

# **KERRVILLE - KERR COUNTY AIRPORT**

## **STRATEGIC PLAN 2020 – 2024**

**JUNE 1, 2020**



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## I. INTRODUCTION AND PURPOSE

This strategic plan was developed by a team consisting of Kerrville-Kerr County Airport Manager Mary Rohrer and Joint Airport Board members Ed Livermore, Jim Mans, Keith Miller, Mark Mosier, Trey Atkission and Bill Wood. Others involved in the project through workshops and meetings included City of Kerrville representatives Bill Blackburn, Judy Eychner, Delayne Sigerman, Mark McDaniel and E.A. Hoppe; Kerr County representatives Rob Kelly, Jonathan Letz and Tom Moser; Joe Kennedy, of Kerrville Aviation; Gil Salinas, of the Kerr Economic Development Corp.; and Carole Dungan, airport executive assistant.

### PURPOSE

The purpose of this plan is to provide direction and guidelines for making decisions regarding the future development of the airport while making certain the airport is in alignment with the goals and aspirations of the citizens of Kerrville and Kerr County and the governmental entities that represent them.

This plan includes the foundation of our strategy, including our mission, vision and values, as well as our strategic initiatives for the upcoming five-year period.

### UPDATES

The original Strategic Plan 2019-2023 was dated June 1, 2019. This updated Strategic Plan 2020-2024 reflects the changed conditions since June 1, 2019 and related revisions of the Plan considered appropriate.

Joint Airport Board members working on this update included Trey Atkission, Jim Mans, Keith Miller, Mark Mosier and Stephen Schmerbeck.

In January 2020, Mooney International ceased operations with the exception of parts production. It is not yet clear as to what the future holds for this important component of the airport.

The impact of COVID-19, started to affect the Hill Country March 2020. The negative impact on the local economy also impacted aviation activities. At KERV, business aviation, primarily turbine traffic, slowed substantially. Kerrville Aviation experienced the financial impact of declining fuel sales. Airport owners decided not to fund planned FY 2021 Capital Projects and were focused on reducing their operating expenses.

The Board has learned during FY 2020, that:

- Owners are reluctant to support “incoming producing” capital expenditures unless there is an assurance of jobs and or required matching for grant funding.
- TxDOT will not fund the crosswind runway 03-21 rehabilitation
- Private funding for buildings is limited.
- Lease Agreements were developed over a number of years and are not consistent from a lessor standpoint.

Changes in personnel at TxDOT and difficulties in conducting business due to reaction to Covid 19 have resulted in scheduled delays with the T Hangar project and substantial increase in the costs of the project. Based on this experience T-hangars may not be feasible in the future if using TxDOT funding.

## BRIEF HISTORY OF THE AIRPORT

The first aircraft landing in Kerrville was in 1913 and was a Curtis Pusher biplane flown by a Frenchman. Numerous flights here by Dan Moran, president of Continental Oil Company, proved how important an airport would be here. He utilized aviation to visit his Hill Country ranch. Today, that property is Mo-Ranch, as Moran later donated the property to the Presbyterian Church for a camp.

The current airport was established in 1941 when the city secured about half of the current airport property from the Goss family in an unfriendly transaction. Lore has it that the then mayor lost part of his ear in a related scuffle on the federal courthouse steps where the purchase was finalized, apparently by seizure.

An additional 297 acres were purchased and added to the airport property. The Schreiner and Peterson families recognized the importance of aviation. Each gave \$10,000 for immediate improvements; this was a considerable sum in 1941.

A new airport replaced the old one for two reasons: the federal government was establishing emergency landing sites at civil airports for civilian and military use, and a Navy pilot training program was set to come to our town. The old site would not accommodate the needed cross wind runway requirement.

The Federal Government appropriated \$299,000 to build two runways, taxiway and apron. The runways were lit, and a beacon was placed nearby on a hill. The first hangar at Schreiner Field was an 80 foot by 100 foot Butler building.

The government was gearing up for World War II, raging already in Europe. The U.S. Navy soon opened a pilot program. Students were housed at Schreiner Institute (now Schreiner University).

The Navy program ended with the conclusion of World War II. The airport sat quietly until 1952 when Al Mooney announced the opening of his airplane manufacturing plant in Kerrville. Commitments between he and the town were signed Dec. 20, 1952. By 1953, the plant employed 500 workers, which later increased to 600.

In 1953, Kerrville gained its first airline service. Trans Texas Airways began operating four daily flights using Douglas DC-3s. At the time, the field had a restaurant.

A momentous day came in 1957 when the county accepted 50% ownership of Schreiner Field. That beneficial partnership remains to today and exists in complete harmony regarding airport operations.

By 1976, the ratio of private aircraft ownership to population in Kerr County was twice that of the remainder of Texas. The reasons for air travel back then remain the same today: local festivals, business, hunting,

retirement, camps, second homes in the Hill Country and ranch ownership. Without question, the county's ranch economy would suffer without a quality airport for owners who frequently fly here.

