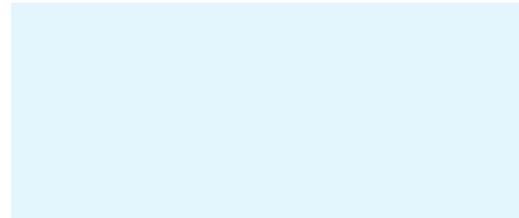
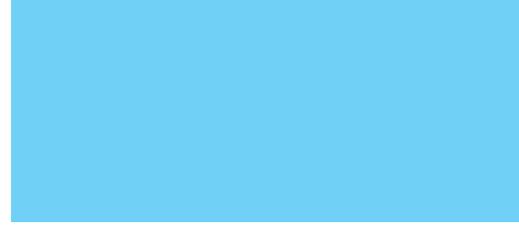


Stakeholder Engagement

- Master Plan Update (MPU)
 - Business Plan Update (BPU)
-

September 16, 2020 3:00 PM CST



Introductions

Stakeholders

- Phil Mall – BOAC Chair
- Trish Carlyle – City Council BOAC Liaison
- Rob Binney – Citizen Member
- Paula Derks – BOAC & Aviation Businesses
- Mike McGraw – FBO's and Airport Tenants
- Dr. John Faulkenberry – Airport Tenants
- Travis O'Guinn – Airport Users
- Matt Baird – Chamber and Business Community
- Mark Reid – LPOA/Neighborhoods
- Rick McDowell – EDC
- Joe Mullins – UCM
- Dr. Jeremy Bonneson –R-7/Education
- Brian Boehmer – MoDOT Aviation

Staff Support

- Bob Hartnett – Deputy Director/Project Manager
- John Ohrazda – Airport Manager
- Joel Arrington – Asst. Airport Manager
- Sarah Shore – PW Administrator Manager
- Mike Anderson – Construction Project Manager
- Cindy DeShazo – Admin. Assistant
- Christal Weber – Assistant City Manager
- Bette Wordelman – Finance Director
- Ryan Elam – Development Services Director
- Mike Weisenborn – Development Project Manager
- Cheryl Nash – Creative Services Director

Consultant Support

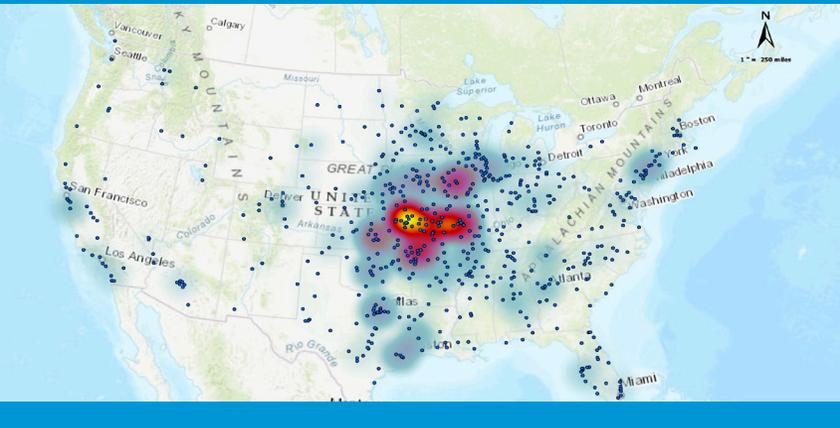
- Andy Bodine, P.E., C.M. – Project Manager (CMT)
- Esteban Aguirre – Aviation Planner (CMT)
- Randal Wiedemann (RAW)
- Seth Wiedemann (RAW)
- Rob Barber (RAW)
- Molly Waller (Centurion)
- Tyler Stuber – Coffman Associates

Opening Remarks

Bob Hartnett

- *Deputy Director of Public
Works/Administration*

State of the Airport – Post COVID Update

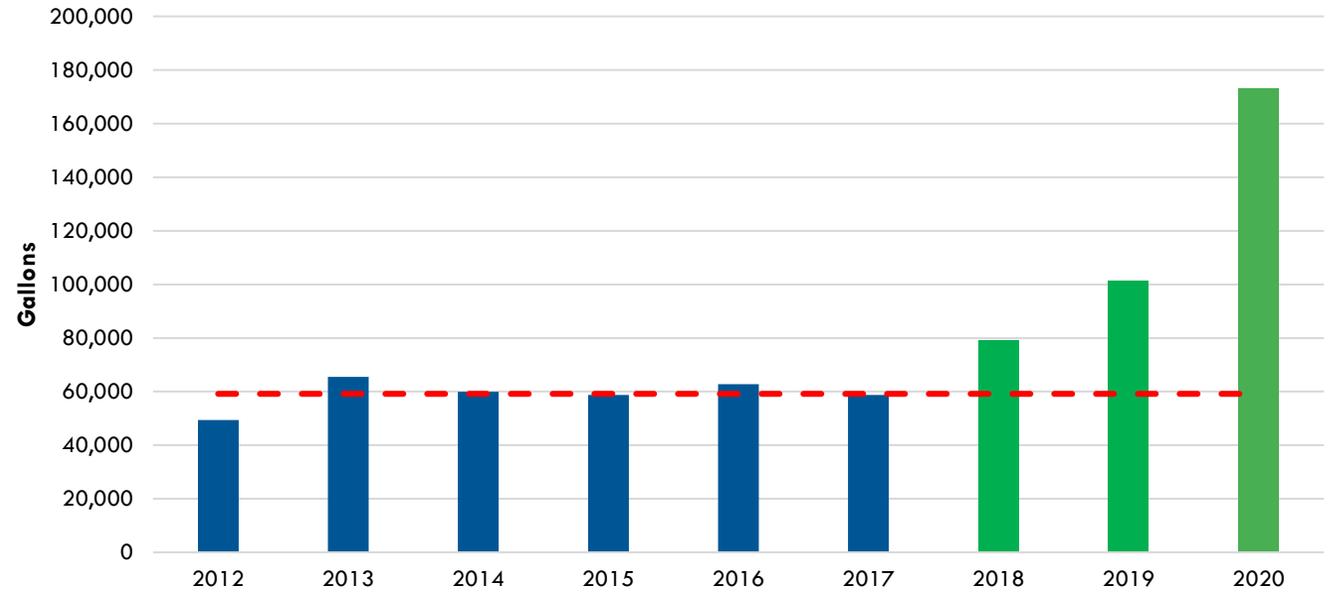


52.2%
Growth in Operations since 2017

109
Net New Operators since 2017

29
New Aircraft Types since 2017

Lee's Summit Jet A Fuel Sales (FY 2012 - June 2020)



24 → 134



Beech 90 King Air

19 → 114



Cessna 560 Citation

26 → 71

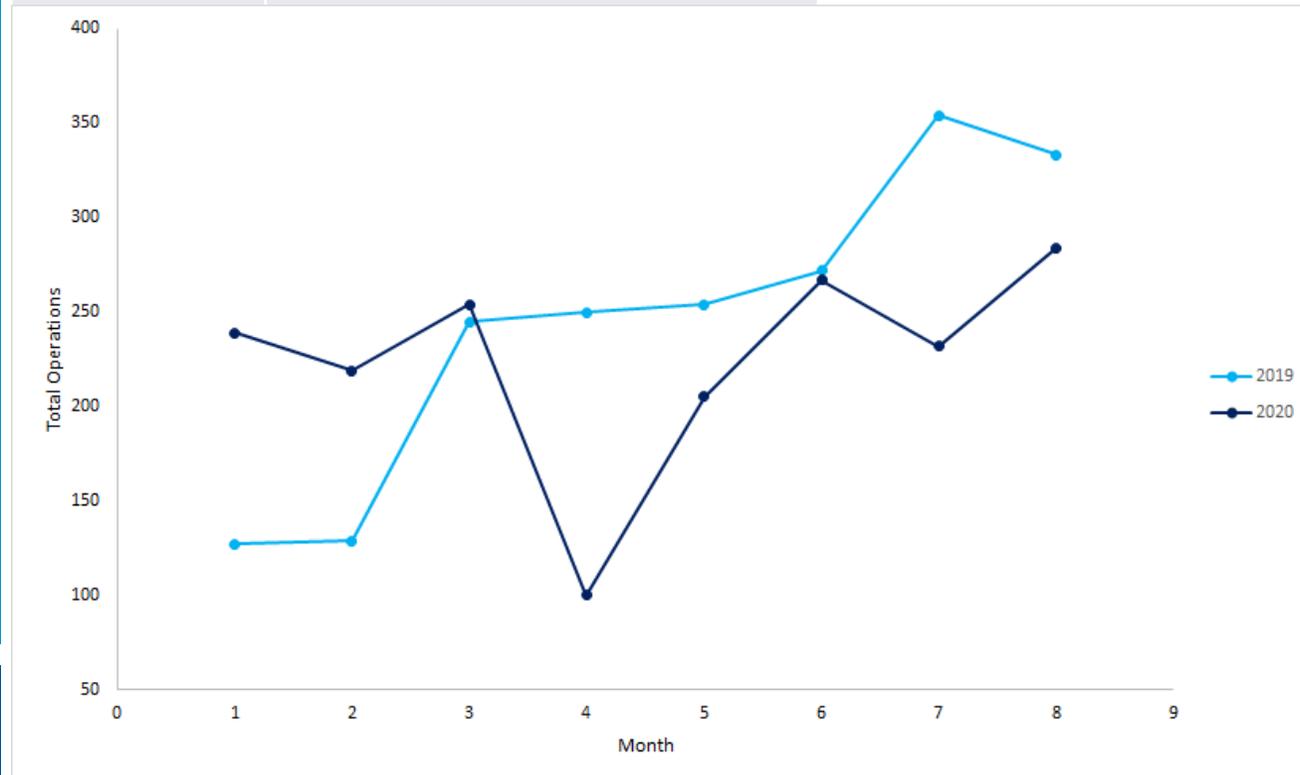


Cessna 510 Mustang

Instrumental Flight Rules (IFR) Operations – 2019/2020 Comparison

Month	Change (2019 vs. 2020)
January	+88%
February	+70%
March	+4%
April	-60%
May	-19%
June	-2%
July	-34%
August	-15%

