

**City of Keene**  
**New Hampshire**

**AIRPORT DEVELOPMENT AND MARKETING COMMITTEE**  
**MEETING MINUTES**

**Tuesday, June 22, 2021**

**9:00 AM**

**Dillant Hopkins Airport  
Terminal Building**

**Members Present:**

Curt Hansen, Chair  
Nathan Jacobs, Vice Chair  
Elizabeth Dragon, City Manager  
Councilor Mitch Greenwald  
Richard Blood  
Alona Florenz  
Elizabeth Bendel  
Bill Hutwelker

**Staff Present:**

David Hickling, Airport Manager  
Rebecca Landry, Assistant City Manager/IT  
Director

**Members Not Present:**

Brian Johnson  
George S. Hansel, Mayor  
Joe Bendzinski

**New Business:**

**1) Call to Order**

Chair Hansen called the meeting to order at 9:00 AM. Roll Call was taken.

**2) Adopt April Minutes**

Elizabeth Bendel made a motion to accept the minutes of April 27, 2021 as presented. Richard Blood seconded the motion, which passed unanimously.

**3) Airport Property Leasing Policy**

Mr. Hickling informed the committee that he has been working on an Airport Property Lease Policy. This came about because they've had a lot of interest in the last year for property leases and that there was currently some inconsistency among their current leases. He reported that they currently have 12 land leases; however, logistics such as rates and renewal options are not consistent throughout the current leases. This is mainly due to some of the leases being old and many have been developed by multiple airport and city administrations. He noted that at least 3

different entities had approached him about land for uses such as aircraft component developments and aircraft prototype research and development, prompting the need to take a look at components such as lease rates, terms and renewal options. Additionally, this policy will ensure compliance with federal, state and municipal regulations, airport grant assurances, and that they are following the Airport Master Plan. Mr. Hickling added that he has been taking some online workshops to help with the process.

Mr. Hickling further explained that with the AIP grant money, such as what was received for the taxiway project, comes grant obligations, one of which is to make sure the airport is economically viable, and an opportunity to meet that goal comes through the leasing policy. Other goals of the policy that were noted were to maximize airport revenue to be as self-sustainable as possible, meet federal, state and local obligations, make sure airport policies and procedures are met, make sure the airport is protected from detrimental uses, and attract private investment to minimize financial obligations and maintain airport property and facilities. He mentioned that they want a policy that will use aviation industry best practices.

Elizabeth Dragon added that the process included an appraisal, which allowed them to set a base rate for leases at the airport. The purpose is an attempt to set an expectation to avoid conflict, and eventually be able to post the policy publicly so people can see information such as rates, terms, and renewals, and can expect the same language and standards for all leases. She made note that it takes a while to get through the Federal Aviation Administration (FAA) release process so having that expectation and awareness in a policy will be beneficial for people.

Mr. Hickling added that the FAA has different procedures for aeronautical and non-aeronautical land use so setting expectations on the timeline of the FAA release process will be helpful.

Nathan Jacobs asked if the lease policy covers only new leases or current leases as well. Ms. Dragon answered that it will be for all hangar leases, new and renewals, which are the biggest source of revenue for the airport. She added that they are also exploring a request for proposal for a non-aeronautical lease that a solar company has inquired about.

Ms. Dragon further explained that leasing the land is a way for the airport to keep the money and offset expenses; whereas, if they sell the land they can't keep the money, which is what happened with the ALPS property.

Mr. Blood asked for clarification on where the money goes for the land sale.

Ms. Dragon stated the money from selling land goes to the federal government. They had already negotiated purchase and sales agreements for that property so they couldn't back out, and they spent time challenging the ruling to be able to keep the money but didn't end up winning. She noted that Mr. Hickling has been doing a great job setting up policies and procedures and minimizing conflict while developing the airport.

Mr. Hickling stated that not being able to use the ALPS property sale proceeds towards their local share was a new determination by the FAA, and they fought a tough battle but did not win, so the land sale money goes towards airport projects but it's what the FAA would have paid for anyways.

