one could park at Keene for the day and Mr. Wozmak said that might be possible; it has happened before but cannot interrupt airport operations. Mr. Blood also suggested having a taxiing plane cut the ceremony ribbon instead of the Mayor. Mr. Johnson said aerobatic performers could cut the ribbon. The Committee agreed that would be an intriguing event that might get news attention.

Councilor Greenwald asked if there are antique planes housed at the airport. Mr. Jacobs referenced a 1948 biplane, among others. Mr. Wozmak agreed if they advertise through Ms. Bendel's network, they can expect beautiful planes flying in.

4) New Business

a. New Marketing Approach

Mr. Wozmak reported he has reached out to companies Mr. Jacobs helped him identify: Gulfstream, Business Aviation of New England (BAPNE), Citation/Textron, Embraer, Flacon, and Bombardier. The Committee discussed enhancing the airport brochure to attract corporate business to be competitive with other NE states. Mr. Wozmak contacted these companies to find out how Keene can be more attractive to companies interested in buying a corporate jet. NH used to have expensive jet registration fees; he spoke with a company that said they will never come to NH without an excise fee cap because it is too expensive to register. Once he has better ideas about how Keene can fit into the corporate market, the Committee can work to restructure the brochure to focus on the best aspects of the airport (non-controlled, freedom, great place to live). Mr. Jacobs spoke with Eric from Embraer, who will come introduce himself to Mr. Wozmak; he likes Keene and will be a good resource.

Ms. Landry suggested using more press releases as a part of a marketing plan. Releases for events like the reopening or for airport accomplishments (like changes in the NH tax system) could reach more people than a brochure or the website. The City has a press release contact list and Ms. Bendel has contacts as well. Mr. Wozmak will begin drafting press releases and seek input from Committee members to ensure they are as effective as possible.

Mr. Jacobs asked, if someone built a hangar at the airport similar in size to C&S, if the City would allow them to build a fuel farm as well; Mr. Wozmak was unsure. Mr. Jacobs continued that corporations will need hangars and most will not want to build their own. Mr. Wozmak does not think the City would use tax dollars to build a hangar but he thinks it would be easy to find investors for an interested tenant. He said the City paid for t-hangars 35 years ago but it is hard to get the City to do regular maintenance at the airport currently; it would be even more challenging for them to fund a non-government activity even though it would generate income. Councilor Greenwald suggested Jack Dugan, who could help find federal grant money. Mr. Wozmak said it is a long-term picture that would involve some flowage fee arrangement if the City could get a land lease.

Mr. Jacobs asked how the airport spends and gets money. Mr. Wozmak replied there are operating and capital budgets. The \$640,000 operating budget funds staff, fuel, deicer, equipment, etc. Additionally, tenants pay rent and other fees. The airport generates \$450,000 in revenue and balance made up from tax dollars. He believes the airport also receives several hundred thousand in services from other City departments, like facilities. Most money comes from tenant rent, hangars, Monadnock Aviation, and 0.08% fuel flowage fees from C&S and Monadnock Aviation (approximately \$40,000). T-hangars generate an average \$278.10 per month; land lease rates are \$0.25-\$0.45 per square foot. The new hangar being constructed will generate approximately \$3,500 per year from the land lease; then the tenants will pay tax on the value of the hangar to the town of Swanzey. Keene pays Swanzey approximately \$80,000 per year in operation taxes.

Councilor Greenwald said Council hears complaints that the airport has little benefit for general tax payers. Yet, the airport is actually an economic driver for the City so we should look at the bigger picture. He said the airport is no more of a money pit than Parks and Recreation; at least the airport has the opportunity to generate revenue. Mr. Wozmak said of the \$643,000 airport budget, approximately \$171,000 goes to fleet services just to maintain the airport. When personnel, insurance, retirement, etc. are excluded, only approximately \$100,000 remains for maintenance. Mr. Jacobs asked if overtime hours are similar annually. Mr. Wozmak replied yes, he asks for more support but has not received it. He said the most important thing to keep in mind is that the airport is a broader economic driver of the community; it employs local residents, and creates local revenue. In September 2018, the airport generated more revenue than other City departments. Mr. Bendzinski suggested that is information to include in a press release.

Ms. Landry said for the first time in 20 years, the City is investing in economic development. The airport is a major part of this economic development and will maintain political viability. Councilor Greenwald agreed the airport is on the cover of the City's economic development report. Ms. Landry added there is focus on the airport in the Choose Keene development packet going out soon. Ms. Bendel said there has been tremendous growth here in the last 10 years and she does not think the public know anything about it.

Councilor Greenwald questioned if there can be more airport signs. Mr. Wozmak spoke with DOT and the airport can have any signs they want but the City must pay for them. He investigated and found the airport signs more pervasive than he thought on all the major thoroughfares coming into Keene. The Committee also discussed a new, different sign (other than the blue airplane signs) and he can investigate how much they will cost. He believes to have similar coverage in the City, it may cost \$4,000. Ms. Landry noted the City is working on a branding initiative with other Chambers of Commerce in the region. Signage is an important part of that marketing effort and she suggested that one part of airport marketing could be a branding campaign. She would like to see a branding plan for the airport, with things like logos on staff clothing. Mr. Wozmak will create a draft sign design that aligns with City branding and ask DOT to install them if the City pays a private sign maker. Mr. Bendzinski added Cheshire TV could also do a story on the airport; Mr. Blood replied Cheshire TV does not create content.