Source: TRAQPak LXT IFR Flight Records from January 2019 to August 2020





Airport Inventory

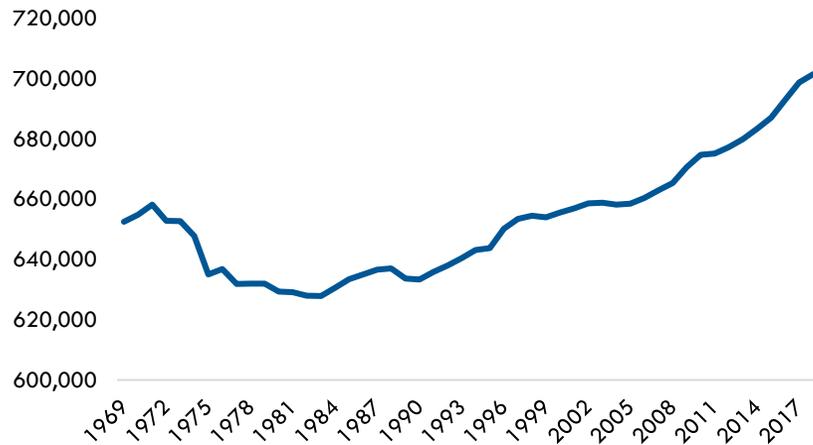


Socioeconomic Statistics

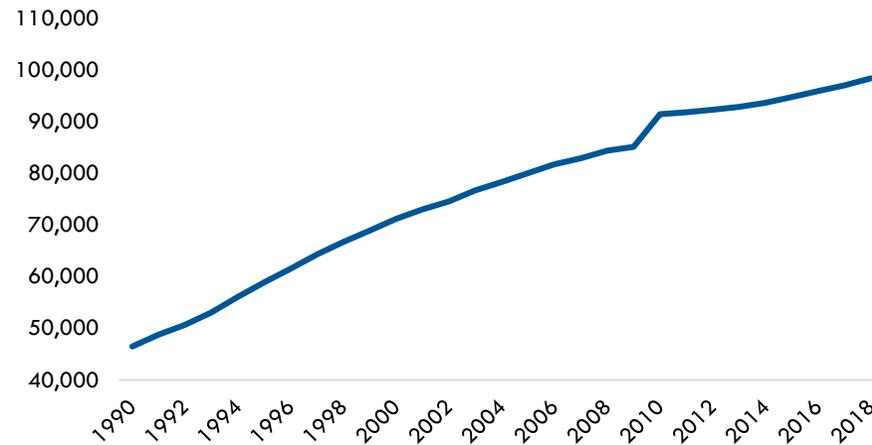
Understanding the local and regional socioeconomic trends around the Airport can be an essential factor in determining future aviation demand.

Population

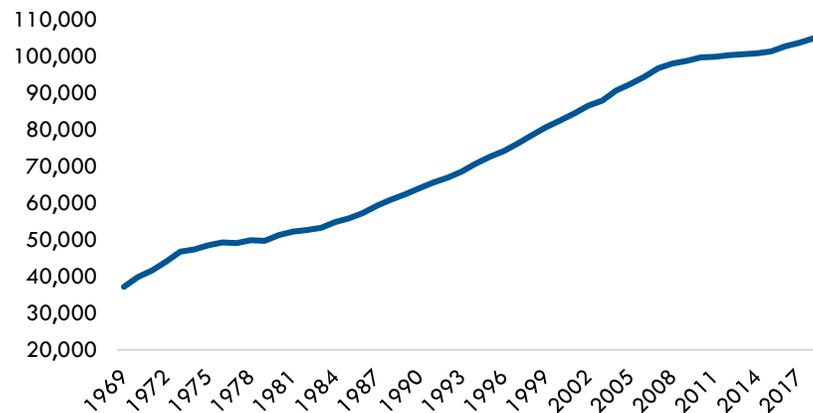
Jackson County



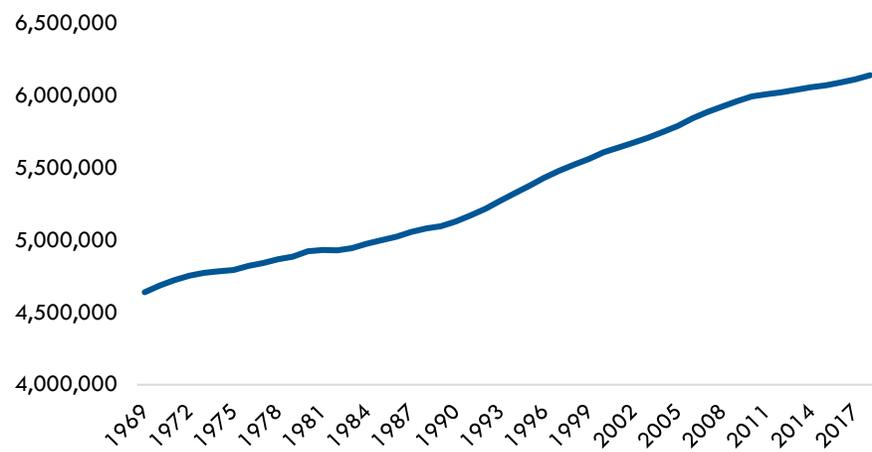
City of Lee's Summit



Cass County



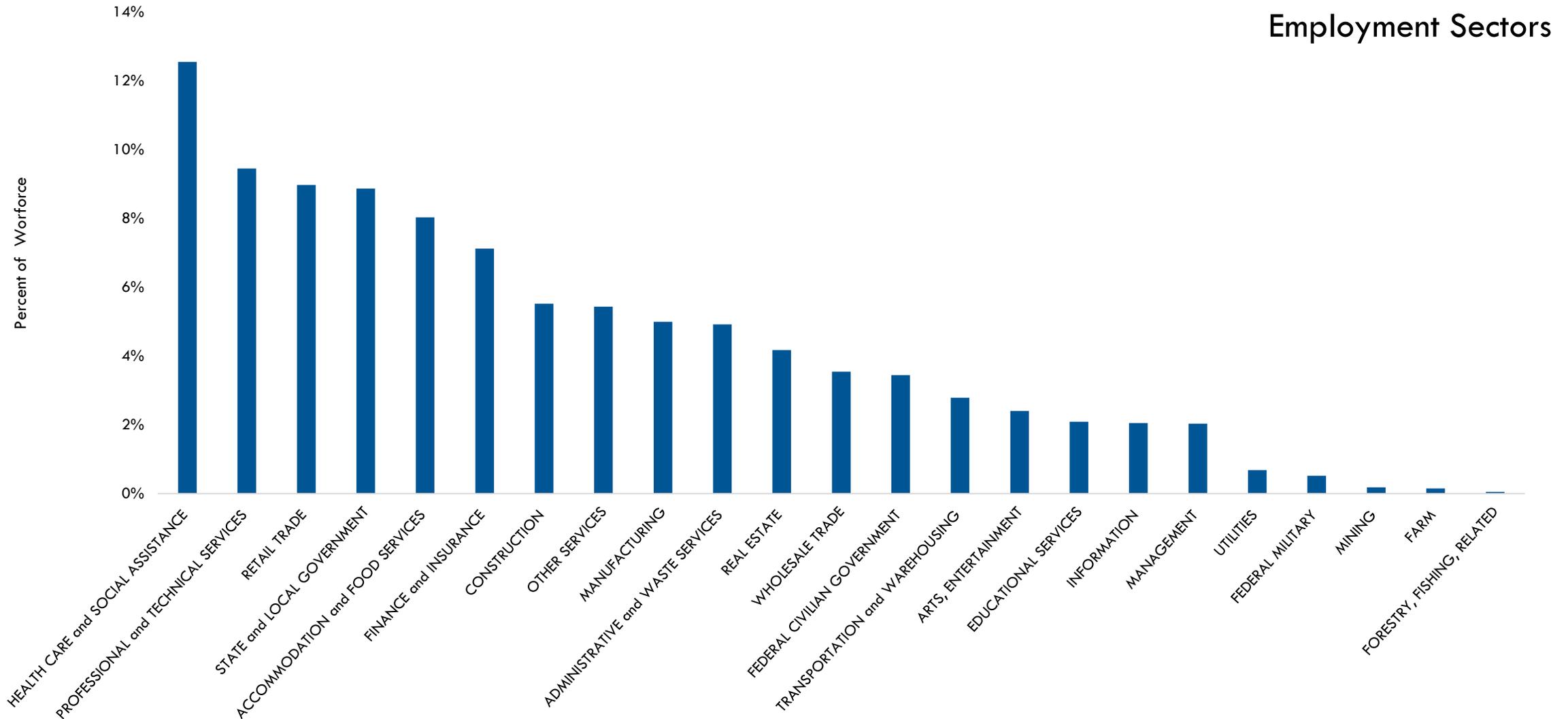
Missouri



Region	Compound Annual Growth Rate (CAGR) 1970-2018
City of Lee's Summit	3.83%
Jackson County	0.14%
Cass County	2.04%
State of Missouri	0.57%