Kerrville Flying Service, forerunner of today's Kerrville Aviation, was formed prior to WWII. Following the war, civilian pilot training surged. By 1948, the flying service had 13 iconic trainers and 52 students on the GI Bill.

Lloyd Sieker wrote an interesting history filled with many details about the field's history throughout the 1960s, 1970s and the 1980s. Refer to it for more of this story. Significant actions in those years included the purchase of Kerrville Flying Service by the city and county. Charlie Dugosh became the airport manager. Dugosh later established an aircraft repair business specializing in Mooney planes that remains in operation today.

In 1983, the airport board leased the fixed based operation to John Miller, who subsequently sold to Bob Woodward in 1986. Later, he sold to Joe Kennedy who operates Kerrville Aviation today.

There was not always the current peace between the city and county over the airport. The managing board was composed of two county commissioners and two city council members and a fifth director from the public. The board wisely decided to resolve management issues and philosophical differences by forming an independent airport board in 2011, charged with acting in the best interest of both owners. This decision has proven to work extraordinarily well.

Kerrville – Kerr County Airport was named Texas' outstanding general aviation airport in 2011. Our manager at the time, Bruce McKenzie, was named Texas' airport manager of the year in 2016. In 2009-2010, the airport received around \$12 million in Federal stimulus funds for taxiway, drainage and other extensive improvements. An aerial of the airport with the property boundary identified is shown in Exhibit A.

### Economic Role and Impact

The Texas Department of Transportation (TxDOT) Aviation Division commissioned an economic impact study to measure the economic impact of the state's aviation system from 289 general aviation airports. The study was issued in the summer of 2018. TxDOT uses this data to fund infrastructure and development projects to support economic growth. Shown in Exhibit B are the study results pertaining to our Kerrville airport.

Kerrville – Kerr County Airport's economic drivers are direct impacts totaling \$17.5 million from the following:

- On-airport jobs
- Capital improvements
- Visitor impacts

This data is put into the TxDOT model, which then calculates the multiplier impact due to re-spending. Our Employees spend a part of their incomes locally, while visitors stay at hotels, ranches and camps -- all boosting economic activity throughout the area. Such spending and direct economic impacts then combine for the airport's total impact of \$38.3 million.

## AIRPORT GOVERNANCE

Kerrville - Kerr County Airport is jointly owned by The City of Kerrville and Kerr County, Texas. Airport business is conducted under an Interlocal Agreement which is in effect through September 30, 2021. Necessary revisions and modification of the Interlocal Agreement are under review.

The airport is managed by an independent airport board consisting of five members. That board selects and hires an airport manager. The Airport Manager hires a staff and runs day-to-day operations.

## III. STRATEGIC PLANNING OVERVIEW

At its July 17, 2018, meeting, the board's directors voted to update the Airport Strategic Plan dated May 4, 2009. The city and county representatives present at the meeting expressed their firm support for this effort. It was decided not to engage an outside facilitator, but use the talents of existing board members guided by "*Creating Your Strategic Plan*" by John M Bryson and Farnum K Alston as a resource.

## CURRENT STATUS OF AIRPORT

The airport currently has 90 based aircraft, including 40 in airport-owned hangars. There are two runways – 03/21 (which is 3,600 feet long) and 12-30 (6,000 feet long) and three instrument approaches. The property consists of 528 acres, with 6.5 miles of fence. The terminal building completed in 2007 is owned by the airport. Kerrville Aviation, an independent company, operates as the fixed base operator (FBO) and provides on-airport services and visitor accommodations.

Mary Rohrer was named airport manager in 2018 following Bruce McKenzie's retirement. Current independent board members are Dr. Mark Mosier, C. James Mans, Keith Miller, Trey Atkission and Stephen Schmerbeck.

## MANDATES

The airport operates under mandates, which dictate what can and cannot be done there. Such mandates consist of agreements, codes, bylaws, and regulations (See Exhibit C.).

## SUMMARIZED FINANCIAL INFORMATION

Summarized financial information from the Statement of Net Position at the end of Sept. 30, 2019, (the end of the fiscal year) is as follows:

Cash .....	\$751,795
Capital Assets.....	\$16,768,763
Total Assets.....	\$17,557,304
Liabilities.....	\$231,413
Net Position.....	\$17,325,891

A condensed statement of operations for the years ending Sept. 30, 2018, and Sept. 30, 2019, is:

	2018	2019
REVENUES: .....	\$401,180	\$417,378
EXPENSES:		
Salaries and Wages.....	\$210,859	\$194,470
Other.....	\$132,907	\$156,033
Total.....	\$343,767	\$350,503
Revenue less Expenses.....	\$57,413	\$66,875
Intergovernmental.....	\$0	\$0
Net.....	\$57,413	\$66,875

For additional financial information and charts, see Exhibit D. Information for 2019 excludes \$155,937 storm damage insurance proceeds; repairs were made in 2020.

