



ROCK COUNTY DEPARTMENT OF PUBLIC WORKS

Airport - Highways - Parks

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Ad Hoc Committee on Airport Future Minutes

Wednesday, April 25, 2018– 12:00 p.m.

Southern Wisconsin Regional Airport Conference Room

1716 W. Airport Rd.

Janesville, WI

Call to Order. Chair Fox called the Ad Hoc Committee to order at 12:03 p.m.

Committee Members Present: Chair Fox, James Otterstein, Ryan McCue, Aimee Thurner, Evan Redders, Mark Gunn, Bonnie Cooksey, Larry Barton

Committee Members Absent: James Freeman, Larry Squire, Sherri Stumpf

Ex Officio Members Present: Greg Cullen, Duane Jorgenson, Mark Graczykowski

Others Present:

Randy Terronez	Assistant to the County Administrator
Betty Jo Bussie	County Board Supervisor
Bill Ruchti	City of Janesville Fire Department, Deputy Chief
Cynthia Hevel	Airport Specialist

Approval of Agenda. James Otterstein and Bonnie Cooksey moved the Agenda. MOTION CARRIED.

Review & Approve March 29, 2018 Minutes. Mr. Barton and Chair Fox moved to approve the minutes. MOTION CARRIED

Citizen Participation, Communications and Announcements. Chair Fox introduced Supervisor Bussie and Deputy Chief Ruchti.

Review and/or Discussion:

List of County Funded Capital Projects. Mr. Terronez went over the handout included in the agenda showing SWRA Capital Financial History and explained that the capital asset items that were listed are actually several smaller purchases that were funded by the county during the budget process and not one large purchase.

Update on RPZ & URPZ. Mr. Cullen stated that based on the last Ad Hoc Committee meeting and the recommendation from this committee, he put the possible land release study on the Public Works Agenda and it was discussed yesterday. The Public Works Committee did decide to go ahead and request that the BOA and FAA do the studies and make a determination regarding land releases for the extension of Innovation Dr. through the airport's URPZ. He has already initiated

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the studies via e-mail to the Bureau of Aeronautics and they will push it forward to the FAA. This is a slow process and could take from 12 to 24 months. Chair Fox asked if the City could do any work on the project during the study and Mr. Graczykowski replied that they could proceed with engineering work, but that they run the risk of the study making a determination that denies the land release. He also stated that if he receives indication that the FAA will approve a land release, but waiting for paperwork to go through the system, he would let the City of Janesville know so they can proceed with planning.

Fire Station & FAA Funding of Operation Fire Station Costs. Mr. Graczykowski stated that he had discussed funding of a joint fire station with the FAA and they stated that we could receive federal funding at the same percentage that we would if it was an airport only station, but they will only cover the portion that is used for the airport. For instance if it is a four bay fire station and one bay is for the airport fire truck, then they would cover their normal percentage on 25% of the building. Mr. Graczykowski said that he did not discuss funding access to the station from the road or from the station to the airfield, but he is hoping that because it would be airside, it would be funded normally. There may need to be an agreement on concurrent land use.

Mr. Cullen stated that the fire station would probably be located along highway 51 either north of ABC Supply or south of SC Aviation. The airport is starting the process of updating the Airport Layout Plan (ALP) and now is the time for this discussion. Also, the airport just took delivery of a brand new fire truck and it does not fit in our fire bay, it is about 6 inches too long. We currently have it housed in a different equipment bay and are making do, but it is not ideal. As such, the airport is currently discussing updating the old building and the decision to build a joint fire station would directly affect the dollars needed for those upgrades. A decision on this topic needs to be made in the near future. Chair Fox stated that this issue needs to get to the Public Works Committee and Supervisor Bussie added that it should be addressed during the budget process.

Some discussion on the redistricting of Rock Township and the need for additional fire services took place. Mr. McCue stated that there is definitely a service void on the south side, but staffing and the budget to support it is the big issue. Fire Chief Banker and the Deputy Fire Chief would be very involved in this issue and Mr. Jorgenson stated that he and Mr. Cullen and Mr. Terronez would be involved on the county side.

Part 139 Certification: Costs to SWRA. Mr. Cullen stated that while trying to research this issue he found it very difficult to actually quantify a cost for maintaining the airport's Part 139 certification. There are some things that need to be done for 139 like fire school training, wildlife control, markings and paint that have to be maintained, and also nightly inspections that are required. It is difficult to put a quantifiable number to non-tangible items, but there are associated costs.