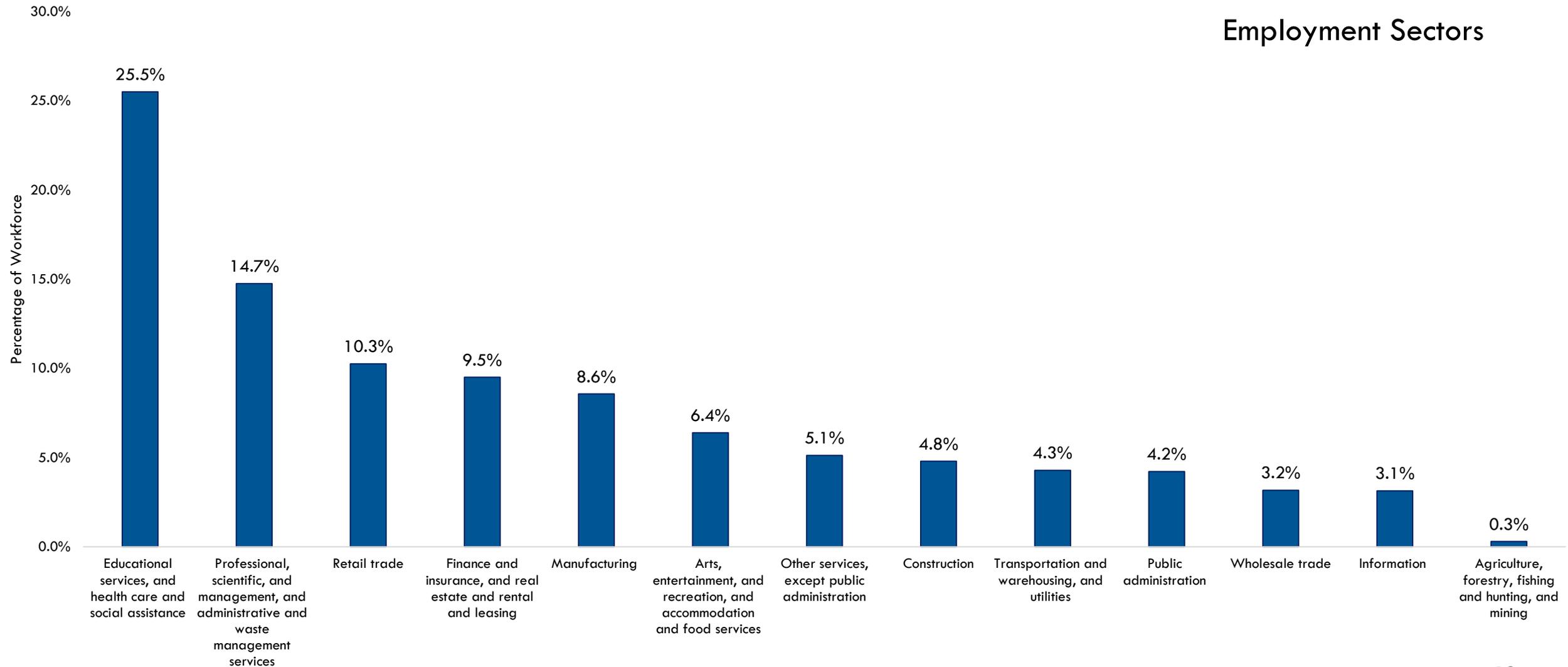
Source: Woods & Poole Economics, U.S. Census Bureau

