

Gaylord Regional AAC Meeting Agenda

December 8, 2009

Members: Mike Deerfield, Steve Johnson, Josh Kent, Mike Fernandez, Pat McNamara, Wally McCoy, Jeff Ratcliffe, Dan Wagar, Jeff Wieber, Paul Liss (Ex-Officio), Matt Barresi (Director)

1. Call Meeting to Order
2. Review / Approve Minutes
 - November 10, 2009
3. AAC Vacancies
4. Airport Director's Report
5. Subcommittee Reports
6. Planning Discussion
 - AAC Priority List (Attached)
 - Feasibility Study Proposal (Attached)
7. Open Discussion
8. Adjourn

Gaylord Regional Airport Advisory Committee (AAC)
November 10, 2009
Gaylord Regional Airport

Minutes

MEMBERS PRESENT: Mike Deerfield, Steve Johnson, Josh Kent, Wally McCoy, Dan Wagar, Paul Liss (ex-Officio), Matt Barresi (Director)

MEMBERS ABSENT: Mike Fernandez, Jeff Ratcliffe, and Jeff Wieber

OTHERS PRESENT: Greg Wilson

The meeting was called to order at 1:05 p.m. Motion by Wally M, support by Johnson to approve the minutes of October 6, 2009 meeting as presented. Ayes all.

AIRPORT DIRECTOR'S REPORT:

Matt B. asked for a moment of silence for Pat McNamara. He reported meeting with the FAA and NTSB regarding the incidence surrounding Pat's accident, however he is not able to share this information with the AAC members. Mike D. proposed to have a county resolution drawn up for Pat. Paul L. will discuss this with the other commissioners. Matt B. proposed that the conference room be named in remembrance of Dr. Patrick McNamara. Dan W. moved for a motion, Wally M supported and ayes all. The FAA wants the remaining ramp repaired while MDOT feels repairs to the ramp and a SRE building are needed. MDOT is communicating with the FAA on how funds will be spent. Discussion followed.

SUBCOMMITTEE REPORTS:

None held.

PLANNING DISCUSSION:

A lengthy discussion was held regarding the idea of hiring a consultant firm to help AAC/KGLR with future planning and directions. Discussion was tabled to the December meeting so Jeff R. will be available for input.

OPEN DISCUSSION:

Greg Wilson would like to see KGLR become a distributor for LSA or Automotive type fuel for light sport aircraft. Because KGLR is centrally located he feels it would be an ideal spot for LSA fuel. Matt will look into it further with AvFuel. Matt is looking for a recommendation from the AAC to implement a fuel sumping system that will allow for recycling the 10 gallons of fuel currently tested and wasted on a daily basis. The cost of the system is \$10,000.00 and should pay for itself in a short period of time. Steve J. motioned that Matt check into maintenance fees and general feasibility. Mike D. seconded the motion and Ayes all. Matt will report back at December meeting.

ADJOURN: 2:40 P.M.

TO: AAC
FROM: Mike Deerfield
DATE: December 4, 2009
RE: AAC Focus

Top 6 Issues For AAC Focus:

1. Fund and Prepare Master/Business Plan.

Goals/Objectives Previously Discussed

- Community Relations. Consensus that this goal is important.
- Economic Development. Consensus that this goal is important.
- Financial Management. Consensus that this goal is important.
- Airport Enhancement. Consensus that this goal is very important.
- Identify and Safeguard Improvements.
- Land Use Planning.
- Pilot and Community Education and Awareness.

2. Increasing Operations Into and Out of KGLR.

- Review efforts at the airport on tracking enplanements that count towards getting to the \$1 million funding mark. – **Working on**
- Re-establish contact with the owner of Island Airways and try to move this service forward. – **Re-established and working on**
- Have our hangar space advertised (ongoing).
- Work with the CAP to get a plane stationed here.
- Revisit the Italian helicopter company that looked at conducting winter testing (they needed a hangar with a higher ceiling than we had available).
- Communicate with corporate flight departments that use KGLR and those that don't.

3. Focus on Airport Improvements.

- Putting Green
- Bike Rack
- Entrance signage,
- AWOS Relocation
- Beacon Relocation
- MDNR Hangar rehab/painting/leasing
- web site
- Review the current AIP so that everyone is up to speed and in agreement on the current priorities.
- Make sure that the new airport development standards are adhered to.

4. Flight Training. We have a plane and at least two instructors (Carter and Wally). Our earlier discussions called for getting out and making presentations in the schools and promoting in the community in order to increase the number of local pilots. We have hangars that need planes with pilots.

5. Financial Management. We need to take a look at the airport's financials, compare them to some other airports, drill down into the details such as lease rates, fuel pricing, landing fees, etc. and develop recommendations that may result from the review. We need get a resolution to the NCA fuel pricing issue.

