

MEETING MINUTES
March 28, 2024, 3:00 PM CT
University of Illinois-Willard Airport
Airport Advisory Board Meeting

1.0 CALL TO ORDER

- A. Meeting called to order at 3:05 PM on Thursday, March 28, 2024, by Chair McCrory-McKay.
- B. Roll Call: Carly McCrory-McKay, Jayne DeLuce, Karl Gnad, Bruce Knight, Diane Wolfe Marlin, Sharee Robinson (via Zoom), Steve Summers, John Walsh, Christopher Walton
- C. Absent: None

2.0 APPROVAL OF MINUTES

- A. January 22, 2024, Minutes: Chair McCrory-McKay asked the Board for any edits, discussion, or comments regarding the minutes. There were none and Board Member Walton moved to approve the minutes with Board Member Marlin seconding the motion. It was a unanimous vote to approve the minutes as is. Motion carried.

3.0 PUBLIC COMMENT

- A. Policy Regarding Public Input: Chair McCrory-McKay asked if there were any public comment requests turned in at the Willard Airport Conference Room. There were none.

4.0 REPORT OF THE EXECUTIVE DIRECTOR

- A. Chair McCrory-McKay turned the meeting over to Executive Director Bannon for the Director's Report. Executive Director Bannon mentioned that moving forward the Advisory Board meetings will be held in the Willard Airport Conference Room. Executive Director Bannon gave project updates:
 - a. Ion Grove Café - the concessionaire is working to install utilities, electrical installation, and flooring. The goal is to be open by May 1st.
 - b. New Parking System - the new system was installed at the end of 2023. There are ongoing issues with providing receipts at the exit gates, likely software.
 - c. Public Address System – the current system is original to the building and is having functionality issues. A new system will be installed. The project is being led by Airport Fire Marshal John Cumbee. The kick-off meeting has taken place, with an anticipated replacement by summer of 2024. The new system will have numerous announcement zones, improving messaging throughout the terminal.
 - d. Rental Car Counter Replacement Project - millwork is in production at the University of Illinois Facilities and Services. The storefront is being replaced which includes new lighting and will look similar in design to the existing airline counters. Construction is anticipated during the summer of 2024. Temporary counters will be built. Board Member Bruce Knight asked if the rental car companies would remain operational during the construction. Executive Director Bannon answered yes and added that the temporary counters will be located along the windows of the terminal. Chair McCrory-

McKay asked about the timeline for the construction. Executive Director Bannon responded that the transition from temporary counters to new counters should be in less than 2 months once the project starts. Information Technology improvements and floor trenching will be involved in the project.

- e. Terminal Lighting Improvements – in areas except the main public terminal high ceilings, ceiling lights will be upgraded to reflect the upgrades made in the boarding terminal with new ceiling tiles.
- f. TSA Relocation Project - pending grant award with the FAA. Working with project managers with Facilities and Services, final bidding documentation, project costs, and consultation documents. The project will start in late 2024.
- g. Midfield Taxiway Project – project is valued over \$10 million. The project addresses non-standard geometry on the airfield. The airport will be renaming our taxiways to align with FAA nomenclature standards. We have Taxiway Alpha, and Taxiway Alpha 2 but no Taxiway Alpha 1, for example. The Pre-Construction meeting is in April, project start will be in May or June, depending on contractor scheduling.
- h. New Car Wash facility – Ribbon cutting took place recently, with no interruptions and operational without issues since the event. There is a small punch list of items that still need to be done by the contractor, all critical items are functional.
- i. FAA Airports District Office Visit – our team is visiting the FAA’s Airport District Office up in Chicago on April 8, 2024, to discuss our long-term capital planning. The two big projects that we will be pursuing in the future are Terminal Phase 2 Rehabilitation which is the exterior façade of the building, 2 sections of roof are remaining, elevators/escalators, HVAC updates, terminal entrance doors. Our windows are also old and the main skylight leaks, so we have a lot of smaller things to address in the project. Those smaller things add up to big money quickly. We expect that to be over \$5 million. We expect to talk about that with the FAA and our main runway 14L/32R is starting to degrade and needs to be rehabilitated.