## PROJECTED OPERATIONS AND CAPITAL NEEDS

Capital improvements for the airport are in large part funded by TxDOT through its grant programs. Major infrastructure, such as runway improvements are funded 90% by TxDOT and 10% through local funding. An example of these infrastructure projects using CIP grants at the airport is the 12-30 parallel taxiway and Airport Loop relocation project. From the fiscal year of 2008-2009, about \$ 10.4 million was spent by TxDOT and \$704,000 was funded by the airport owners.

TxDOT also manages an NPE (Non-Primary Entitlement) Grant that funds income-producing projects. The airport has used these grants to fund two existing hangar projects in 2001 and 2013. The proposed hangar project for FY2020 will use NPE funds. Federal budget constraints now limit TxDOT's T-hangar funding to \$600,000. Costs above that threshold would need to be funded by the city and county. (Refer to Exhibit E for more information.)

#### IV. STRATEGIC PLANNING PROCESS

The process included the following:

- Data collection
- Internal stakeholder interviews
- Survey responses from airport tenants and businesses
- Selection, analysis, and visits to peer airports

#### INTERNAL STAKEHOLDER INTERVIEWS

Exhibit F provides a list of the Internal and External Stakeholders.

Conversations with internal stakeholders were positive and supportive. Suggestions include expanded outreach to the community and more involvement in economic development. (See Exhibit G for more detailed information.)

#### AIRPORT TENANTS AND BUSINESS SURVEYS

Survey comments in collected in 2018 were generally positive. Areas for improvement include better self-service fueling and lower pricing, more consistent service from FBO, more extensive maintenance of the facility, better maintenance of roads and control of weeds, striping of ramps and taxiways, and improvement to the airport's website.

Suggestions include additional T-hangars and box hangars, an avionics shop, a restaurant, a flight school and a mid-taxiway on the main runway. Tenant and Business surveys are available for review in June 2019 version of the Strategic Plan at the Airport Manager's office and posted on the airport website [www.kerrvilleairport.com](http://www.kerrvilleairport.com).

#### PEER AIRPORTS

Four airports were selected to review and visit to learn how they operate and how such information would be helpful to Kerrville - Kerr County. Airports studied included:

1. Conroe (KCXO) – control tower
2. Fredericksburg (T82) – no control tower
3. McKinney (KTKI) – control tower
4. New Braunfels (KBAZ) – control tower

All these airports are owned by either the city or the county; all have advisory boards except McKinney which functions as a department of the city using city resources. Conroe and Fredericksburg have independently owned FBOs; McKinney and New Braunfels FBOs are operated by their municipalities, having been purchased from independent operators in the last six years as a result of performance issues; none of the airports are building T-hangars.

Major take-aways:

- Conroe – Reliever airport in North Houston; excellent, large, full-service FBO with restaurant; U.S. Customs onsite; managed by Montgomery County, is included in a large master-planned business park; Army Reserve aviation unit on the field.
- Fredericksburg – Hospitality oriented FBO drives the operations and provides capital; independent investor owns and operates much of the full-service operations; most facilities are privately owned, including a restaurant and hotel on the field; funding of small budget comes from fuel flowage fee and County of Gillespie.
- McKinney – Located north of Dallas with full services; airport and FBO managed by city; \$71 million of infrastructure funding over 10 years from TxDOT and McKinney’s EDC and city; U.S. Customs are on site; supporting Toyota and Texas Instrument corporate flight offices; new terminal under construction; Cirrus Service Center planned for 2020.
- New Braunfels – Located 30 miles north of San Antonio, infrastructure planning is underway to handle more aviation business traffic. The city provides FBO services; outside investment with funding assistance from the city and EDC was made for new box hangars (Additional details are provided in Exhibit J.)

## SWOT ANALYSIS

Main issues related to strengths, weaknesses, opportunities and threats (SWOT) are:

- **STRENGTHS:** Independent airport board, supportive owners, main 6,000-foot runway and a crosswind runway
- **WEAKNESSES:** Limited availability of premier space, no clear path to capital for development and average service level
- **OPPORTUNITIES:** Improved community outreach, and increase in number and quality of services
- **THREATS :** Reliance on one major tenant

(Details of the strength, weaknesses, opportunities and threats are included in Exhibit K.)

## MISSION STATEMENT

To provide aviation facilities and services to the Kerrville/Hill Country area by managing airport infrastructure for a safe, efficient, and convenient aviation gateway.

## VALUES

- Safety and security
- Excellence in all we do
- Innovation
- Integrity in all dealings
- Accountability

## VISION STATEMENT

To provide premier services and airport facilities through operational excellence and innovation, while also promoting commercial and local economic development.