6. Community Involvement and Outreach. What can we do to educate the community about the airport? How can we further the airport strategically within our community? Social networking (facebook), civic organization presentations, library programs, and a career day are options

DRAFT Gaylord Regional Airport Economic Development Feasibility Study

I. Introduction

The Gaylord Regional Airport (KGLR) was established at its current location in 19__ as a general aviation facility. The facility has steadily been improved and expanded to meet the needs of corporate and charter aircraft as well as recreational pilots. The facility includes a 6,500 foot main east-west runway with ILS and full length taxiway, a 4,200 foot secondary north-south runway, new terminal building with wi-fi, a charter operator and an aircraft mechanic. The facility's primary users include the local charter operator, UPS, FedEx, medevac aircraft, powerline and pipeline patrols, corporate and fractional aircraft, and resort related flights.

In 2004 a small group of local pilots and stakeholders began discussions on the overall direction and development of the airport. A number of concerns and issues were identified. One of the group members, while attending the Michigan Association of Airport Executives annual meeting, heard Jeff Kaczmarek from the Michigan Economic Development Corporation speak on the importance of airports in economic development. A follow up conversation with Mr. Kaczmarek reinforced the belief that business opportunities were being missed at KGLR.

With Mr. Kaczmarek's information and additional information provided by the Aircraft Owners and Pilots Association (AOPA), a plan was developed and implemented by the group. Following AOPA best practices, the group organized and hosted a stakeholder meeting and moved forward a proposal to the County to establish an Airport Advisory Committee.

In March of 2005, Mr. Kaczmarek made a presentation to the initial stakeholder meeting. Mr. Kaczmarek made several key points to the assembled stakeholders: Growth vs. stagnation – investment in infrastructure determines which; focus on your sweet spot and market it!; communication & education critical to success; your airport should be part of economic development strategy; and a GA facility is a “must have” for economic development. In August of 2005 an Airport Advisory Committee (AAC) was formed to provide stakeholder input into the development and operation of the facility.

The AAC's initial planning identified the need to establish a long-term vision for the airport's development; the need to evaluate the operations and development in terms of General Aviation versus a mix of GA and commercial service; the fact that the airport is a gateway to Gaylord and Otsego County; the need to develop sustainable funding; and the fact that the airport is an integral provider of services to the community. See Attachment A for the AAC Strategic Planning Overview.

II. The Problem

The AAC has identified one of the primary challenges as how to develop the airport into a self-sustaining operation requiring little, if any, government subsidy. The AAC believes that an overall business plan must be developed and implemented if the airport is to achieve a positive financial status with the community. The development of a feasibility study will allow the airport to look at strategies and opportunities for improving the cash flow from the airport's assets. One of the primary outcomes of this effort will be new and expanded commercial enterprises, private investment and job creation.

An important subset of opportunities to be assessed is commercial service. Several efforts have been made to secure air service with only a short-lived operation in 19__. State legislative efforts resulted in a commitment by Northwest Airlines to provide several rural communities with air service in the 19__ agreement with the State of Michigan related to the financing of the new Detroit Metro Terminal. This

commitment to rural air service included Gaylord. The caveat is that Northwest has 30 years to meet its commitment.

Discussions and limited exploration of the issue by the AAC give some indication that there may be an opportunity for air service, albeit in a limited form such as seasonal air service or scheduled charter service. However, there is a significant amount of data to be collected and analyzed related to the size of market, the quality, quantity and demand of regional resorts and their accommodations.

III. Solution

Objectives

Hire a consultant with experience in positioning airports to capitalize on their strengths, locations, and available opportunities. The work product provided will be a feasibility study (See Attachment B for a draft outline).

Methods

Undertake a process that will gather the relevant data necessary to assess KGLR's position, identify traditional and emerging strengths, weaknesses, opportunities and threats, develop recommendations for strategies to overcome weaknesses and mitigate threats and capitalize on strengths and opportunities. The goal will be to develop a series of strategies that can be implemented.

The following issues would be explored:

1. Can KGLR secure some form of commercial service to serve the community and its tourism and other businesses sectors?
2. Can KGLR secure other types of airport-based enterprises? What are they and how do we go about identify and locating them?
3. What are the costs involved in 1 & 2 above?
4. How do we accomplish this?

Time Line

We anticipate the process to take 12 months to complete from selection of the consultant.

IV. Budget

Item	MEDC	MDOT	Total
Consultant	\$50,000	\$50,000	\$100,000

V. Personnel

See Attachment C for a list of the Airport Advisory Committee

**Gaylord Regional Airport Advisory Committee
Strategic Planning Overview**

Focus of Effort. Discussion of need to develop a strategic plan. The airport once had a growing GA population with a very active airport. However, an air show was held that resulted in a loss that the County had to cover which led to a decline in support from the County for continued activities. This and other factors have led to a low level of community interest in the facility, dwindling support and ultimately its deterioration. Further discussion on the AAC's role and concern as to whether it will be listened to by the County. The County assured the AAC that the Commissioners are looking to the AAC to plan, review, advise and promote. Discussion regarding County's budget situation and need to develop an airport strategic plan with financial model that moves the airport towards operating self sufficiency. The County has indicated that with a good plan there would be greater likelihood of County capital investment in the facility.