Assistant Director Smith reviewed the Operations Report by Month and Calendar Year to Date. (All numbers were as of month ended February 29, 2024):

- a. Airline Fuel (Gallons Sold): 99,723 Gallons up 31% Year over Year.
 - b. Jet A Fuel (Gallons Sold): 82,661 Gallons, up 17% Year over Year.
 - c. AVGAS (Gallons Sold): 3,972 Gallons, up 32% Year over Year.
 - d. Airline Enplanements: 5,641, up 1% Year over Year.
 - e. Rental Car Days: 2,770, down 16% Year over Year.
 - f. Total Operations on the airfield, which are departures and arrivals, we are up 12.6% Year over Year.
 - g. Assistant Director Smith noted the airport’s annual FAA Inspection is next week.
- B. Assistant Director Martlage presented the Financial Report, the Statement of Net Position, and the Budget vs. Actual Variance Analysis. In December, the airport had a parking upgrade so for the month of January, parking revenues were very low. We are currently at a net Operating loss of \$774,893 for the year, with \$200,000 of that being reimbursed to us this year due to an insurance claim. Board Member Gnadt asked how we make up for the operating loss.

- Assistant Director Martlage stated the loss is taken from the Airport Operating Funds, covered with reserves. Current Fund Balances: State Fund \$406,422, Operating Fund: \$3,264,087, PFC Fund: \$690,693, CFC Fund: \$752,346, Private Gift Funds: \$21,742, Plant Funds: \$8,435, Parking System Loan: \$ (27,873), Utility and Road Loan: (\$447,836). Total Airport Funds: \$4,668,286.
- C. Executive Director Bannon reviewed the Air Service Report. The primary highlight is that on April 4, 2024, we go from 2 flights a day to Chicago to 3 flights per day for a total of 5 flights daily. Executive Director Bannon stated we were 2nd place in the region regarding total revenue generated for American Airlines. We do have higher fares due to our market, and even though our booking rates were in the 70% range, the airline is still profitable considering our higher fare.
 - D. Chair McCrory-McKay mentioned that the airport hosted a representative from American Airlines in January, which included lunch and a Fighting Illini Men's basketball game. Chair McCrory-McKay stated it was good to host American, as it was a good opportunity to discuss our market and service.

5.0 OLD BUSINESS

- A. Rules and Regulations, Minimum Standards-Subcommittee Update-Board Member Walton stated the sub-committee held an initial meeting to review the documents. The next step is the documents proceeding to public review, after sub-committee recommendation. Board Member Walton thanked the staff for doing the legwork in preparing the documents and thanks to the University for already doing the legal review, the sub-committee had very few revisions.
- B. Car Sharing Services-Executive Director Bannon gave an update on car sharing services. Executive Director Bannon advised that the pending one-year Turo agreement has operations taking place in two locations: Main Parking lot and to the Southeast of the terminal in the rental car return road, in person exchanges only. These locations deviate from previous plans, however Director Bannon stated he wanted to keep the board informed.

6.0 NEW BUSINESS

- A. Leasing Policy-Executive Director Bannon is bringing it to the Advisory Board to vote on its adoption. The proposed Leasing Policy was created in cooperation with the consulting firm Crawford, Murphy, & Tilly over the past several months. Dave Long with Crawford, Murphy and Tilly is in attendance virtually today. The Leasing Policy establishes guidance and procedures for engaging with current and future airport tenants regarding airport leasing. This policy does not cover leasing in the commercial airline terminal. The policy will cover rates and charges, procedures for establishing fair market value, applications to enter a lease and reversion standards. The leasing policy is necessary to ensure the long term financial and operational interests of the airport, ensure compliance with Federal Aviation Administration grant

assurances and to set consistent and transparent processes that have the best likelihood to have favorable outcomes for all parties involved. The primary elements of the leasing policy are as follows:

- i. The University of Illinois has police power, jurisdiction and control of the airport and all associated facilities and has the authority to establish this leasing policy under 110 ILCS 400.
- ii. The University must follow all FAA grant assurances which are enforced for a period of 20 years from the timing of the most recent grant offering which aims to insure self-sustaining airport operations for the long term.
- iii. The University must protect the orderly management of the airport, its financial investments, and the airport and ensure consistency and uniformity of business operations.
- iv. All projects and development must be established under FAA approved airport land plan and aligned with the highest and best use and viability for the airport.
- v. The airport will now require an application to enter a lease.
- vi. The Executive Director is authorized to interpret, administer, and enforce agreement within the Leasing Policy while the ultimate authority to approve, amend, supplement, license, permit or authorize commercial aeronautical activities is preserved exclusively for the University.
- vii. The airport retains the right to deny the request to lease based on parameters set in the Leasing Policy.
- viii. The airport and the University restrict leases to a maximum of term of 30 years with reversion requirements that any development originating from the land lease and any leases exceeding the 30 years must be due to extraordinary circumstances and must also be approved by the FAA.
- ix. The airport shall not permit more than a 5-year lease or license to any entity regarding existing facility which requires nominal financial investment.
- x. Fair market value appraisals may be required for existing facilities or reversions which are up for offer to renters.
- xi. The Leasing Policy outlines the appraisal process.
- xii. Standard escalators will now be established at a 3% annual basis.
- xiii. The airport establishes a minimum 180-day timeline for project delivery which includes the Airport Layout Plan and Airport Master Plan compliance review, appraisal, FAA Section 163 application and environmental review, and airspace approval.