Employment – Jackson County

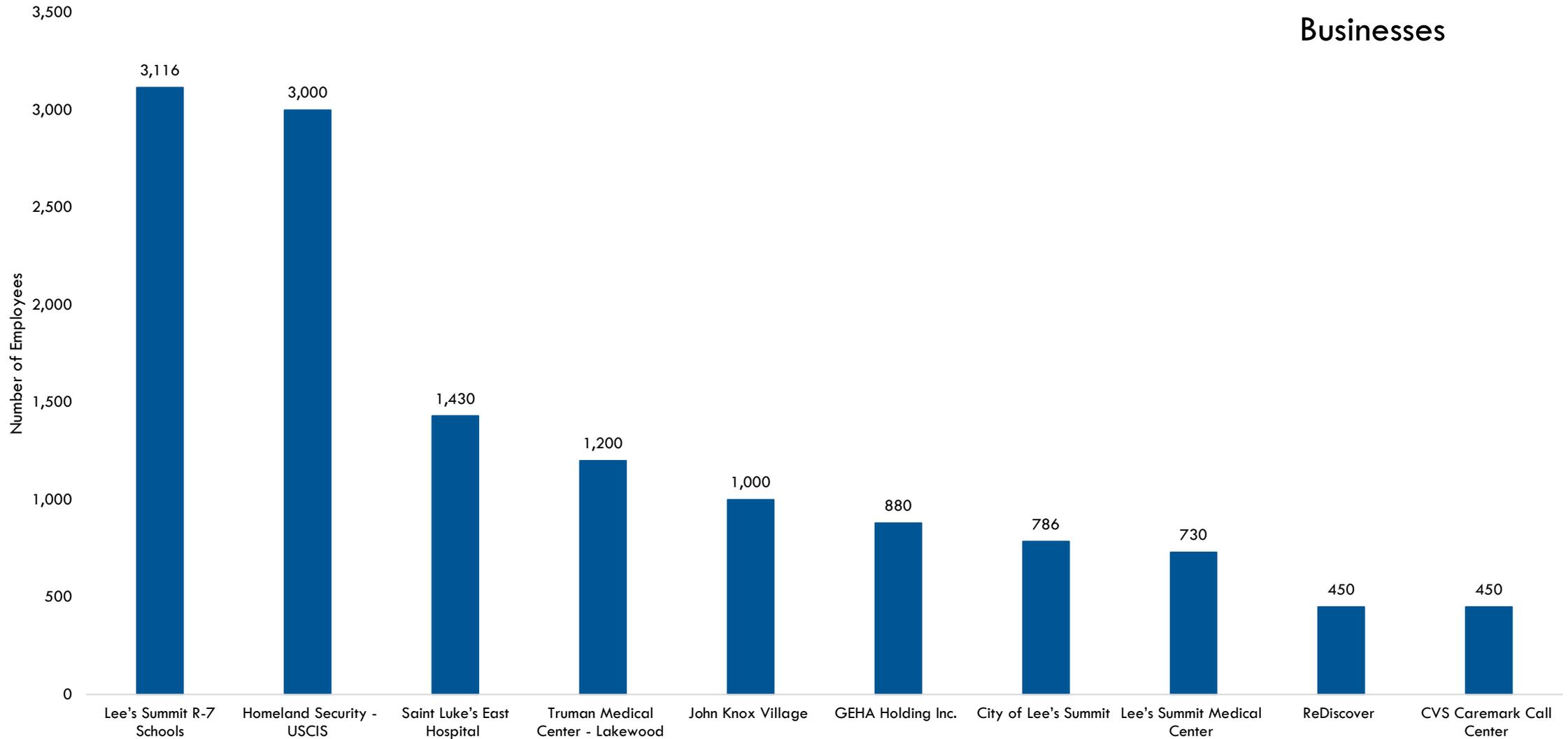


Employment – City of Lee’s Summit

Employment Sectors

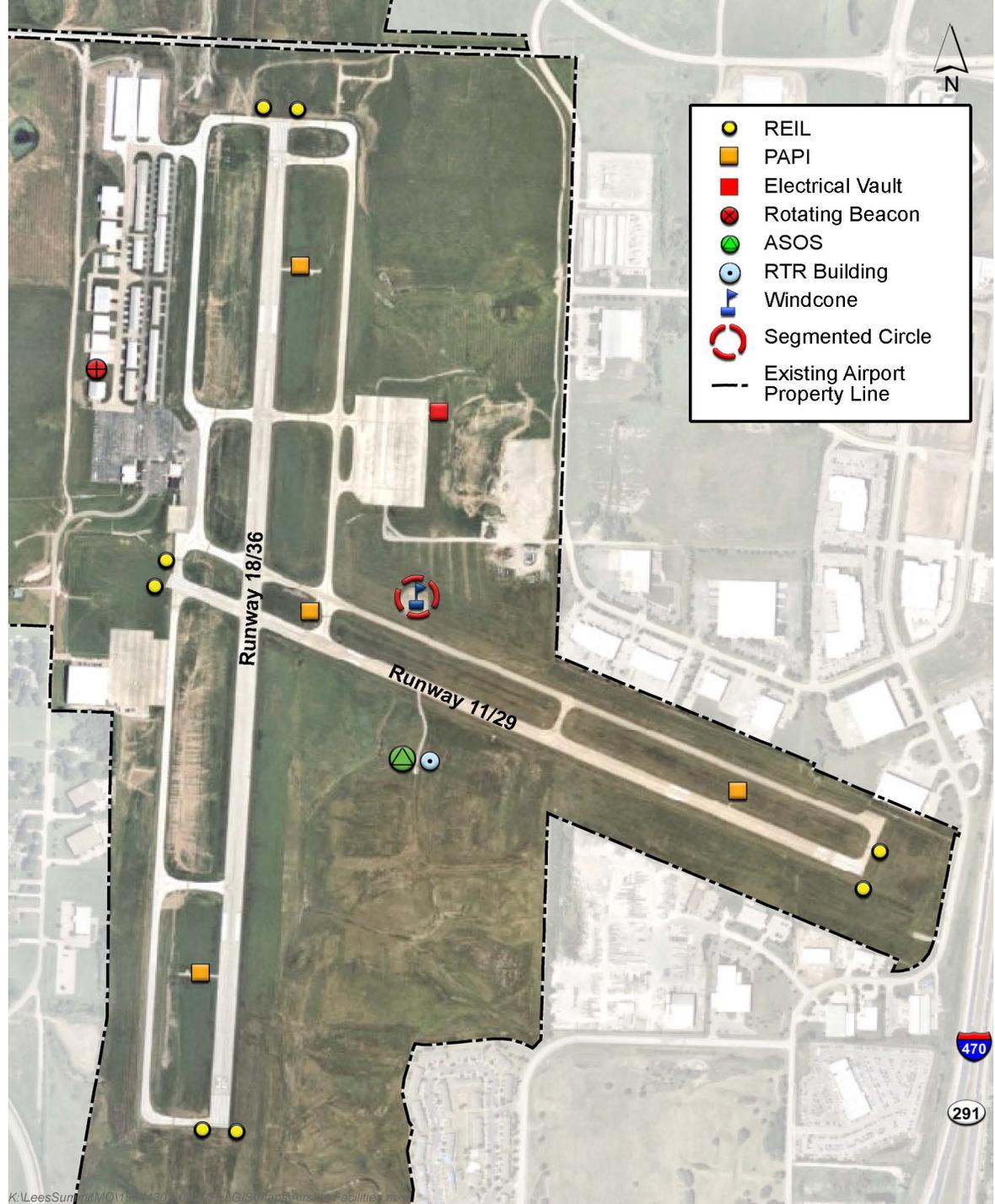


Employment – City of Lee’s Summit

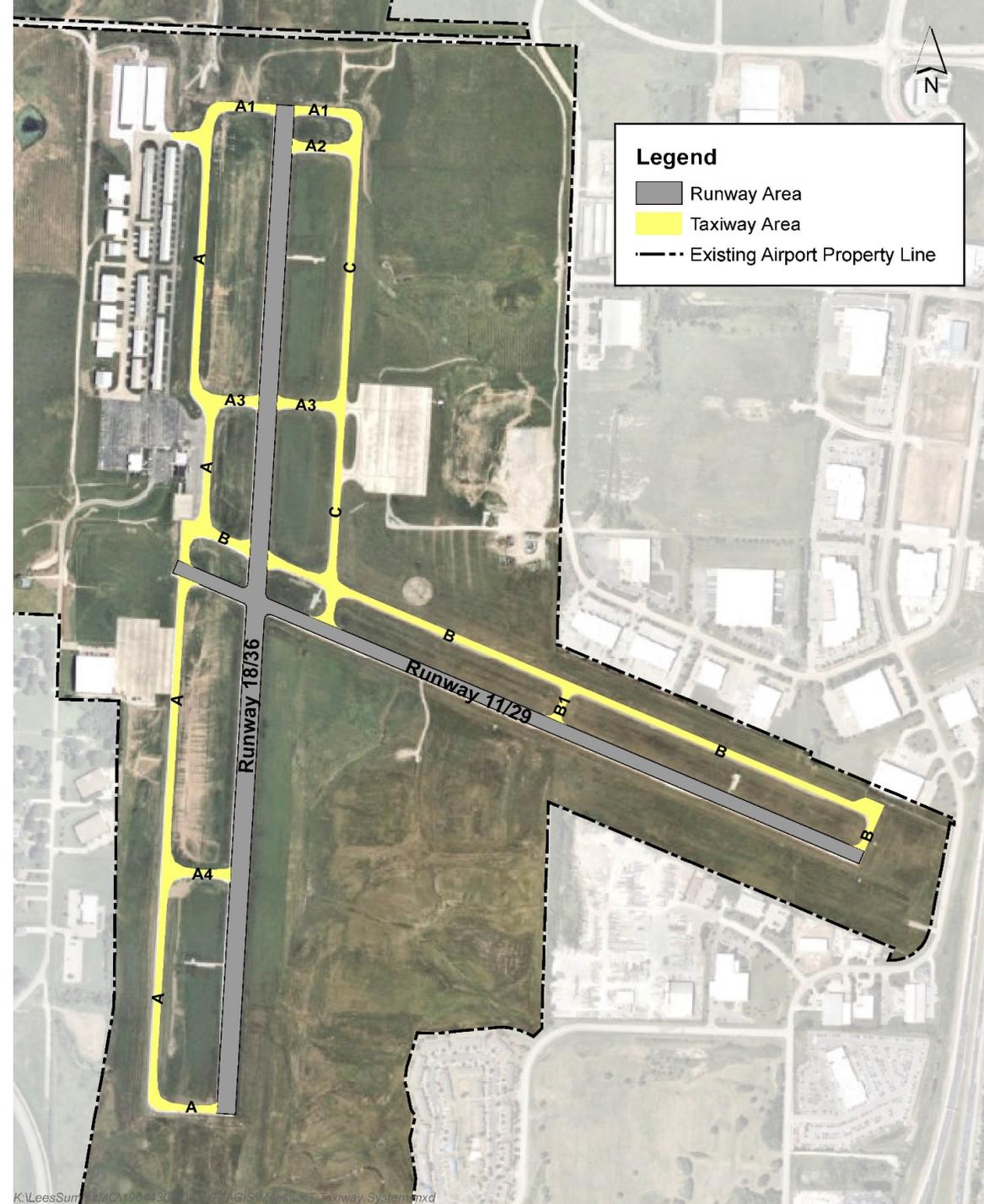


Source: Lee's Summit Economic Development Council; CMT

Airside Facilities



Taxiway System



General Aviation Hangar Area



Demand Projections

Key Forecasting Assumptions

- Forecast completed in June 2020
- Base Year: 2020
- COVID-19 short-term impacts and possible outcomes are considered:
 - Recreational and student training appears to be slowing down.
 - Charter and private aviation appears to be increasing.
 - Certain forecasting elements are tempered in the short-term and an assumption made that activity will return to normal levels within short-term (5 year) timeframe.

Key Forecasting Assumptions

- **National economy** - influence the aviation industry and can have significant impacts on the extent and nature of aviation activity in both local and national markets. Nonetheless, over time trends emerge and provide the basis for airport planning.
- Long-term aviation demand, population, and socioeconomic forecasts published by the FAA, U.S. Census Bureau, Woods and Poole, as well as local and regional planning agencies are assumed to be accurate and utilized in this forecasting effort.

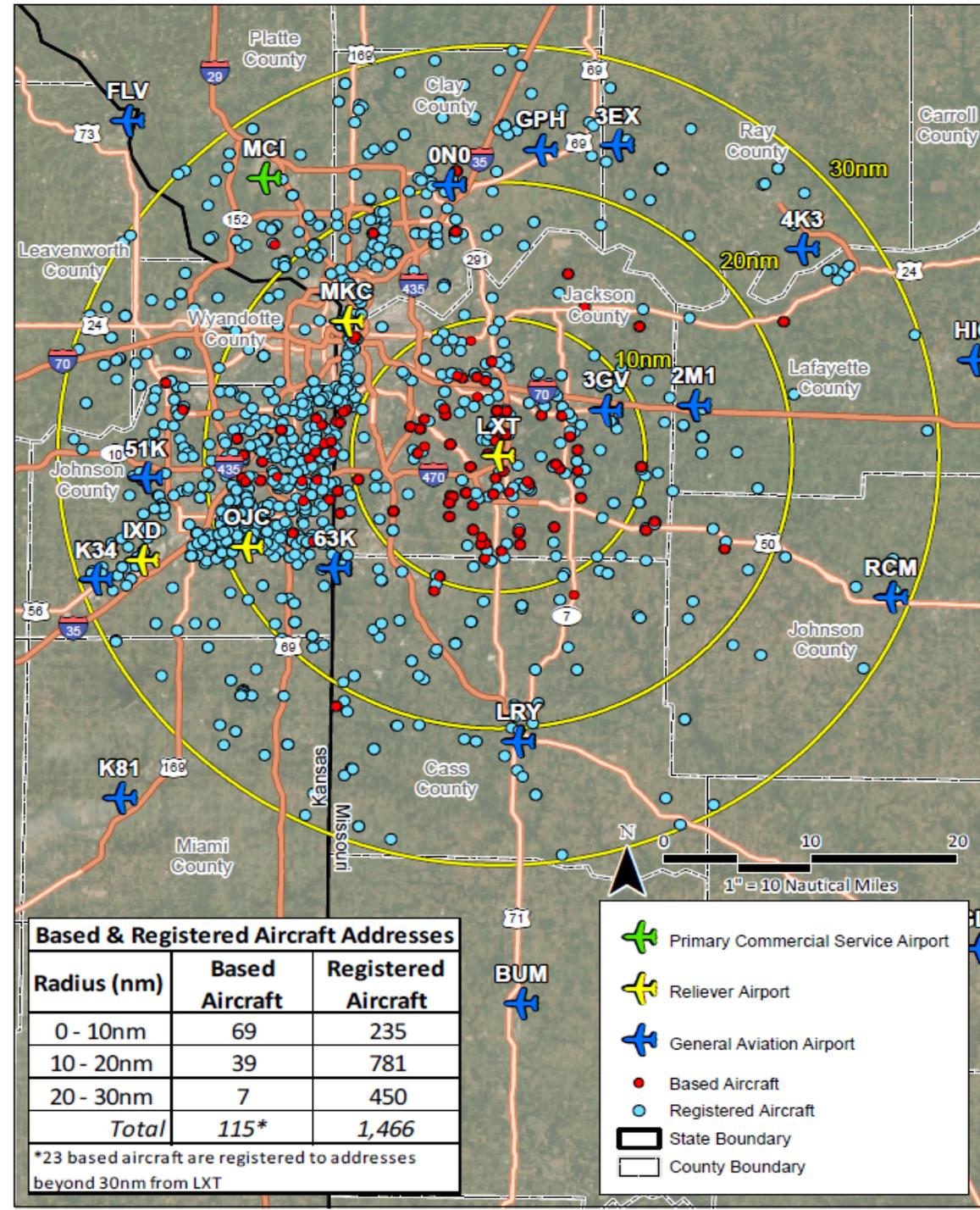
Forecasting Methodologies

- **Trendline/Time Series Extension:**
 - Fits growth curves to historical data, and then extends them into the future. An assumption of this technique is that outside factors will continue to affect aviation demand in much the same manner as in the past.
- **Ratio Projection:**
 - Examines the historical relationship between two variables as a ratio.
 - Example: the number of based aircraft as a ratio of the service area population. This ratio can then be carried to future years in comparison to projections of population.
- **Market Share Analysis:**
 - Uses a historical review of airport activity as a percentage, or share, of a larger regional, state, or national aviation market. A historical market share trend is determined, providing an expected market share for the future. These shares are then multiplied by the forecasts of the larger geographical area to produce a market share projection.