## V. STRATEGIC INITIATIVES

The strategic initiatives for 2019-2023 are as follows:

- A. Emphasis on economic development for the airport and the community
- B. Actively address airport improvements and infrastructure (and related financing)
- C. Improvement in service levels for stakeholders and prospective customers
- D. Promotion of the airport and marketing of the airport's brand

## VI. GOALS

### A. ECONOMIC DEVELOPMENT GOALS

1. Build and maintain relationships with economic development entities
2. Focus on high potential business development at airport

### B. INFRASTRUCTURE AND FINANCING GOALS

1. Increase number of hangars available for lease
2. Increase amount of Class A Space
3. Pursue relationships and finance options with TxDOT
4. Improve appearance of airport

### C. SERVICE LEVEL IMPROVEMENT GOALS

1. Improve service to existing customers
2. Improve service levels of FBO
3. FBO goals and objectives alignment

## D. PROMOTION OF AIRPORT GOALS

1. Marketing the airport to improve community awareness
2. Increase communication and outreach

## VI. OBJECTIVES AND ACTION STEPS

Objectives for each of the above goals and shorter- term action steps are included in Exhibit I. Our plan is to review the status of action steps on a quarterly basis, beginning with the quarter ending September 30, 2020

## VII. EXHIBITS

- A. Airport Map
- B. Economic Role and Impact
- C. Mandates
- D. Operational and Financial Data
- E. Financial Projections
- F. List of Stakeholders
- G. Stakeholder Interviews
- H. SWOT Analysis
- I. Strategic Initiatives, Goals and Objectives

**EXHIBIT A**

**Kerrville-Kerr County Airport**



**EXHIBIT B**

**ECONOMIC ROLE AND IMPACT**

**Texas Aviation Economic Impact Study**



2018 TxDOT Economic Impact										
On Airport Impacts			Capital Impacts		Visitor Impacts		Total Impacts			Operations
Identifier	Jobs	Output (\$ m)	Jobs	Output (\$ m)	Jobs	Output (\$ m)	Jobs	Payroll (\$ m)	Output (\$ m)	Number (annual)
KERV	186	\$ 13.9	10	\$ 1.4	95	\$ 5.5	680	\$ 16.8	\$ 38.3	60,000
KTKI	284	\$ 85.9	66	\$ 26.1	73	\$ 4.2	993	\$ 64.3	\$ 212.7	107,000
KBAZ	59	\$ 11.4	3	\$ 0.5	51	\$ 3.0	240	\$ 7.7	\$ 27.3	52,000
KCXO	449	\$ 59.6	65	\$ 9.4	79	\$ 4.6	1170	\$ 48.3	\$ 136.3	63,000
T82	42	\$ 6.0	7	\$ 1.0	7	\$ 0.4	103	\$ 4.0	\$ 13.7	15,000

## EXHIBIT C

### MANDATES

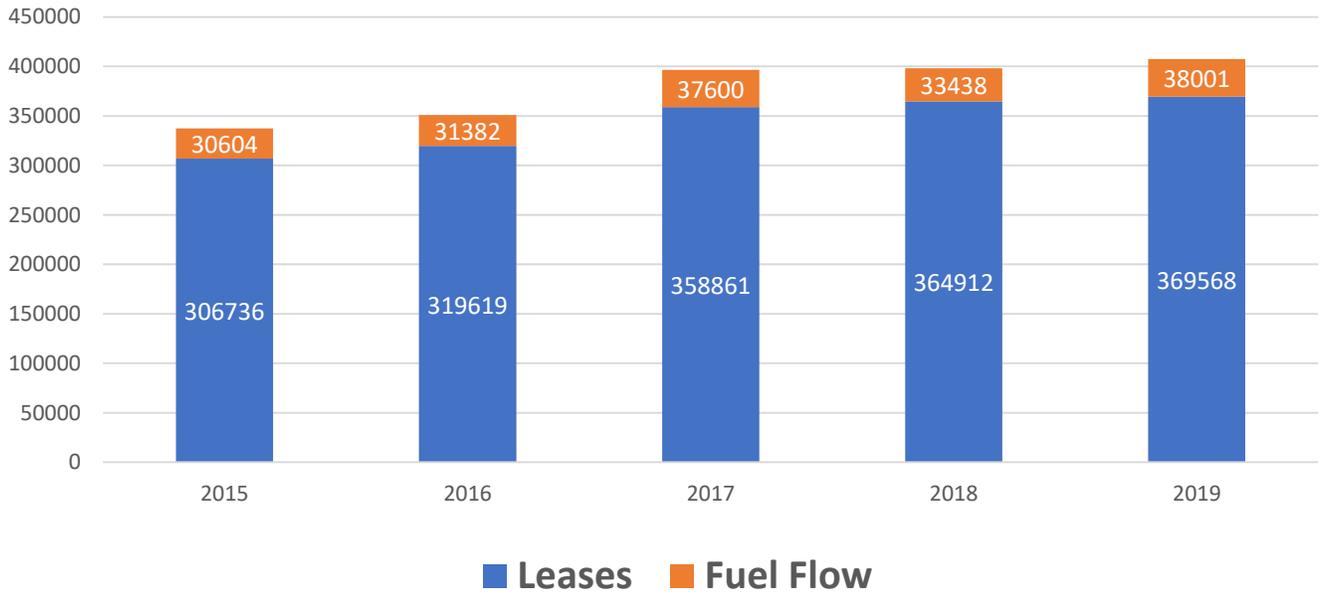
- Interlocal Agreement (Court Order #35729) for the continued existence of the Joint Airport Board to provide management of the Kerrville - Kerr County Airport.
  