Mr. Jacobs asked if any more airport revenue can be generated with the current infrastructure. Mr. Wozmak replied he is selling the Alps property; he did a survey and is waiting for subdivision approval from the City Manager so Swanzey can divide the property. The property was appraised and a value is under review by the FAA. Mr. Jacobs asked why sell it when it is buildable for hangars. Mr. Wozmak replied they have tried to lease the land in the past but failed because the septic system poses too great a problem. Additionally, that land was bought with federal FAA money; they give permission for the airport to keep money from sale for other projects if it is sold at fair market value. This could reduce the burden on tax payers and it can potentially add to the airport budget. He has a 10-year capital improvement plan that coordinates with state and federal funding matches (95%). He is trying to identify any capital the airport might require in the next 10 years; some will be funded by FAA or NH and some will be fully funded by the City.

Councilor Greenwald asked if hangars were ever considered for the Alps property. Mr. Wozmak replied it would be expensive. Additionally, the taxiway would have to be extended another 1/4 mile and that is cost prohibitive as well. Ms. Bendel added there are other developable parcels closer to the runway. Mr. Wozmak said he does not like liquidating airport property; it will likely be subdivided and zoned as a business district. The building restriction will be approximately 40' to comply with the aviation easement. Mr. Jacobs said people are coming here because it is less expensive and one of the only airports with adequate space. Ms. Bendel said industry predictions are that small aircraft general aviation and pilots are decreasing but she thinks Keene is seeing the opposite of the national trend; her hangars are full and she sees more young pilots training. Mr. Jacobs suggested the City could invest in t-hangars because they will be here forever. Mr. Wozmak replied he can do a prospectus for t-hangars at market price to build like condos. There is space off runway 32 that could have t-hangars without sending \$6 million to extend the runway. Ms. Landry agreed with Councilor Greenwald that it would be beneficial to contact the Monadnock Economic Development Corporation to see if they have financing support for construction. The City has a debt reduction program right now; if the airport brought a long-term capital improvement plan to Council it would be given fair consideration but it is unlikely the City will accept more

debt right now. Mr. Wozmak noted he can sell the Alps property and the airport will still have plenty of developable land, which he demonstrated on a map. Councilor Greenwald asked the purpose of keeping the parcel that was proposed for a dog park; he suggested selling it to be zoned as business with residential allowed with special exceptions.

Ms. Bendel asked if there is a plan to demolish the old administrative building. Ms. Landry added it is a hazard and the roof and floor are falling in. Mr. Wozmak replied the plan is to demolish it that he has discussed with Public Works. It cannot be burned because of airport operations. Ms. Bendel added it is a great location for hangar development next to the fuel farm.

The Committee discussed advertising how many private jets come to the airport. Ms. Bendel replied many of those customers do not want that private information shared.

Councilor Greenwald asked if this Committee has a marketing plan to bring all these ideas together. Mr. Jacobs said one part is updating the brochure to target corporate business. Ms. Landry likes the idea of a marketing plan this Committee can work on; the City does not need to pay a consulting firm. She also suggested marketing for small conferences and non-aviation events at the airport. Mr. Wozmak agreed this is timely as the City focuses more on economic development. The Committee agreed these are good positive first steps integral in part of larger branding opportunities in Keene.

Ms. Bendel noted an upcoming Monadnock Aviation event hosting Patient Airlift Services, a humanitarian organization where pilots donate transportation for medical care or military families in bereavement. This event will be a fly-in and BBQ; the whole community does not need to be invited. Ms. Landry noted that is an opportunity for a press release after the event.

Mr. Wozmak listed capital improvement projects planned in the next few years at the airport:

- Replace fuel tanks (20 years-old) – they are leaking from old age. They are old enough that insurance companies do not want to continue covering them and they lost insurance coverage briefly in 2017. Ms. Bendel noted concern about that because she is Shell branded and they will not work with uninsurable tanks. Mr. Wozmak is working quickly with Public Works. (approximately \$100,000 City funding)
- Green hangar repairs (approximately \$112,000)
- Repairs to old airport fire building
- Hex hangars need maintenance (wiring is out of code, roof leaks, rust; \$60,000)
- Taxiway extension (\$2.6 million; \$130,000 City funding)
- Perimeter fencing – single greatest safety issue reported by pilots
- Snow removal equipment replacement
- Expand terminal apron
- New PAPI lights at the end of the runway
- Beacon replacement (the airport has 35; \$500,000)

- Continued obstruction removal – tree cutting is eligible for state and federal funding but he has used City funds recently because it is quicker

Mr. Wozmak added there are no plans for a new terminal building (built in 1970s) because it is not eligible for state or federal funds. As business continued to enhance, he will reconsider a new terminal building. Mr. Bendzinski said the terminal looks good despite the age.

Tracy Keating provided an update on the Flight Deck Restaurant. They had a great summer but plane traffic was down. Still, locals come in a lot; they like the new bathrooms and sitting outside. She signed a lease on a new restaurant venture in town. Thus, during this slow time she will continue to open the Flight Deck for lunch but will close for dinner temporarily. Some staff will be working at both locations. Her plan is to only have one location open at a time. The Flight Deck does have a full liquor license, which they have been allowed to keep despite not being open five nights per week. When the new location opens in March, she will reevaluate Flight Deck hours. Restaurant equipment is doing well. An employee's car was broken into but luckily the airport cameras identified the thief. The first year of business they had 18,000 visitors, 30,000 in the second year, and she hopes for 45,000 this year. They had music all summer without complaints from neighbors. There have been internet problems at the airport effecting business. Ms. Bendel agreed she has to pay for her own dedicated internet lines to ensure her business is not interrupted.

5) Next Meeting Date – October 23, 2018

6) Adjournment

Mr. Bendzinski moved to adjourn the meeting, which Mr. Blood seconded and the Airport Development and Marketing Committee carried unanimously. Hearing no further business, Chair Hansen adjourned the meeting at 10:24 AM.

Respectfully submitted by,
Katie Kibler, Minute Taker