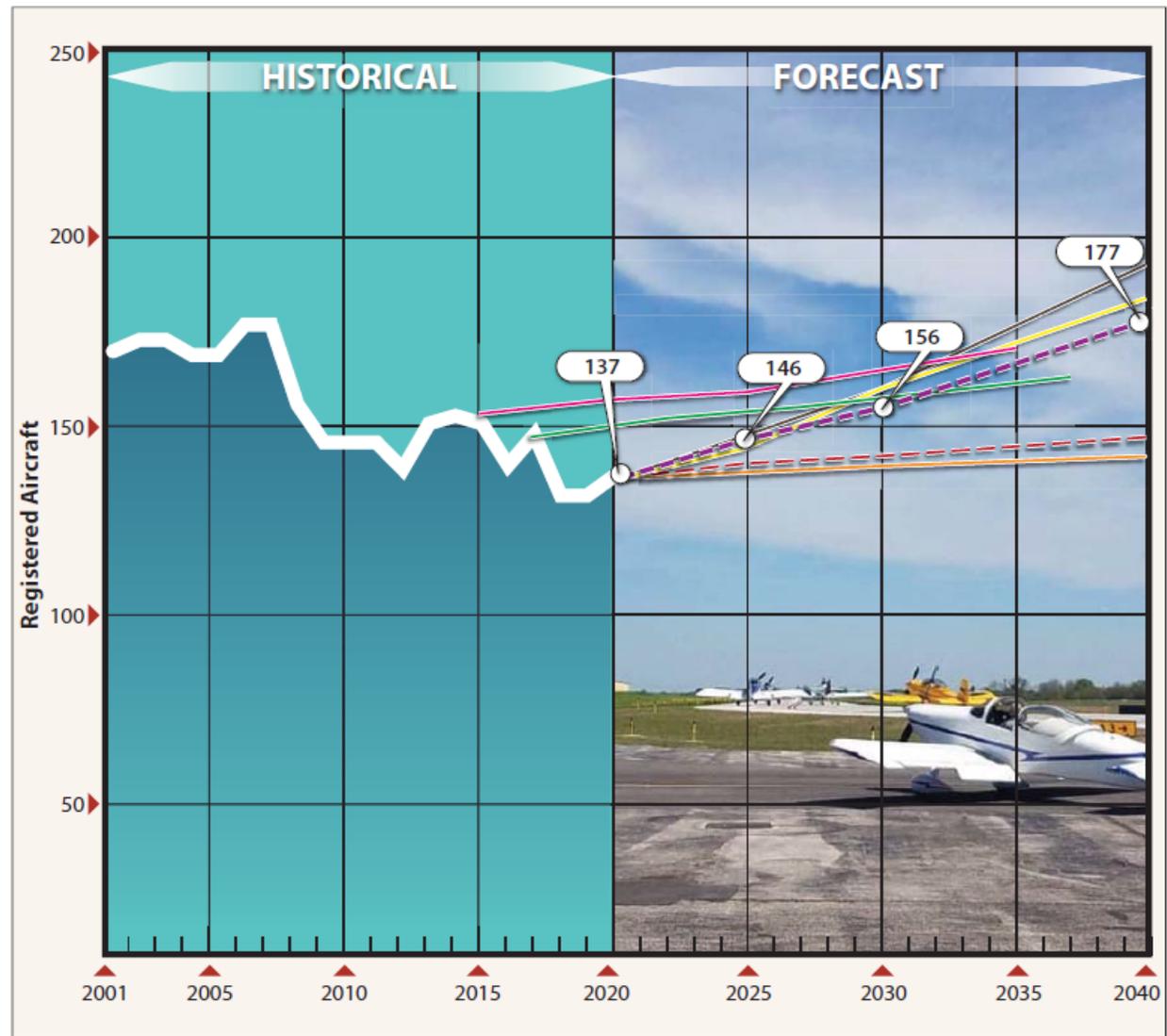
Forecasting Methodologies

- **Socioeconomic Methodologies:**
 - Socioeconomic or correlation analysis examines the direct relationship between two or more sets of historical data from which future aviation activity projections are developed.
- **Professional Judgement:**
 - Judgmental methods are educated estimations of future events based on the industry knowledge, experience, and intuition of the forecaster. This method permits the inclusion of a broad range of relevant information into the forecasting process and is usually used to refine the results of the other methods.
- **Airport Records and Physical Observation:**
 - Over a one-month period from May 1 through May 31, 2020, the airport conducted a physical operations count utilizing motion activated cameras to capture aircraft arrivals and departures.
 - During this time-period, flight track data published on the Flightaware website was monitored for touch-and-go training activity. Current and historic fuel sales were also examined in an effort to help establish a baseline for current aircraft operations.