1. Community Relations. Consensus that this goal is important. Issues discussed included what services are offered, and how to communicate them. Ideas included Chamber business afterhours, hospital events and publicity, need to get users to help raise profile, "airport week" including a series of activities on and off site, and radio. Users include military, UPS, mail, Young Eagles, hospital. Need to educate users to "fly the pattern" in order to minimize noise impact on surrounding residential areas. Conversely, need to work with County Planning to minimize the impact of residential development on flight paths.
2. Economic Development. Consensus that this goal is important. Facility is used by transportation service companies as well as corporate decision makers. Does our airport meet its business' needs? Need to expand and attract airport-based business. Can the AAC undertake outreach to users (outbound marketing)? DHL?
3. Financial Management. Consensus that this goal is important. Issues discussed included financing of improvements, funding operations, and revenue enhancement. The County has indicated that in three years the county will be faced with making drastic cuts to non-mandated services including the airport unless something changes at the state level. Awareness may be key to funding. The airport costs \$350,000 per year to operate. AAC needs to plan – look at the revenue and expense side of operation. Fee structures need to be looked at. What new services can be offered?
4. Airport Enhancement. Consensus that this goal is very important. Issues discussed included revenue generating projects, facility appearance, ground access (proposed overpass and interchange), land use surrounding airport, signage (lighted, landscaped), new tenants and businesses, user facilities (hangar scheme), landscaping around buildings and entrance to airport, uniforms of employees (purchase, w/ employee responsible for cleaning), process and signage that directs pilots in and around facility. Questions posed included how important are aesthetics to airport success? Consensus that aesthetics are important and necessary for future funding, developing and maintaining community pride, and are a reflection of the community (first impression impact). Further discussion that process for making changes to existing conditions will need to be planned, carefully executed, and reflect potential impacts elsewhere on facility. There are county owned hangars that need to be demolished, but currently generate income. DNR hangar also in poor condition, has 50 year lease that may be up (though noone has copy of lease). Airport has color standards, but allows variations of blue and gray which has resulted in the inconsistent color scheme of facility. Discussion of need to look at tightening standards, possibly establishing Covenants, and setting up a painting project to bring non-conforming hangars into a set color scheme. Street names were also mentioned as a standards issue.
5. Identify and Safeguard Improvements. Discussion of how we go about maintaining a direction once it is set. Issues discussed included budgets, conducting Strengths, Weaknesses, Opportunities and Threat (SWOT) analysis on a regular basis, the need to "look over the horizon" regularly, and our business/master plan must reflect changes in external environment, be updated regularly. General discussion of how do we make facility sustainable. How do we get people to use the facility. What would perceptual benefit be if public saw 20-30 planes parked versus seeing empty ramp! Activity breeds activity! Ideas discussed included: "Community Day" – when all planes are out of hangars and on the ramp and community are invited out; Brochures to Treetops and Otsego Club

customers. Need to establish regular 5 year review and update of master plan and have recommendations included in County master plan.

6. Land Use Planning. Should the AAC be involved with County and State planning? Issues raised included the I-75 crossing project (visibility, emergency services access to airport, access to public and commercial services), new industrial park (industrial use is very compatible), land use surrounding the airport (need to make sure growth doesn't negatively impact airport development and operations, need to look at land use changes), FAA does not provide protection on height issues (Michigan DOA and locals enforce height strictly), changes of airspace classification, need to make sure land use planning and decisions reflect airport and development plans.

7. Pilot and Community Education and Awareness. Issues discussed included PR function (need to have answers and be able to disseminate to public), bringing in state officials to conduct safety seminars and briefings, using peer to peer communication to head off problems (flying out of the pattern)

Draft KGLR Feasibility Study Outline

1. General Description
2. Targeted Sector Analysis
 - Commercial Service
 - Other Commercial Opportunities
 - General Management and Operations
3. Market Analysis
 - Market requirements for targets
 - Market conditions on the ground for KGLR and region
 - SWOT assessment as they relate to targets
4. Financial Analysis
 - Investments required
 - Revenue and expense
5. Implementation Strategy
 - Recommended direction(s)
 - Recommended methods and approaches

Attachment C

Gaylord Regional Airport Advisory Committee

Mike Deerfield, Chair

Pilot and President of Deerfield Communications, a technology service company.

Vacant, Vice Chair

Jeff Ratcliffe, Secretary

Executive Director of the Otsego County Economic Alliance, the local economic development organization.

Mike Fernandez, General Manager of Treetops Resort

Steve Johnson, Vice President of Johnson Oil Company and Pilot

Wally McCoy, Retired Airline Pilot

Dan Wagar, Vice President of Wagar Motors

Paul Liss, Ex-Officio AAC Member

Member of the Otsego County Board of Commissioners

Matt Barresi, Manager of Gaylord Regional Airport