Part 139 Certification: Additional background on Kenosha Airport Giving up 139 Certification and Ramifications. Mr. Cullen stated that Kenosha airport gave up their 139 certificate prior to 2005. They don't feel that it has hurt them. Mr. Cullen added that they are now having some benefits of the Foxconn project.

Mr. Graczykowski stated that the biggest difference between Part 139 airport and non-Part 139 airports is the fire-fighting service, record keeping and inspections. While the FAA does periodic

inspections for Part 139 airports on a regular basis, they do not do them for non-Part 139 airports. Those airports get inspected by the state every 3 years and the inspections are not as rigorous. In addition, if a Part 139 airport has a deficiency they would be eligible for Federal funding to correct those deficiencies at a higher priority where a non-certificated airport would not.

Mr. Barton stated that he hears a lot of advantages to having the Part 139 certificate but not a lot of disadvantages. Chair Fox agrees that there are more advantages to having the certificate and the county has always tried to maintain the airport to the highest standard available within our means. But he has to be able to quantify his recommendation when he makes his presentation to the county board.

Mr. Redders asked if we lost the 139 would we have any reason to keep and maintain the fire truck. Chair Fox responded that we could keep services, but we would not be eligible for any funding from the FAA relating to fire services.

Mr. Gunn stated that he would think that being a Part 139 airport would be a big positive for new economic development. Mr. Otterstein stated that it is, but the justification for keeping the 139 in the past has always been on the chance of getting commercial service here. The question was asked if we gave up the 139 could we still get commercial service. Mr. Cullen replied that we could, but that it would involve having and passing a 139 Inspection before it could happen.

The general consensus of this committee was that additional information, particularly costs, from airport staff is needed regarding the pros and cons of Part 139 before the committee can make a recommendation on this matter.

Financial & Operational – programmatic info on Kenosha & Fond Du Lac Airports (very low tax levy subsidy/low staffing complement). Mr. Terronez reminded committee that at the last meeting it was discussed that both airports had a very low tax levy compared to other airports. He went on their websites and was able to determine that those airports have significantly more tax levy than the \$50,000 or less reported to the BOA. The big difference is that they show only three staff for the airport while we show 6. Other support services are being handled by other county staff that are not being charged to the airport. Their staffing levels are different because at Kenosha the senior staff person listed is at the level of our crew leader with no manager. Management is not charged to the airport. Mr. Barton asked if SWRA had any “fuzzy” categories of that nature. Mr. Terronez replied that there is not, all SWRA airport expenses are directly allocated to the airport except for workman’s comp expenses; that is a cost pool for all county departments.

Mr. McCue asked if the purpose of this committee is to try and find ways to cut the budget. If so, where do you cut? Eliminate staff or runways? What exactly is the purpose?

Chair Fox replied that the purpose is to make recommendations to county staff on how to manage the airport, the Part 139 Certificate and what would happen if the airport wasn’t here; is it an important element in attracting business of the committee?

Mr. Otterstein stated that without the airport we would be hurting the businesses that are already here. The airport is an important part of the overall transportation infrastructure. It provides a

valuable service. Not that everybody utilizes it, but without it we would be at a significant disadvantage in what we are able to accomplish collectively.

Mr. McCue asked about operating the airport with one less runway. What would be the savings? Can the airport operate without it? Chair Fox stated that we do have a runway here 18/36 that needs some major work and it is not used a lot. Mr. Gunn said that there is a cost of removal, and if we ever needed it would be hard to get back. Mr. Barton said he didn't think 18/36 is going to be used for a lot of jet traffic and Mr. Fox stated that 18/36 is very important when there is construction. Mr. Cullen remarked that this summer there will be two times when 18/36 will be the only runway available due to construction.

Mr. Cullen stated that Mr. McCue's question is a fair one and there may be places where money can be saved, maybe it is in staffing or in his position. Maybe it can be run by three people, he doesn't think so, but maybe.

Mr. Barton responded that it is a fair question when talking about a little airport with five rich people that have airplanes in a hangar, but this is not that type of airport. So he doesn't feel those types of questions apply.

Mr. Jorgenson stated that the Resolution that formed this Committee laid out what the purpose of the committee is and went over each of the four items briefly.

2017 Comparable Airport Information. Mr. Cullen discussed the information we received from the BOA giving us the 2017 information from their survey. There were minimal changes from the 2016 information. We are still pretty close to the middle on our rates and charges.

