

City of Keene
New Hampshire

AIRPORT DEVELOPMENT AND MARKETING COMMITTEE
MEETING MINUTES

Tuesday, August 24, 2021

9:00 AM

**Dillant Hopkins Airport
Terminal Building**

Members Present:

Curt Hansen, Chair
Councilor Mitch Greenwald
Richard Blood
Alona Florenz
Elizabeth Bendel
Bill Hutwelker
Mayor George S. Hansel

Staff Present:

David Hickling, Airport Manager

Members Not Present:

Nathan Jacobs, Vice Chair
Elizabeth Dragon, City Manager
Joe Bendzinski
Brian Johnson

New Business:

1) Call to Order

Chair Hansen called the meeting to order at 9:03 AM.

2) Adopt June Meeting Minutes

Chair Hansen noted that his last name was written as Hansel instead of Hansen in some instances of the minutes. Councilor Greenwald made a motion to accept the June, 2021 minutes with that correction. Mr. Blood seconded the motion, which passed unanimously.

3) 2021 Airport Marketing Plan

Mr. Hickling informed the committee that he increased the marketing budget to \$10,000 with two main goals in mind, airport promotion and business development solicitation.

He went on to state that airport promotion will include increasing local awareness of the airport and improving the public view through avenues such as radio, print, social media, sponsorships

and public events. Business development will include promoting on a national level at conferences or business shows, and undergoing mailings, periodical ads, and targeted digital advertising. He noted bringing utilities in would be a great plus and stated he has discussed the idea of adding that project to the City Capital Improvement Plan, for utilities from Route 32 down Airport Road and just beyond the C&S hangar. This would make the airport more attractive to aviation business.

Mr. Hickling asked for input from the committee on how they should utilize the money between those two goals. Mr. Greenwald suggested 30% go towards airport promotion and 70% go towards business development, because it's important to keep the public on board with what's going on. Chair Hansen agreed with that comment. Mayor Hansel agreed and suggested the Public Works day take place at the airport, since it's a well-known and attended event and would bring people to the airport.

Mayor Hansel asked about the town of Swanzey doing Tax Increment Financing (TIF). Mr. Hutwelker stated the town does, but it does not extend to the airport. He further explained that there was quite a bit of research done in the past on extending the TIF down Airport Road, and believed it deserved a revisit and further discussion.

Ms. Florenz asked for clarification on TIF. Mayor Hansel answered that Tax Increment Financing allows municipalities or towns to support infrastructure development. For example, if you run water, sewer or power to a corporate park, you can use the incremental tax revenue from the new buildings being built to support a bond on that infrastructure.

Ms. Bendel asked if the TIF includes Aviation Way and Mr. Hutwelker stated he believed it does. He added that he would provide the committee with a copy of the TIF at the next meeting. He also suggested it would be worthwhile to set up a meeting with the Economic Development Director and Chair. Chair Hansel Suggested they invite them both to the next ADMC meeting, noting that one of the biggest bottlenecks the City has is available land for business development, not lack of businesses interested in developing. Mr. Hutwelker agreed and stated it's important to be ready and know what land is appropriate for development. Mr. Hickling stated he could obtain that information for the next meeting but mentioned one issue being that everything needs to go through the Federal Aviation Administration (FAA) with regards to land releases and development, which takes approximately 6 months. Mayor Hansel asked if the City could make an application for the use of land as flex space (commercial building space/office/warehouse) prior to having a tenant. Mr. Hickling answered that he would check to see if the FAA would allow pre-approval for use of land for development of hangars or aviation development, so the process will move quicker if they have someone interested. He noted that the process is also more difficult when it comes to non-aviation leases, especially if it has access to airfield. Mayor Hansel requested that Mr. Hickling coordinate with the Planning Department to obtain a map of the airport with available parcels.

Old Business:

1) Leasing Policy – Update

Mr. Hickling stated the Leasing Policy was sent to the Department of Transportation (DOT) and FAA for review and it still has not been reviewed by the DOT. Since they have people interested in leasing land they've decided to move forward with the Policy. He noted that they are comfortable with the Policy since they worked with a consultant and can add additional language or update at any time if the need arises.

Mr. Hickling reiterated that the Leasing Policy is going to follow industry standards and allow for consistent language and compliance so that negotiations are handled in the same way for everyone moving forward. He noted that they have a parcel with utilities and immediate access to an apron, which they have multiple people interested in and will put out a bid within the next few weeks. There are also 4 people that are currently wanting to build private or corporate hangars.

2) Restaurant – Update

Mr. Hickling reported that the restaurant grand opening occurred on July 31st and they have been doing really well thus far. They are struggling with staffing challenges, similarly to many other small businesses. He noted that he went on the Dan Mitchell show with the restaurant owner prior to the opening and promoted both the airport and the restaurant.

3) Capital Improvement Projects/Grants Update

Mr. Hickling reported that, due to the 18 inches of rain in July, the Taxiway extension project fell 4 weeks behind; however, they made up 2 weeks in early August and things are going well. Their work does require scheduled closures which they have been coordinating smoothly. He mentioned that they can also utilize Prior Permission Required (PPR), where the runway is closed but you can get prior permission to fly in at a certain time and they will pause construction.