The Executive Director asked if there are any questions and Dave Long is available to assist as our consultant. Chair McCrory-McKay asked the Board if they had any questions. Board Member Knight asked if the 5-year maximum lease is a standard practice. Executive Director Bannon replied that for a facility requiring minimal investment, a 5-year lease is the maximum. A shorter lease is an appropriate segway to discuss fair market value. The longer the lease term, the airport has fewer opportunities to evaluate fair market value. In addition, multiple parties may be interested in an available facility. That facility may be put up for a competitive bid and the financial proposals presented may impact who we chose to rent the facility to.

Executive Director Bannon mentioned having a long-term lease for a facility is not always advantageous for the Airport. Board Member Gnadt asked a question regarding the lease approval process and if the airport would also have to be approved by the University, is that mentioned in the policy? Executive Director Bannon confirmed that the approval process is mentioned in the policy. The university processes everything through the Office of Real Estate. Chair McCrory-McKay asked if the proposed leasing timeline considers the layering process of what is typical for the University? Executive Director Bannon responded that the University has a standard license agreement template and a standard leasing procedure. The Airport deviates from standard process due to some of the factors we have here like FAA oversight, airspace approvals, and environmental considerations, which have their own timelines. We require a 180-day look in advance minimum so we can get everything in place especially the appraisal process, which is an important factor in leasing. It's not something we have done traditionally in the past, however It's something we will be doing in the future. Chair McCrory-McKay asked if the Property Map would be attached to the final version of the leasing policy. Executive Director Bannon replied that the Property Map would not be attached as it is an FAA document. It is a living document that is amended from time to time based on the projects being done on the airfield. Attaching the Map would require the Leasing Policy to be updated frequently.

Executive Director Bannon stated that he is looking for a motion for recommendation of adoption by the University. Board Member Christopher Walton made a motion to approve the Leasing Document with Board Member Knight seconding the motion. It was put up for a vote by the Board and was unanimously approved. Motion carried.

7.0 BOARD MEMBER COMMENT

- A. Board Member Walsh made a comment about it being cool to see the Men's Illinois Basketball team arriving at Willard the other night and all the excitement that was generated from the tournament (Elite 8 Appearance).
- B. Chair McCrory-McKay thanked everybody at the table that has been incredibly supportive of our community conversations and efforts toward the Minimum Revenue Guarantee effort. We have certainly been doing a lot of engagement and community presentations and one-on-one meetings to get to the point where we can match the University's commitment of \$500,000, develop the Minimum Revenue Guarantee, and then hopefully have some very positive conversations with the airlines over the next couple months, and when we go to the Jumpstart conference in Washington DC mid-May. There have been good conversations and educational opportunities for the community as well. We have received a lot of positive comments and interest from the community about supporting the airport in general, and excitement about the potential of adding leisure routes for our community. The DC efforts were also discussed in the community and meetings. Thank you to everybody for your help and support and we are continuing to work on it.
- C. Vice-Chair DeLuce mentioned a shout-out to Chair McCrory-McKay and all the hard work she has put toward it. She feels the community is positive about the airport and there are some ambassadors that are using social media for positive comments about the airport initiative.

- D. Executive Director Bannon also thanked the MRG contributors among the Board members for their support in this initiative. It's very important to have people support us right out of the gate, it's helpful in this process. We appreciate your support and look forward to successful meetings with the airlines in May.

8.0 ADJOURNMENT

- A. Chair McCrory-McKay asked for a motion to adjourn the meeting. Board Member Walton made the motion to adjourn the meeting and Board Member DeLuca seconded the motion. Motion to adjourn the meeting was approved at 4:08 PM.



Secretary

5/10/2024

Date



Chair

5-10-2024

Date