Mr. Jacobs asked how the people interested in leasing found out about the airport. Mr. Hickling suspected it was because they are the only airport in the area but wasn't exactly sure how they found out.

Mr. Jacobs asked if there was an appraisal done on the hangars. Ms. Dragon stated the base rate for land lease going forward is 30 cents per square foot, plus a 3% annual escalator each year. She explained that the base rate will continually and automatically adjust.

Mr. Jacobs asked how this would change what the city currently charges, specifically with regards to the t-hangars. Mr. Hickling stated that they are set with the t-hangar rates for now because those are separate from a land lease. Ms. Dragon added that they need to look at t-hangars in more detail as most of their focus has been on land leases, noting the appraisal process takes quite some time.

Kevin Provost from Monadnock Choppers asked if a lessee's rate is already over 30 cents when the policy goes into effect, would it then come down to 3 cents? Elizabeth Dragon replied that it would go down to the 3 cents. Ms. Dragon added that they found out the FAA allows them to use their own certified appraiser, which they plan to do next time to save money and time.

Mr. Hutwelker asked if there would be benefit to making Swanzey's policy, RSA72:81, public. Both Ms. Dragon and Mr. Hickling stated that would be helpful.

#### **Old Business:**

##### **4) ALPS Property – Update**

Mr. Hickling stated they closed on the first parcel of the ALPS property and expect to close on the second parcel later on in the week.

Councilor Greenwald asked about the use of the properties. Mr. Hickling stated one of them is just a right of way for access, and the other is to restore amusements such as go-carts, mini golf, and a Ferris wheel.

Councilor Greenwald asked about potential go-cart racing on the runway and Mr. Hickling stated it would be a fun event to hold but something they would need to figure out as far as insurance and air traffic.

##### **5) New Airport Restaurant**

Mr. Hickling reported that the restaurant was not yet open due to some delays with the septic system, hiring and training of staff, and patio furniture shipments. He added that they also have some licensing processes to complete and anticipate opening by the end of June.

Councilor Greenwald asked if the restaurant was on fixed rent and Ms. Dragon replied that it is a fixed rent with an annual escalator.

**6) Capital Improvement Projects/Grants Update**

Mr. Hickling reported that the taxiway extension project is moving along well and on schedule, and is due to be completed within the next couple of months. He added that they've had great coordination with the contractor and minimal interruption in air traffic and impacts to airport operations. They are still waiting for the grant to come back for the construction portion of the taxiway project.

The Fuel Farm project has suffered some budget issues. The contract was awarded to Lakes Region to construct the fuel tank; however, construction of the fuel tank site is delayed due to increased material prices. He reported that they are now working to cover those extra costs, which has held them up a little longer than anticipated, but they do plan to have the project completed by winter.

Mr. Jacobs asked how the base rate of 30 cents per square foot compares with Concord Airport rates. Mr. Hickling explained that they wanted to compare against airports that have similar local economies and their appraiser used 3 different airports, which he believed included Concord, as well as Portsmouth and Newport. Additionally, they had their assessor look at the rates after the appraiser sent them over, and everyone felt good about the 30 cents per square foot.

Mr. Jacobs then asked if and how they would go about campaigning this to bring people in. Ms. Dragon answered that they are looking at additional marketing for the next fiscal year to spread the word and do have funds planned for that purpose.

Mr. Jacobs asked if there had been any feedback received with regards to the money they spent on radio ads. Mr. Hickling stated he hadn't received any feedback. Ms. Dragon stated the radio ads were a good first step, especially during COVID times, but not the most strategic way to market. Ms. Bendel stated she didn't hear feedback or see any new business as a result of the radio ads. Mr. Provost added that he didn't hear any feedback either.

Councilor Greenwald stated he heard the ads but expressed that local radio isn't a great avenue to bring people in the door. Mr. Hickling stated that if they were advertising for development they wouldn't go with the local radio ad route, they were mainly trying to bring awareness to the airport and its benefits to the community, as well as promote businesses that are already present, they weren't expecting more business to come from the ads.