Mr. Hickling next stated that they recently received the discretionary grant for the Taxiway Reconstruction and are working to award the contract. He stated the construction season is coming to an end so they will have a pre-construction meeting to decide whether they want to begin this year or wait until next year. Mr. Hickling stated there is an increase in construction costs, which they would put in another grant application for, if awarded the FAA would cover 90% and the state would cover 5% of costs, leaving the airport responsible for 5%.

Mr. Hickling reported that the fuel tanks are still scheduled to be completed late this year, 2021.

Mr. Greenwald recalled that they had a consultant talking about attracting small passenger or small freight and wondered where that discussion ended up. Mr. Hickling stated that Crawford, Murphey and Tilly, Inc. underwent a study on the airport's catchment area to determine where the people are flying to and from in our region, and what the market is. They focused most of the report on leisure travelers that come from other places into Keene. He noted that their catchment area includes Vermont and there are a lot of travelers who go there for resorts. The report suggested they go after airlines like United to get regional jet service from Washington/Dulles to Keene to capture that market. Mr. Hickling stated that his experience tells him it would be difficult to capture that market, noting that leisure travelers are hard to capture in a small community because they are very price sensitive. He stated their market is business travelers and believes they have enough business travelers to support that service, especially with a smaller airplane, such as 9 seats. Mr. Hickling continued to state that he is planning a study with Keene State College and the Chamber to find out exactly what the business market is.

Mr. Hickling added that they will also pursue a Small Community Air Service development grant. He explained that airlines want to reduce their risk of losing money when coming into a new market. This grant money, coupled with a local share, would be placed in an account for the sole purpose of guaranteeing the new airlines profit, if they are not making it themselves. This is typically a 2–3-year agreement.

Mayor Hansel stated they will need to work hard to get to the small 1-2 person firms, not just the Chamber members. He suggested they get the Secretary of State's business list and look for firms that seem appropriate. Mr. Hickling stated they also have money for another consultant who may be able to help with this as well.

Mr. Greenwald agreed with the discussion and encouraged action to be taken. Mr. Hickling stated air service is very competitive, but he is confident that the plan he has is the best strategy.

Ms. Florenz asked about how much demand they would need to be able to support this service. Mr. Hickling stated there are 9 seats per plane and if they start off with 2 flights per day that's 18 people per day to be able to fill both flights. He noted that he is unsure what they would be looking for a profit margin.

Mr. Hickling stated, along with demand, they need to consider connections, schedules and airfare. Ms. Bendel asked if they would be competitive without essential air service. Mr. Hickling replied yes because they are focused on the smaller aircraft. He added that they need to prove to a prospective airline that they will be more profitable than other markets, and then maintain that stance.

Ms. Florenz asked if businesses ever guarantee a certain number of travelers. Mr. Hickling stated they do, and that is a big advantage to have that guarantee when approaching airlines.

Chair Hansen asked, since they have had difficulty hitting quorum, if there would be a better time or day to hold the meeting. Short discussion ensued and the general consensus was that evenings/nights do not work. Mr. Hickling stated he would send out the question to all committee members via email for more thought. He stated the next meeting will be on the 3rd Tuesday of the month, rather than the 4th Tuesday.

Mr. Bentley asked about scheduled air carriers and if there will be a solution to there being no current de-icing system on the field, noting it is definitely a deterrent. Mr. Hickling stated that in their CIP they have a rehab on their main apron which would include a de-icing system; however, that project would be a few years down the road.

Peter Temple asked what the committee sees as some of the biggest barriers to growth of the airport and aviation; furthermore, what else can be done to foster growth and get more people involved in aviation, especially young kids. He noted that Keene has water access and a lot of assets with a great deal of potential.

Mr. Hickling stated they have a huge demand for growth but money to put the infrastructure in is needed.

Mr. Temple stated so many people who do their own flying for business would love to base a plane at the airport, but the biggest obstacle is hangar space. He mentioned some t-hangars that are only being used for storage and Mr. Hickling stated they have started cleaning some of those out to get them active.

Mr. Hickling stated he has talked with the City Manager about the need for the City to put in pavement so other hangars can be installed, and they are looking at doing that through Public Works; however, he is not sure yet about how they will come up with the funds.

Mr. Temple mentioned that, overall, the big obstacle is people needing hangar space, all different types; however, somebody needs to support that with the infrastructure because it's not a logical investment if they have to pay all those other costs.

Mr. Hickling stated all the aforementioned projects are costly and they have to be prioritized. For example, the wildlife fence needs to be a priority because it's a safety issue, which is why it's number one on the CIP for funding. Next is obstructions, which is a multi-year project for the study, easements and removal. After that comes a terminal apron, which would include the de-icing and washing facilities.

Mr. Temple stated a number of pilots have been reporting a lot of deer lying down in the grass lately because it is so long. Mr. Hickling stated they lost a staff member and one employee is one-third of their staff, adding that it has also been difficult to hire someone new.

4) **Adjournment**

There being no further business, Chair Hansen adjourned the meeting at 9:51 AM.

Respectfully submitted by,
Nicole Cullinane, Minute Taker

Reviewed and edited by,
David Hickling, Airport Director

Additional edits by,
Katrnya Kibler, Clerk's Office