Registered Aircraft within 30nm of LXT

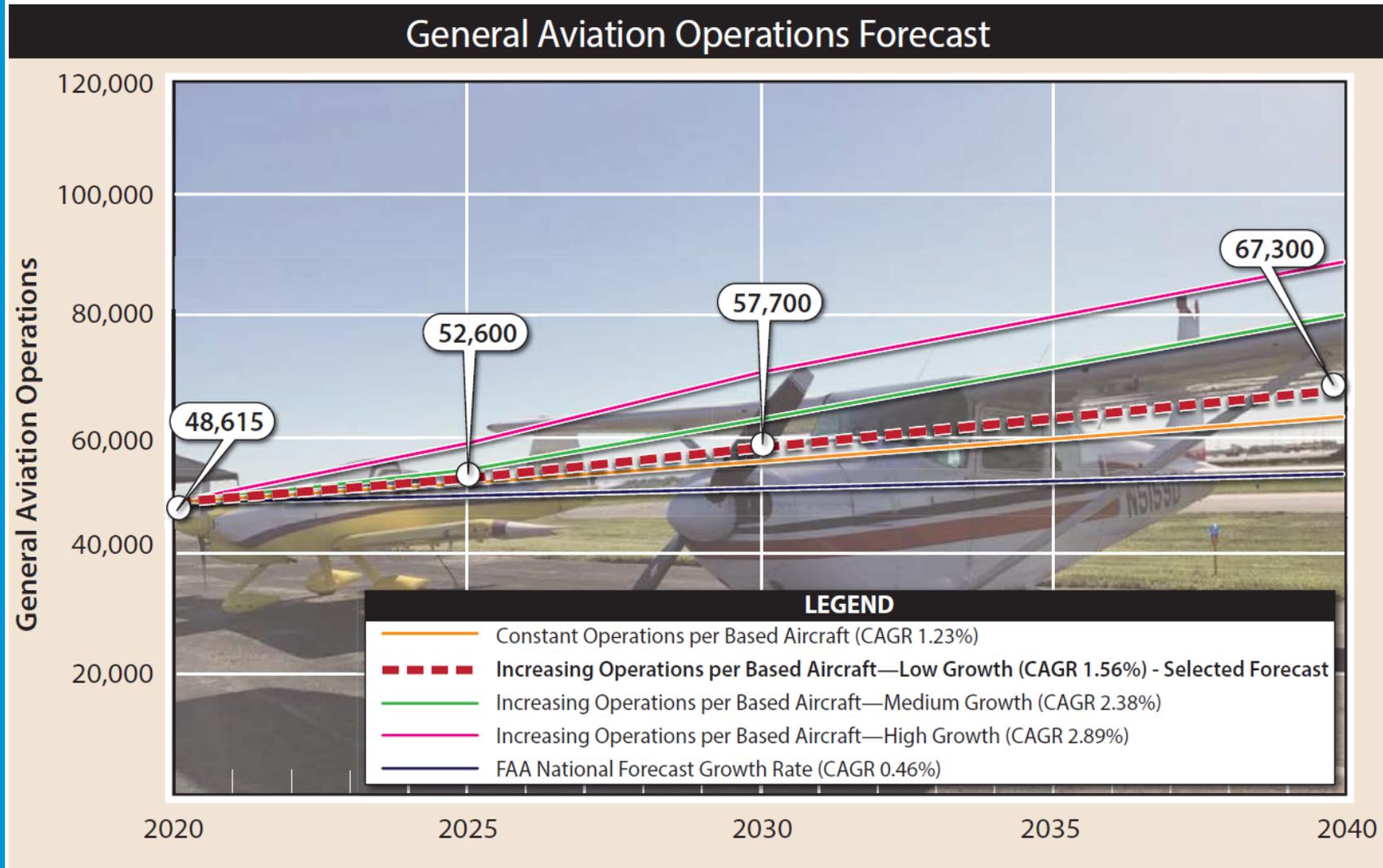


Based Aircraft Forecasts

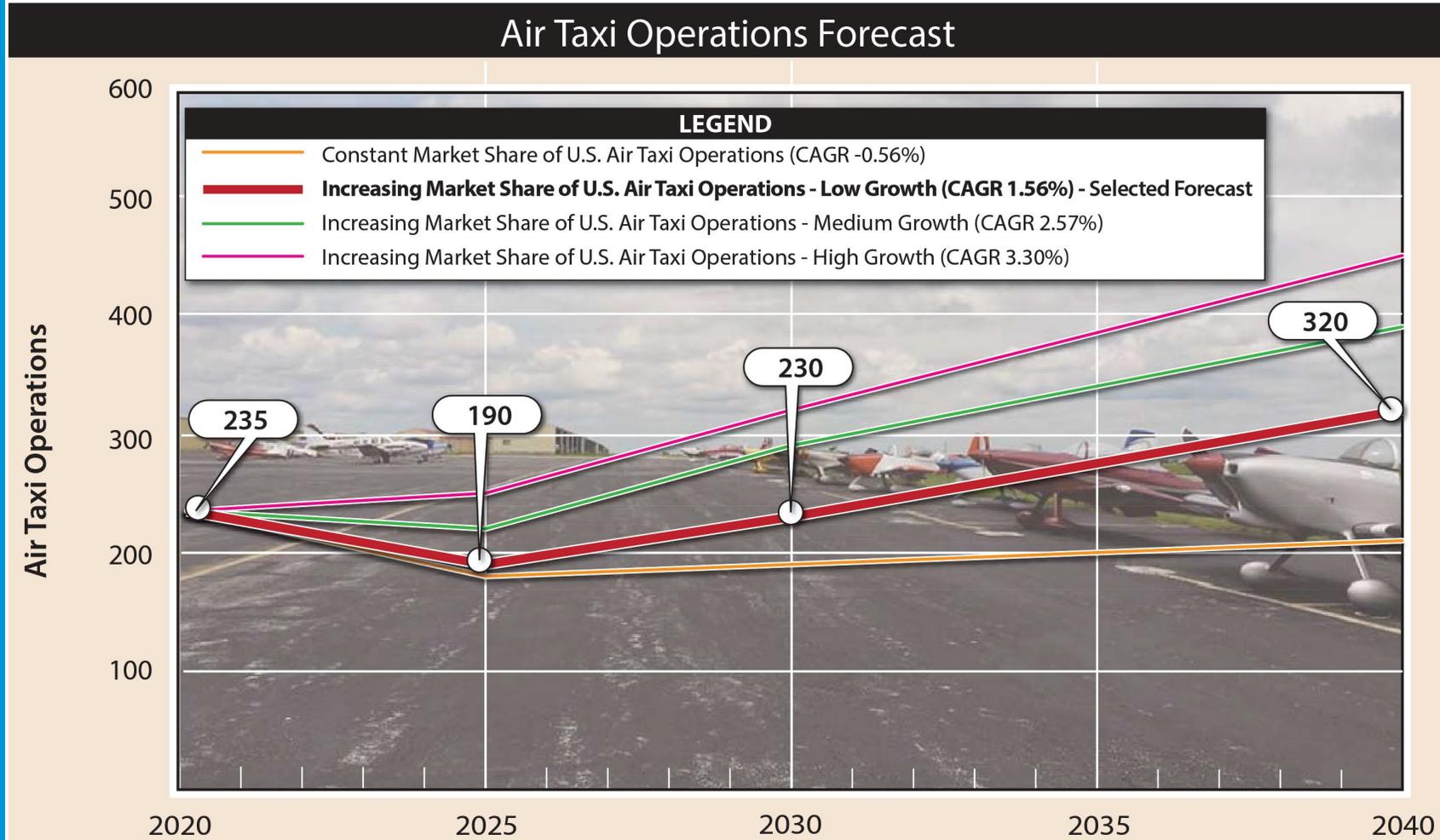


LEGEND	
--- (Red dashed line)	Constant Market Share of U.S. Active Aircraft (CAGR 0.37%)
— (Black solid line)	Increasing Market Share of U.S. Active Aircraft (CAGR 1.69%)
— (Orange solid line)	Constant Ratio Projection per 1,000 County Residents (CAGR 0.20%)
— (Yellow solid line)	Increasing Ratio Projection per 1,000 County Residents (CAGR 1.48%)
— (Purple dashed line)	TAF Based Aircraft Growth Rate (CAGR 1.29%) - Selected Forecast
— (Pink solid line)	RASP - 2015 Base Year (CAGR 0.60%)
— (Green solid line)	MoSASP - 2017 Base Year (CAGR 0.45%)

General Aviation Operations Forecasts



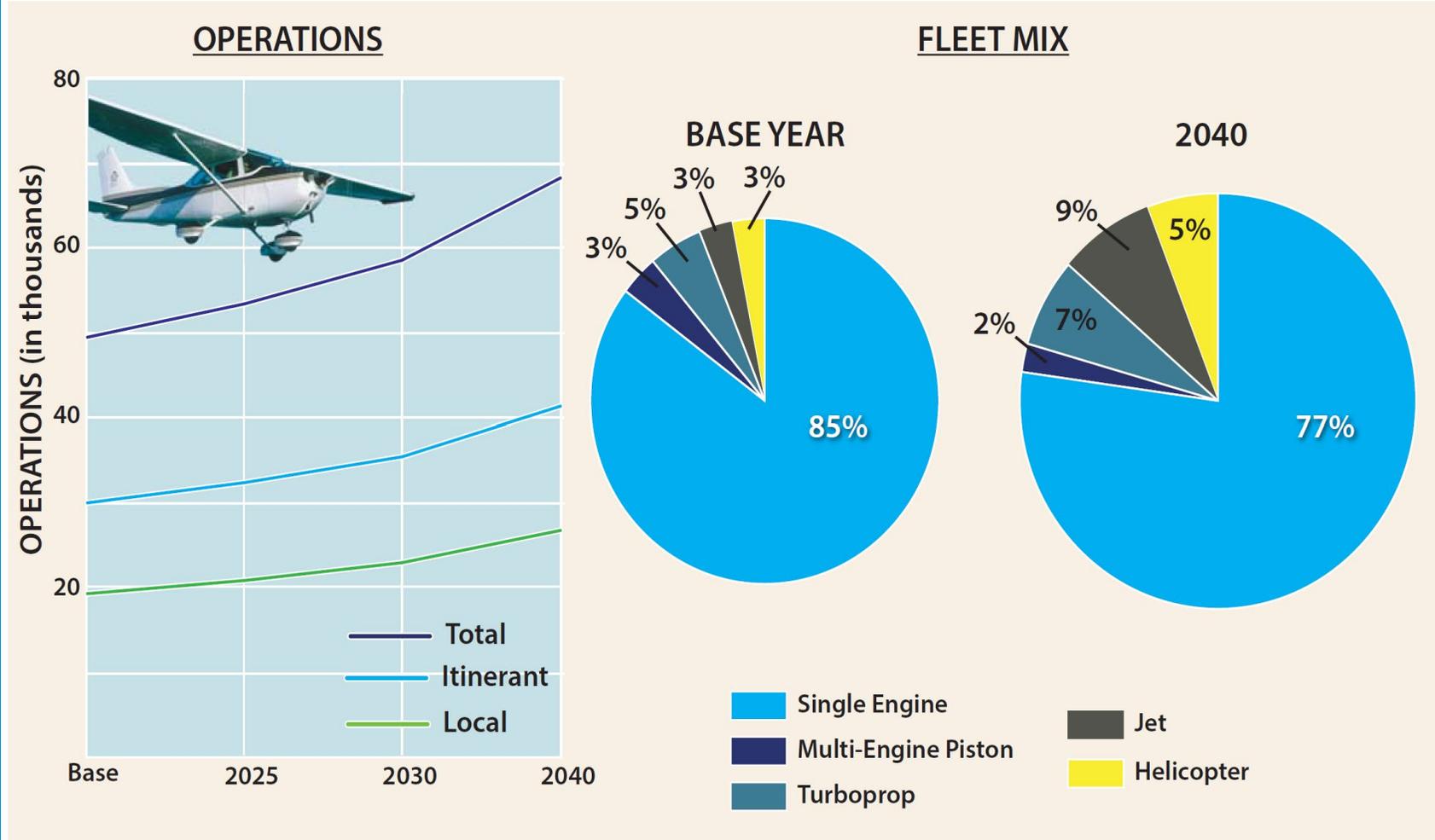
Air Taxi Operations Forecasts



Forecast Summary

	BASE YEAR	2025	2030	2040
BASED AIRCRAFT				
Single Engine	117	122	126	137
Multi-Engine	5	5	5	4
Turboprop	7	8	9	12
Jet	4	6	9	14
Helicopter	4	5	7	10
Total Based Aircraft	137	146	156	177
ANNUAL OPERATIONS				
<i>Itinerant</i>				
Air Carrier	0	0	0	0
Air Taxi	235	190	230	320
General Aviation	29,169	31,600	34,600	40,400
Military	750	750	750	750
<i>Total Itinerant</i>	<i>30,154</i>	<i>32,540</i>	<i>35,580</i>	<i>41,470</i>
<i>Local</i>				
General Aviation	19,446	21,000	23,100	26,900
Military	0	0	0	0
<i>Total Local</i>	<i>19,446</i>	<i>21,000</i>	<i>23,100</i>	<i>26,900</i>
Total Annual Operations	49,600	53,540	58,680	68,370
Annual Instrument Approaches	603	651	712	829

Forecast Summary





Lee's Summit Municipal Airport Business Plan

Discussion Topics

1. Background and Management Structure
2. SWOT Analysis Recap
3. Airport Market Analysis & Rates and Charges
4. Baseline Financial and Economic Outlook
5. Revenue Enhancement Options
6. Recommended Plan and Proformas

Introduction – Business Plan Considerations

Airport Mission Statement

- Follows Citywide Mission and Vision
- Promoting and supporting the community's quality of life by working to provide safe and efficient infrastructure

Recommendations from Previous Business Plan

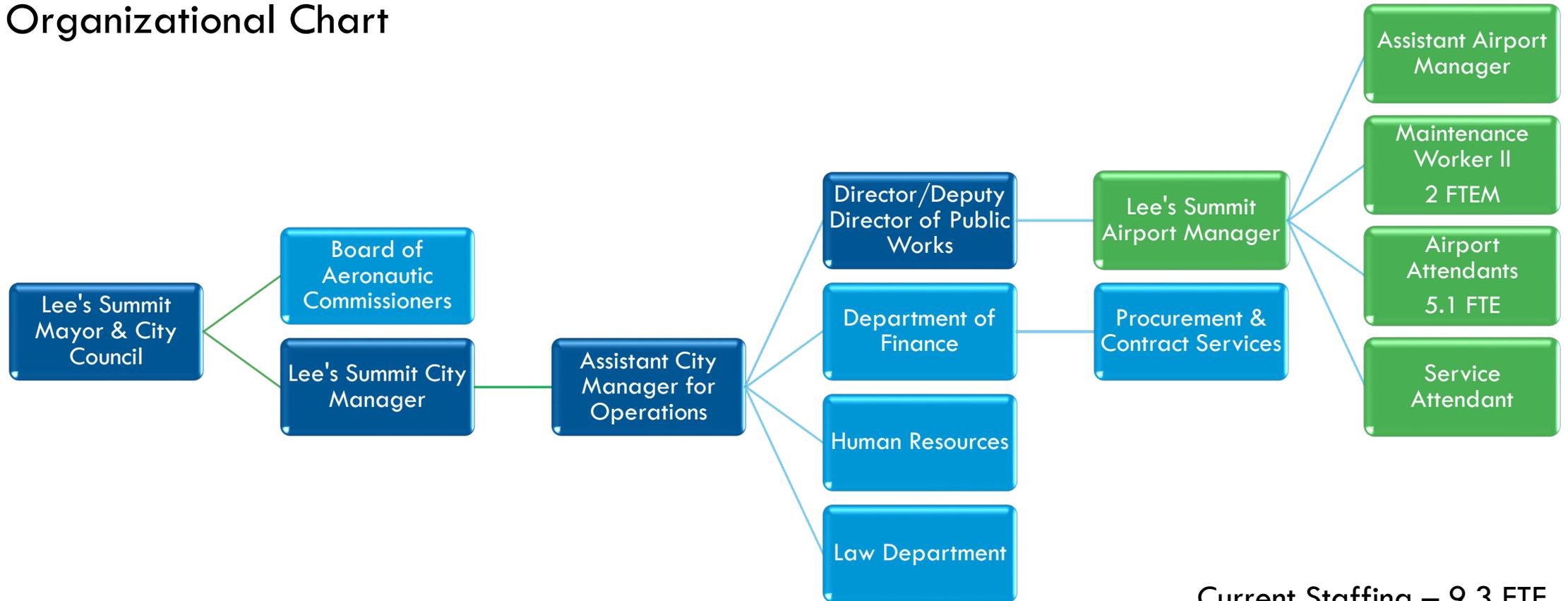
- Accelerating the Runway Extension to 5,500 Feet (2017)
- Marketing and Recruitment of Corporate Aviation
- Corporate Hangar Development
- Improved Terminal Amenities and Services
- New Brand Toward Corporate and Business Use