- TxDOT
  - RAMP- Routine Airport Maintenance Program
  - Airport Rules and Standards
  - Guidebook for Managing Small Airports
  - Guidebook for Sponsors- Hangars
  - Guidebook for Sponsors- Airworthiness/Aeronautical Activity
  - Airport Compliance Basics
  
- Federal Aviation Administration (FAA)
  - Airport Compliance Division- Obligations of Airport Sponsors
  
- Airport Master Plan
- Airport Minimum Standards
- Local Building Codes
- Texas Transportation Code Chapter 22
- Local Government Code Chapter 241
- Fire Code

**EXHIBIT D****OPERATIONAL AND FINANCIAL DATA****Statement of Operations for the five years ended Sept 30, 2019**

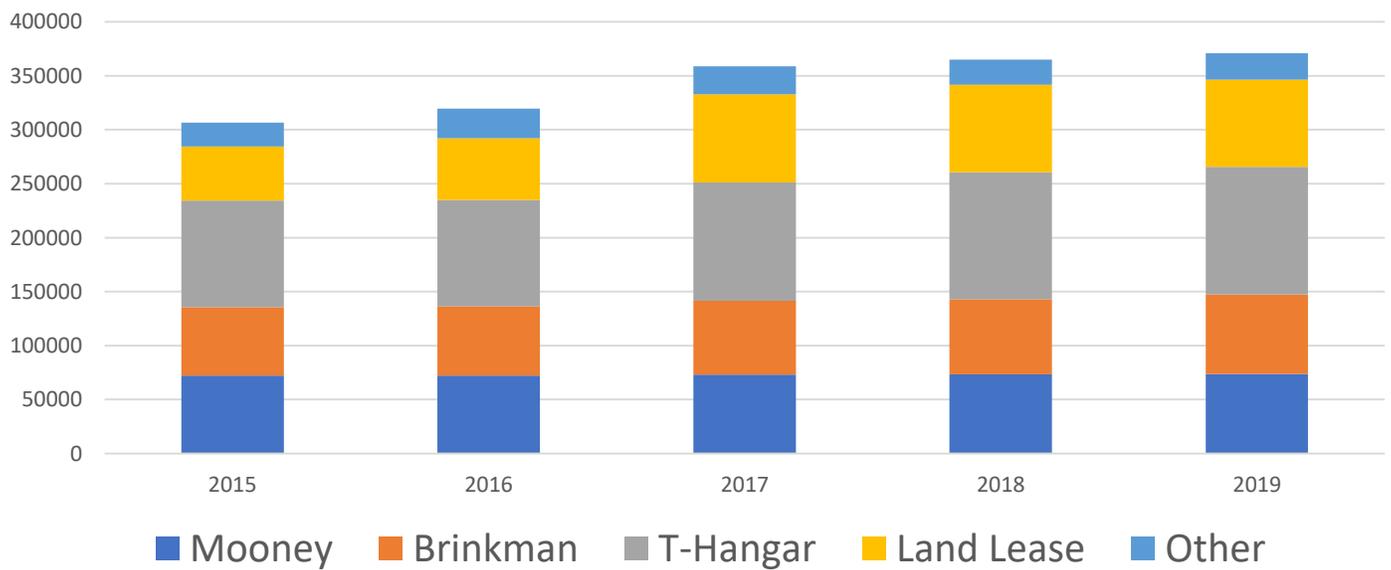
	2015	2016	2017	2018	2019
<b>REVENUES</b>					
Leases	\$306,736	\$319,619	\$358,861	\$364,912	\$369,568
Fuel Flow	\$30,604	\$31,382	\$37,600	\$33,439	\$38,001
Total	\$337,387	\$351,031	\$417,272	\$401,180	\$417,378
<b>EXPENSES</b>					
Compensation	\$197,987	\$188,570	\$194,433	\$210,859	\$194,470
Other	\$141,318	\$145,723	\$140,149	\$132,907	\$156,033
Total	\$339,306	\$334,293	\$334,583	\$343,767	\$350,503
Rev. less Exp.	\$-1,919	\$16,737	\$82,689	\$57,413	\$66,875
Intergovernmental Support	\$94,957	\$70,000	\$43,470	\$0	\$0
Net	\$93,037	\$86,737	\$126,159	\$57,413	\$66,875

Information for 2019 excludes \$155,937 storm damage insurance proceeds – repairs were made in 2020