T-hangar Development: public vs. private ownership. At the last meeting the question came up if it would make sense to have the county own hangars or if they should be private. Mr. Cullen referenced the handout on t-hangar revenue, expenditures and occupancy. One noteworthy item is that we eliminated some hangars in 2008 and 2009. There is a downward trend in the occupancy rate. Mr. Cullen felt that we needed to work harder on marketing the empty hangars. Mr. Gunn asked if this was related to the GM closure and Chair Fox replied that it was more reflective of the economy and the recession. Mr. Barton suggested that Mr. Cullen take a look at AOPA and see if the percentage of private pilots has gone down.

Mr. Fox stated that last year during the budget process, a substantial request for hangar construction was denied. One reason given was that we already have vacancies. Why do we have vacancies? Is it the best use of funding to invest in an asset like that? Do we have enough information to form an opinion on whether the county stay in the landlord business or do we get out. Maybe we could make an argument that we won't build any new hangars, but we would encourage private development.

Mr. Cullen does not feel that we have enough information. He doesn't know what it would cost to build another hangar building and build to a standard that would attract pilots. If it has the amenities, then do they price themselves out? Do people want that here at SWRA?

Chair Fox feels that in his point of view, people are looking for more amenities and are willing to pay for it. They want heat and plumbing and running water. Mr. Otterstein stated if there were a policy recommendation that comes out of this committee along the lines of the county determines that they won't be a landlord, but facilitates privatization for whoever wants to step forward and do something about hangars, then there would be no legitimate criticism. More discussion about the condition of SWRA's hangars and private development took place.

Mr. Ryan McCue left the meeting at 1:11 p.m.

Mr. Redders stated that when he was working at Wisconsin Aviation in Madison, they had a wait list of 25 for hangars. Discussion on tearing down the older hangars took place; they are in a very favorable location. Mr. Fox stated that there were two sites on the airport that were already developed for hangars and it was discussed that they are currently leased to a company called Erect-A-Tube. It was suggested that Mr. Cullen call Erect-A-Tube and open a discussion. Mr. Otterstein said it is like building an apartment building, you have to have a 60% of the occupancy on a wait list. Mr. Fox stated that he would like to push this item forward.

Other Economic Development opportunities, e.g. Sonic Boom, Warbirds, Federal Opportunity Zone designation, Marketing SWRA Part 139 Certification, etc. Mr. Cullen stated that he is all for ways to market the airport. He has not had any contact from Sonic Boom people yet this year, so that is not promising. Warbirds weekend is happening in July. He would love to get another airshow here like we had some years back. Someone is currently looking to use the airport for a car show this fall.

Ms. Thurner asked Mr. Cullen how his relationship with the Beloit and Janesville visitor centers is. Mr. Cullen stated that it is medium. He reached out to both after he started and met with both of them. They have been out to the airport to look at our facilities, but nothing has happened yet.

Mr. Gunn stated that Farm Tech days is coming to Rock County in 2021 or 2022 and they may be looking to the airport for parking.

Mr. Otterstein feels that it would make sense to create a marketing package. Here is what we have to offer. Here is a ready-made template right here, right now. We have done our homework and we are ready to go. We can be proactive instead of reactive. This is our size, cost, and rules and regulations.

Mr. Terronez asked Ms. Thurner if Sonic Boom has an impact on rooms in Beloit. She said it does, they are full. Mr. Fox said their hotels are full as well.

What's Missing – Next Steps. The three things that Chair Fox feels are important for next time. Part 139 again, County vs. Private hangars, and what will be the best way to manage the airport in the future. Continue as we are? Or check and see how others are doing it, maybe a third party to manage the airport.

Next Meeting Date – Noon, Wednesday, May 30. Discussion on how many more meetings will be needed to conclude the study. Mr. Fox feels we will need at least one more after the May

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meeting. Mr. Gunn stated that this airport has everything here, it's just a matter of enhancing and promoting what we've got. Mr. Fox agrees, he feels that intuitively he knows the way to go, but that is the purpose of this committee. Mr. Jorgenson feels that this will give us a secondary level of confidence moving forward with decisions on these matters. Mr. Fox stated that with our runways, and tower, there is not another airport like us in the state of Wisconsin without commercial service. Discussion on marketing budget took place. The date of June 27th, at 2018 at noon was added as an additional date for the Ad Hoc Committee to meet.

Adjournment. Mr. Gunn and Ms. Thurner moved to adjourn at 1:37 p.m. MOTION CARRIED.

Respectfully Submitted,

Cynthia Hevel
Airport Specialist