Market Reacted as Predicted

- Current Effort Is To Refine Plan and Move into Full Implementation

Management Structure/Staffing

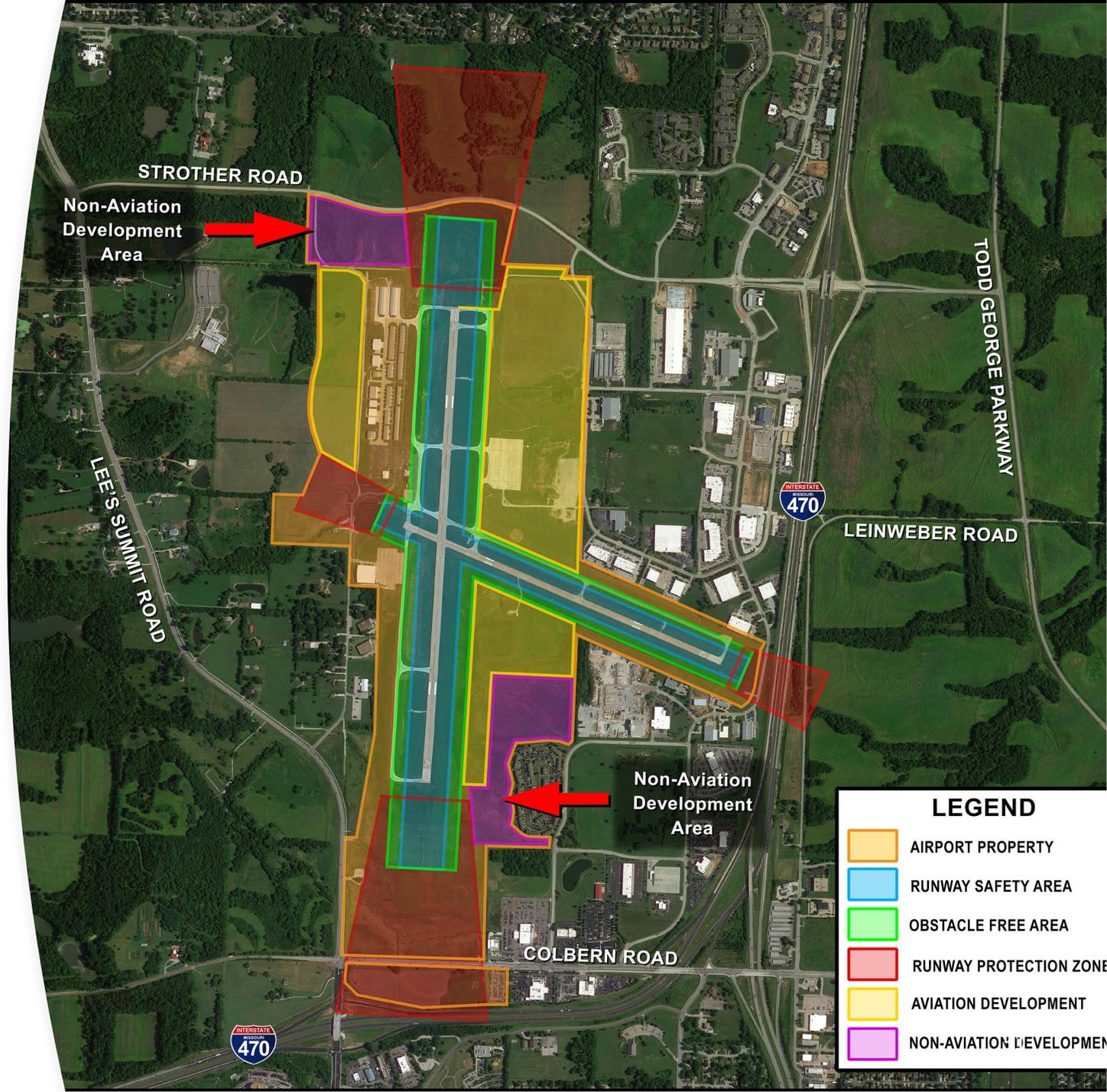
Organizational Chart



Current Staffing – 9.3 FTE

SWOT Analysis

- Internal Attributes:
 - Strengths
 - Weaknesses
- External Attributes:
 - Opportunities
 - Threats



Strengths

- Location, Physical Layout/Infrastructure
- Managerial, Political, Financial
- Operational, Brand, Competition
- Other?
- What Do We Do Well?
- What Advantages Do We Have?
- What Relevant Resources Do We Have?
- What Do Others See as Our Strengths?

INTERNAL	STRENGTHS	WEAKNESSES
EXTERNAL	OPPORTUNITIES	THREATS

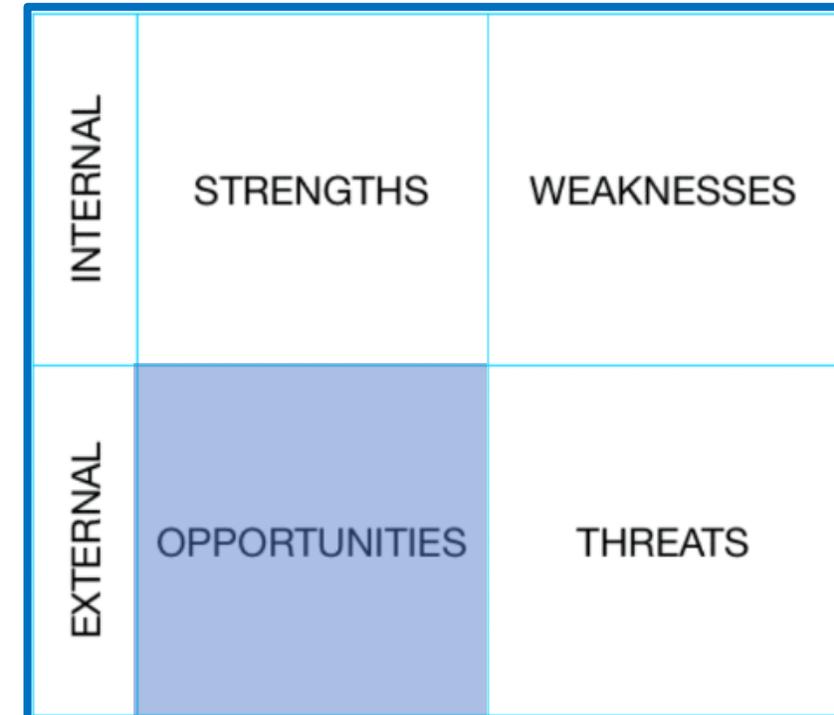
Weaknesses

- Location, Physical Layout/Infrastructure
- Managerial, Political, Financial
- Operational, Brand, Competition
- Other?
- What Aren't We Doing Well?
- What Can We Improve?
- What Should We Avoid?

INTERNAL	STRENGTHS	WEAKNESSES
EXTERNAL	OPPORTUNITIES	THREATS

Opportunities

- Regional Business
- Business Aviation/Corporate Jet Demand
- Potential On-Airport Business
- Aviation Trends, Aviation Education
- Funding, Airport Brand
- Non-Aviation Property Development
- Where Are Good Opportunities?
- What Trends Can We Take Advantage Of?
- What Attributes of the Airport and Area Present Opportunities?



Threats

- Funding, Aviation Activity, Local Access, Neighbors/Encroaching Development
- Business Use
- Infrastructure, Brand, Competition
- What Obstacles Do We Face?
- What Perceptions or Attitudes About the Airport Threaten Its Development?

INTERNAL	STRENGTHS	WEAKNESSES
EXTERNAL	OPPORTUNITIES	THREATS

Distillation of SWOT Findings

Strengths and Opportunities:

- Attraction of Corporate Aviation
- Hangar Development
- Continued Improved Terminal Amenities and Services
- Airport Branding
- Aviation Education/Flight School
- Non-Aviation Property Development

Distillation of SWOT Findings

Weaknesses and Threats:

- COVID-19 Impacts to General Aviation and Corporate Demand
- Lack of Funding for Hangar and Other Revenue-Producing Developments
- The Need for Continued Political Support from City and Its Residents
- The Need to Protect LXT and Residential Development from Conflicting Land Uses
- Any Stagnation of Service Improvements – the Need for Continued Service Expansion



Airport Market Analysis & Rates and Charges

- Airport Brand
- Market Position & Rates and Charges
- Impacts of Changing Aircraft Fleet Mix
- Assumed Impacts of COVID-19
- Aviation and Non-Aviation Development
Parcels



Airport Brand

Perception of Airport by Its Customers and Stakeholders



Customer Branding Includes:

Airport Attributes and Service

Geographic Location



Stakeholder Branding Focuses on Value of Airport to Community

Current Airport Brand

Changed in 2017 with Runway Extension

- Moved from Recreational Facility to Business Facility
- Now Attracting More Corporate and Business Aviation

Still Retains One Old Branding Attribute

- Lee's Summit "Municipal" Airport
- "Municipal" Brand not Admired by Corporate Pilots

Airport Management Has Embraced New Brand

- Service is Everything in Attracting Business Aviation
- Added "Concierge" Position
- Remodeled Hangar to Include Amenities for Corporate Pilots
- Added Conventional Hangar Space

Potential Brand Names

Lee's Summit Regional Airport

Lee's Summit Executive Airport

Kansas City Regional Airport

Kansas City Executive Airport

Greater Kansas City Regional Airport

Heart of America Air Center

Market Position & Rates and Charges

▶ Area Airports with Runway Lengths 5,000 Feet and Above:

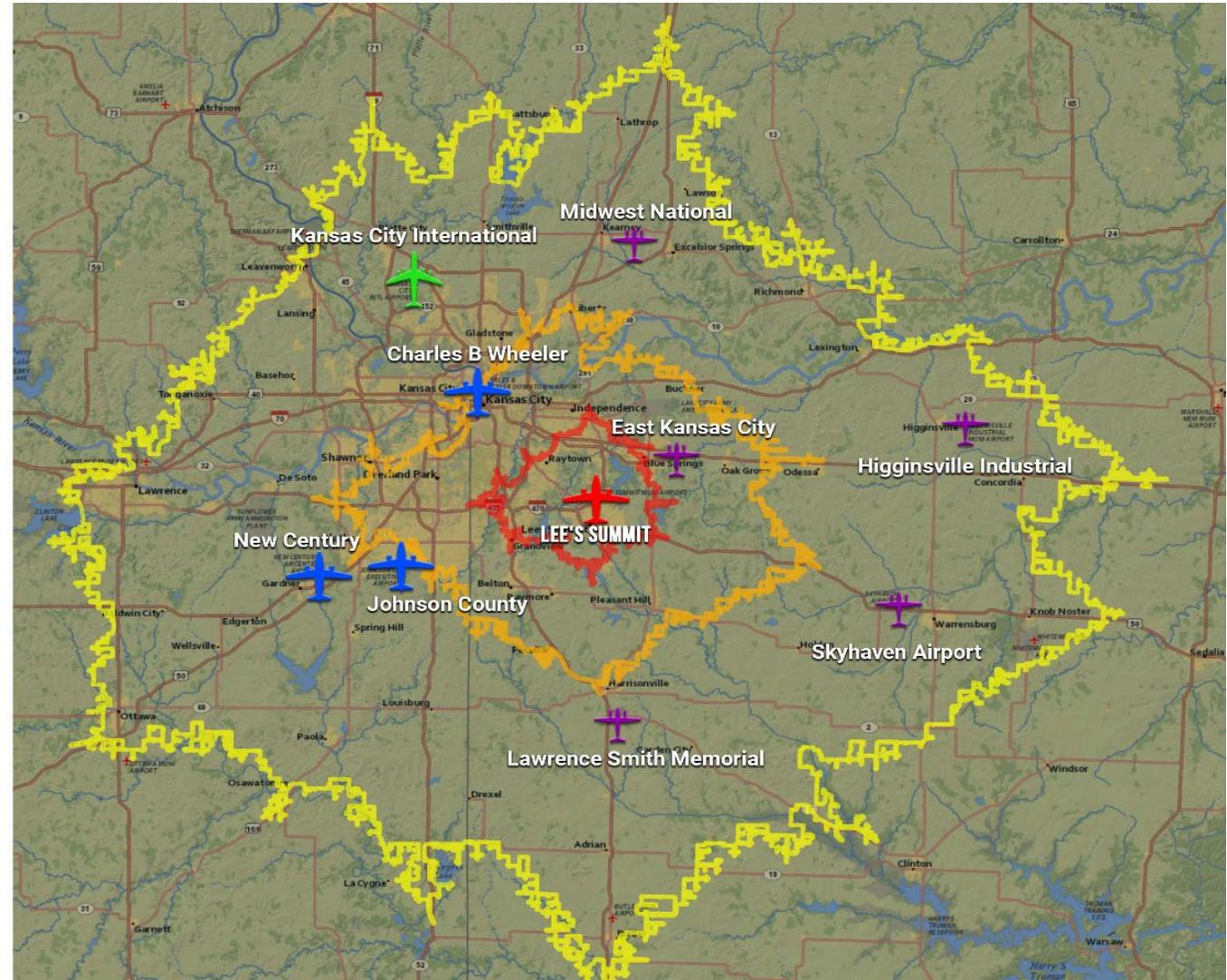
- ◆ Lee's Summit Municipal
- ◆ Charles B Wheeler Downtown
- ◆ Midwest National Air Center
- ◆ New Century AirCenter
- ◆ Kansas City International

NPIAS Classification

-  Commercial Service
-  LXT (Regional)
-  Regional
-  Local

Drive Time

-  60 Minutes
-  30 Minutes
-  15 Minutes



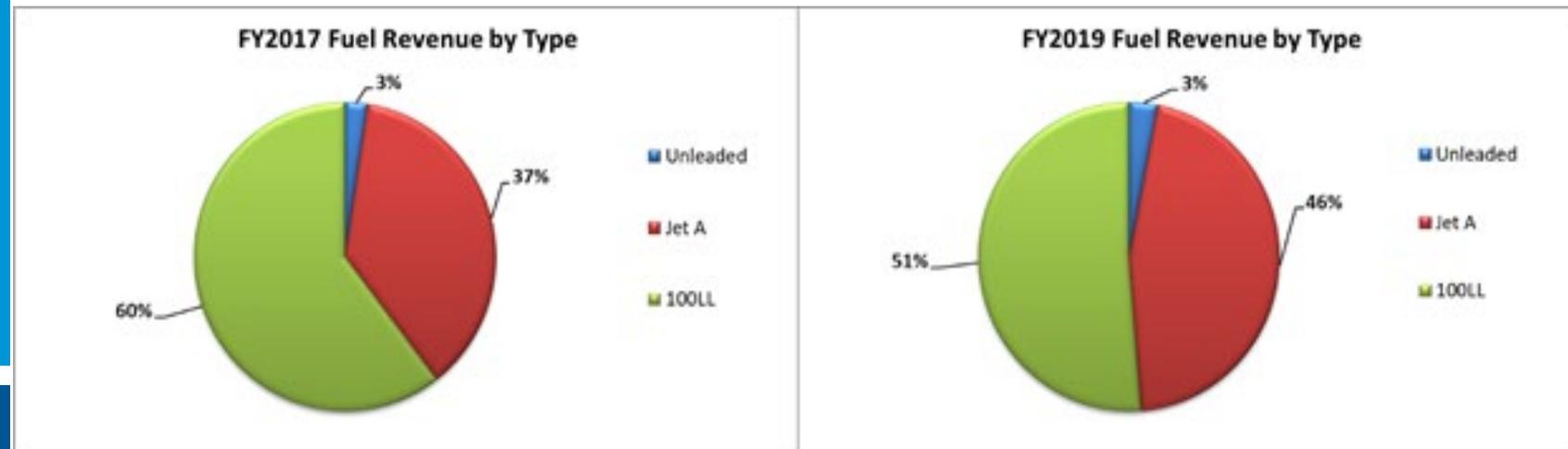
Rates and Charges

- ***T-Hangars:*** Lee's Summit Municipal is in the upper end of the spectrum for prices on T-Hangars in the service area, starting at \$345 per month.
- ***Conventional Hangars:*** Lee's Summit is in the mid-range pricing for conventional hangar space.
- ***Airport Services:*** LXT is on the mid-to-lower end of services offerings compared to the other non-airline airports within the service area.
- ***Based Jets:*** Lee's Summit Municipal had the second highest based jets in the service area, with 4
- ***Fuel Prices:*** Overall, Lee's Summit Municipal's fuel prices were below the average fuel prices within the service area.

Impacts of Changing Aircraft Fleet Mix

- Need for New Hangar Space
- Increase in Jet Fuel Sales

Year	FY2017	FY2018	FY2019	FY2020
Jet-A Gallons	58,713	79,012	101,317	155,798



Assumed Impacts of COVID-19

- Aviation Demand Impacted by Mandatory Quarantines
- Disruption Period – Assumed 1-Year
 - Widespread Treatment/Vaccine Will Help End Disruption
 - Economic Damage Done During Period
- Economic Restart – Already in Progress
- Recovery Time Period – Two/Three Years
 - 2022 First Year to Get Back to 2019 Aviation Demand (Airline Especially)
 - GA Demand to Recover Much Quicker



Baseline Financial and Economic Outlook*

- Historical Revenues
- Historical Expenses
- Baseline Forecast of Revenues and Expenses

*Financial and Economic Outlook currently underway



Historical Financial Performance

Year	Operating Revenues	Operating Expenses	Operating Net Gain/(Loss)
FY 2015	\$1,320,925	\$1,225,306	\$95,619
FY 2016	\$1,270,605	\$1,143,570	\$127,035
FY 2017	\$1,293,484	\$1,204,356	\$89,128
FY 2018	\$1,481,056	\$1,495,408	(\$14,352)
FY 2019	\$1,720,855	\$1,669,265	\$51,590

Baseline Forecast of Revenues and Expenses

- **Revenues:**
 - Fuel Sales: Increased with Forecast Aircraft Operations + CPI
 - Lease Revenues: CPI Growth
 - Miscellaneous Revenues: CPI Growth
- **Expenses:**
 - Fuel Expenses: Increased with Forecast Aircraft Operations + CPI
 - Personnel, Maintenance & Supplies, Utilities, Insurance, Professional Expenses: CPI Growth
- Designed to Measure Status Quo Financial Performance
- Helps Identify Marginal \$ Contributions of Revenue Enhancement Strategies



Revenue Enhancement Options



Revenue Enhancement Options

Explore Potential Demand and Financial Factors for Following:

- Attraction of Corporate Aviation:
 - Increase Market Share of KC Region
- Hangar Development:
 - Examine Different Methods of Financing Development
- Continued Improved Terminal Amenities and Services
- Airport Branding:
 - Name Change, Marketing Platforms
- Aviation Education/Flight School:
 - Explore Potential Flight School at LXT
- Non-Aviation Property Development:
 - Identify Property Parcels for Development

Public Comments Received

Comments Received to-date primarily:

1. Noise related
2. Air Traffic Control Related
3. Preferred amenities/airfield facilities

All comments are being compiled into a master list that contains responses and will be included in the appendix of the Master Plan Report

Stakeholder Comments

To all stakeholders:

Within the next 2 weeks, please send an email to Cindy DeShazo with the following information:

1. What are thoughts on the Airport rebranding?
2. Do you have any follow-up questions about the information presented at the stakeholder session?
3. Do you have any concerns?
4. Do you have any ideas that would help the airport improve and/or grow in the future?

Next Steps

- Virtual Public Meeting
- Facilities Requirements
- Alternatives Development
- Recommended Business Plan Actions

Adjourned