Councilor Greenwald suggested that internet marketing is the way to go. Ms. Bendel agreed. Ms. Dragon stated the city completed a 3-month digital advertising campaign recently which gave them great feedback, such as who was interested and what they were looking for. She mentioned that the top attractions were trails, quality of life (outdoor activity), education (school systems), and housing.

Rebecca Landry stated they will be presenting those findings to council, and she has all of the analytics. She felt they'd be pleased with the reach and the information gained about their audience.

Mr. Hickling introduced the owner and a staff member of Mama McDonoughs. They updated the committee, reporting delays with the CO2 gas and product deliveries, staff hadn't been completely trained yet and there were some missing refrigeration issues. They recognized they were a little behind due to the aforementioned issues but expressed great excitement to be opening soon and stated they are aiming for July 6th. They added that the Town of Swanzey completed their inspection and found no major issues, aside from exit signs and a hand wash sink, which are being taken care of.

Mr. Hickling stated that they want a grand opening with media for opening day. Mama McDonough's owner stated that they had been doing some advertising on social media. He mentioned that they will have a very family orientated environment and are looking forward to hosting breakfast, lunch and dinner 6 days a week. Ms. Bendel reported that pilots had mentioned being ready for the opening and a lot of people have been into the airport inquiring about the opening as well.

Chair Hansen asked for any further comments.

Ms. Bendel reported that corporate traffic and leisure traffic have both been picking up, which is great to see post COVID. She mentioned that the industry had experienced the shortage of truck drivers and delays as well and as a result they have been keeping more fuel in the ground.

Mr. Jacobs stated they had done a great job keeping the airport looking good but expressed concern over staffing, noting that they are down a staff member and wondering if they were going to hire for the position soon. Mr. Hickling replied that they do plan to hire and have been in touch with HR.

Mr. Jacobs asked if the position could turn into full time at some point. Mr. Hickling stated that tending to the aesthetics of the airport only really requires part time hours and his aim is to have the position filled by winter. He added that safety of the runway isn't impacted by not having the position filled.

Councilor Greenwald suggested that an airport news update to City Council would be helpful. Mr. Hickling stated he had been sending out emails inviting the council to attend meetings before

COVID hit, and that he will definitely put something together to present to them. Councilor Greenwald suggested he keep it short and simple, just to tune them in to what's been happening. Mr. Hickling replied that he is happy to do so.

Mr. Provost commented that, with regards to t-hangar development, the asphalt is what makes t-hangars cost prohibitive, along with sewer and electric. He wondered if there was money available to help offset those costs, and if they bring infrastructure in would that provide some offset. Mr. Hickling stated there may be opportunities through AIP for the asphalt but not for the structure.

Jack Franks asked for clarification.

Mr. Hickling stated that they would have an argument to go to the FAA for an AIP grant for taxiways and aprons, which would come out of their Capital Improvement Plan.

Mr. Franks stated he had been looking at a space at the airport for a hangar which would require a septic system to be installed, and asked if Mr. Hickling meant there would be reimbursement for some of those costs. Mr. Hickling replied that there would be no reimbursement but a project could be put into the Capital Improvement Plan and they'd ask the FAA to fund it, and that process would likely take at least 2 years. Ms. Dragon added that that process would also push out other projects, like the wildlife fencing project.

Mr. Provost stated hangars would be huge as far as airport development and suggested it may be a good priority to have. Mr. Hickling replied that discretionary money could be requested, but getting that depends on how much money is available and how the scoring works. Other airports may have a project that the FAA scores as a higher priority. He added that he will look into the process and scoring.

Mr. Hickling stated he'd like to communicate the value of the airport to City Council to show past the costs and reveal the benefits more clearly. He added that it would be great to educate on airport value and demonstrate that if they build the hangars more people would be coming in and doing business.

Mama McDonough's team members asked if there was a Tax Increment Financing (TIF) district there. Ms. Dragon stated there is no TIF district in Swanzey, they had tried adding one in the past but it was not approved.

There being no further business, Chair Hansen adjourned the meeting at 9:55AM.

Respectfully submitted by,  
Nicole Cullinane, Minute Taker

Reviewed and edited by,  
David Hickling, Airport Director