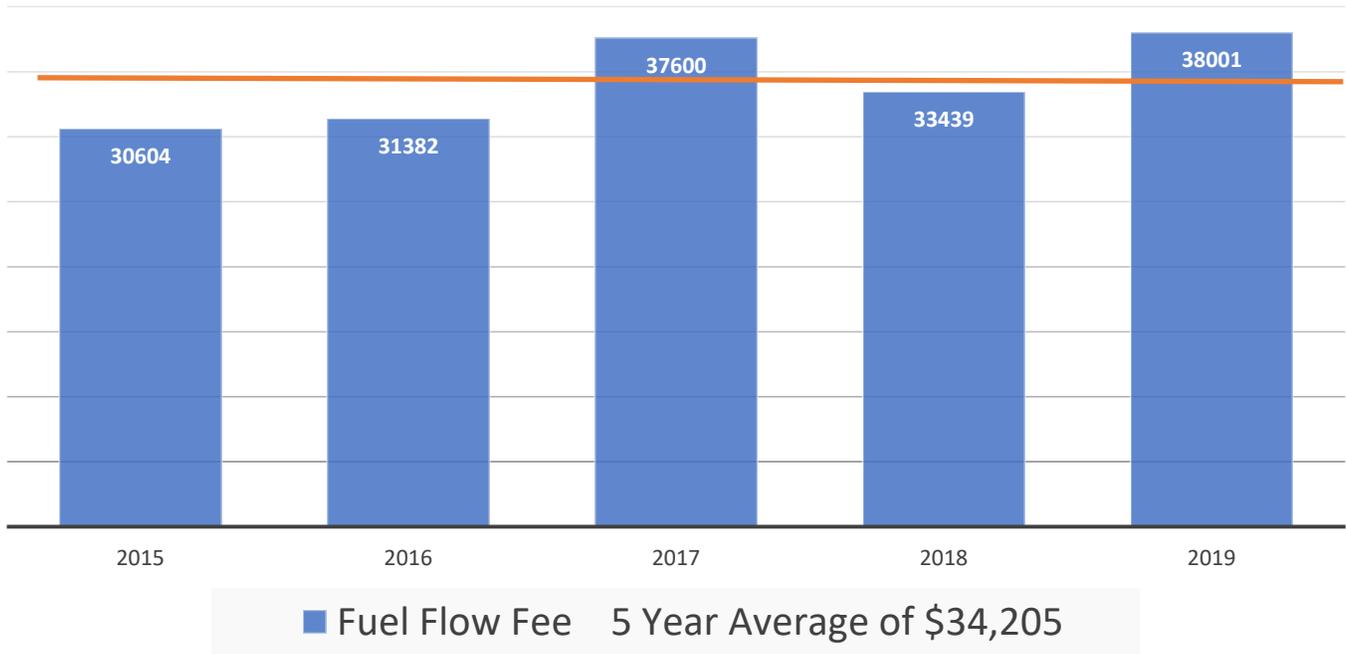
# OPERATING REVENUES



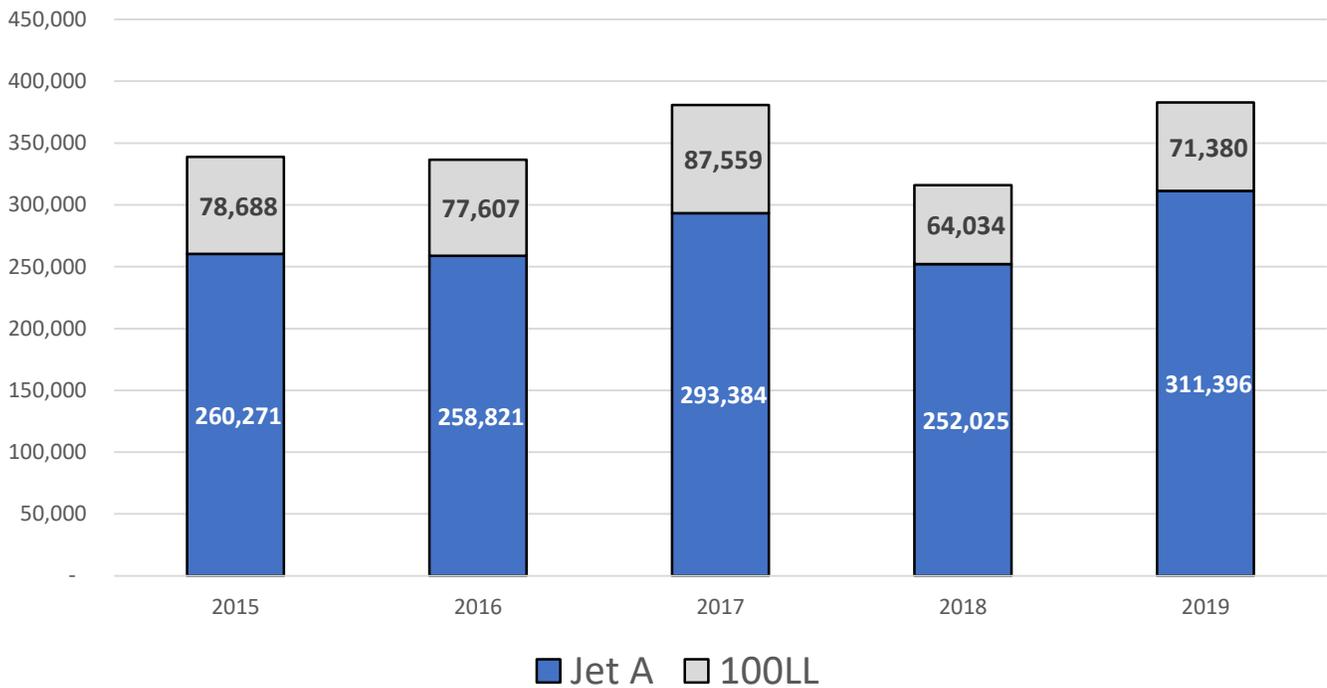
# REVENUE FROM LEASES



# Fuel Flow Fee

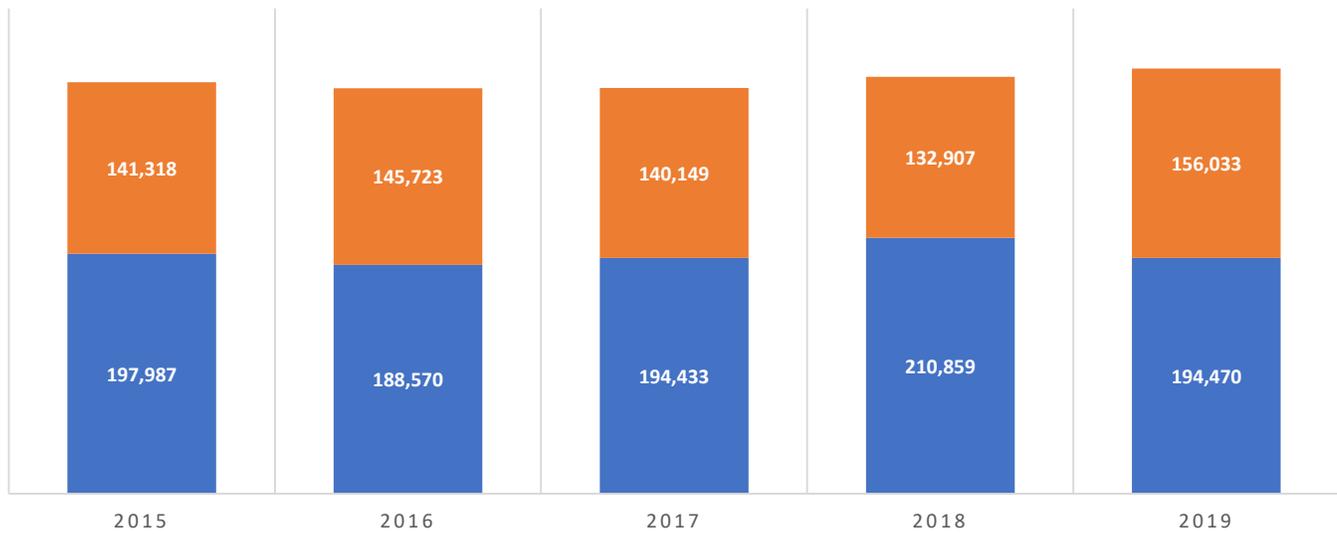


# GALLONS DELIVERED



# OPERATING EXPENSES

■ Compensation ■ Expenses



**Statement of Capital Transactions for the five years ended Sept 30, 2019**

	2015	2016	2017	2018	2019
<b>REVENUES</b>					
TxDOT					
Ramp	\$49,689	\$50,000	\$50,000	\$50,000	\$50,000
T-Hangars					
Intergovernmental					
Ramp	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Mooney Roof	\$1,000,000				
Operations Transfer					
<b>Total</b>	<b>\$1,099,805</b>	<b>\$100,123</b>	<b>\$100,016</b>	<b>\$100,048</b>	<b>\$100,000</b>
<b>EXPENDITURES</b>					
Ramp Grant	\$93,378	\$100,000	\$100,000	\$100,000	\$100,000
T-Hangars					
Mooney Roof	\$703,817	\$296,184			
From Operations	\$12,120	\$10,500	\$148,855	\$12,287	0
<b>Total</b>	<b>\$815,315</b>	<b>\$406,684</b>	<b>\$248,855</b>	<b>\$112,287</b>	<b>\$100,000</b>
<b>NET</b>	<b>\$284,490</b>	<b>-\$306,561</b>	<b>-\$148,838</b>	<b>-\$12,239</b>	<b>\$0</b>

## EXHIBIT E

### FINANCIAL PROJECTIONS

#### Statement of Projected Operations for the years ended Sept 30, 2024

	2020	2021	2022	2023	2024
REVENUES	Budgeted	Budgeted	Projected	Projected	Projected
Leases	\$395,617	\$427,500	\$436,000	\$445,000	\$454,000
Fuel Flow	\$33,000	\$20,000	\$33,000	\$34,000	\$36,000
Total	\$428,617	\$447,500	\$469,000	\$479,000	\$490,000
EXPENSES					
Compensation	\$209,500	\$216,809	\$221,000	\$238,000	\$243,000
Other	\$204,117	\$230,691	\$248,000	\$241,000	\$247,000
Total	\$413,617	\$447,500	\$469,000	\$479,000	\$490,000
NET	\$15,000	\$0	\$0	\$0	\$0

Budgeted Leases FY 2021 is 100% of all available facilities

Projected Revenue from leases have been increased 2% per year from the FY 2021 base

No projected future leases or tenant risks are included in the projected amounts

Projected compensation amounts have been increased 2% per year from FY 2021 amounts

Projected compensation also includes \$13,000 in FY 2023 and FY 2024 for part-time maintenance employee

Budgeted FY 2020 expenses does not include \$150,650 of storm repairs covered by insurance

**Statement of Capital Projection for the years ended Sept 30, 2024**

	2020	2021	2022	2023	2024
<b>REVENUES</b>					
<b>TxDOT</b>					
Ramp	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
T-Hangars	\$75,000	\$525,000			
Runway & Apron			\$1,620,000		
<b>EDA Grant</b>			\$150,000	\$990,000	\$1,700,000
<b>Intergovernmental</b>					
Ramp	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
T-Hangars	\$10,350	\$289,650			
Horseshoe	\$19,635	\$280,365	\$250,000		
Box Site		\$200,000			
Brinkman Doors/Roof		\$465,000			
P. Hangar Doors/Roof			\$125,000		
Runway & Apron			\$180,000		
Seal Twy F					\$95,000
Midfield Exit					\$500,000
<b>Operations</b>	\$34,000				
<b>Total</b>	<b>\$238,985</b>	<b>\$1,929,015</b>	<b>\$2,425,000</b>	<b>\$1,090,000</b>	<b>\$2,395,000</b>

<b>EXPENDITURES</b>					
Ramp Grant	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
T - Hangars	\$85,350	\$814,650			
Runways & Apron			\$1,800,000		
1700 Airport Loop	\$34,000				
Horseshoe	\$19,635	\$280,365	\$250,000		
Box Site Pads		\$200,000			
Brinkman Doors/Roof		\$465,000			
P Hangar Doors/Roof			\$125,000		
Twy D & Utilities			\$150,000		
Renovate Rwy 03-21				\$990,000	
Twy Extension					\$1,700,000
Seal Twy F					\$95,000
Midfield Exit					\$500,000
<b>Total</b>	<b>\$238,985</b>	<b>\$1,929,015</b>	<b>\$2,425,000</b>	<b>\$1,090,000</b>	<b>\$2,395,000</b>
<b>Net</b>	-	-	-	-	-

## EXHIBIT F

### STAKEHOLDERS

Any person, group or organization who can place a claim on an organization's attention, resources or output, or who is affected by that output.

#### AN INTERNAL STAKEHOLDER

Any person, group, or other entity inside the organization, including:

- City of Kerrville mayor, council members and key employees
- Kerr County judge, commissioners and key employees
- Joint Airport Board
- Airport manager and employees

#### AN EXTERNAL STAKEHOLDER

Any person, group, or other entity outside the organization, such as:

- FAA, TXDOT and other governmental agencies
- All airport tenants
  - hangars
  - offices
  - land leases
- FBO and employees
- Pilots and passengers
  - KERV based
  - transient
  - those using fractional services – Net Jet, Wheels Up
- Kerrville Area Chamber of Commerce
- Kerr Economic Development Corp.
- Community
  - neighbors
  - local businesses
    - hotels, ranches, B&Bs, summer camps
    - restaurants, catering services
    - rental car companies
    - real estate agents, homeowners, developers

## EXHIBIT G

### STAKEHOLDER INTERVIEWS

#### Internal Stakeholder Interviews

- During October 2018, the following interviews were held:
  - City of Kerrville
    - Bill Blackburn,
    - Mark McDaniel
    - Judy Eychner
    - Vincent Voelkel
  - Kerr County
    - Rob Kelly
    - Jonathan Letz
    - Tom Moser
- The conversations were initiated based on the following questions:
  - From your viewpoint, how would you evaluate the performance of the airport?
  - What are the airport's strengths?
  - What are the airport's weaknesses?
  - If you could change anything relating to the airport, what would it be?
  - Does the interlocal agreement need to be modified in any way?
  - What do you need from the airport?

#### Internal Stakeholder - City of Kerrville Interview

- Matters of Interest from the interviews included the following:
  - Airport outreach to the general public is limited and should be addressed for possible emphasis
  - Closer involvement by the airport in economic development and job growth would be beneficial
  - Need to promote airport through better communications with internal and external stakeholders
  - Joint City/County meeting to provide an annual report
  - Need to participate in Hill Country Economic Summit on February 14, 2019
  - Need to determine who the primary customers are for airport services
  - Be sure the airport has clear vision and focus as there is a tendency for too many people wanting too many things
  - Master Plan shows needs to address infrastructure west of airport
  - Strengths are physical facilities, especially runways, operations no longer require financial support by City and County, Kerrville location, airport manager, strong board
  - Weaknesses are limited offerings to the community, lack of immediately developable property,
  - Consider building more than twelve new T-Hangars

## Internal Stakeholder- Kerr County Interview

- Matters of Interest from the interviews included the following continued:
  - Airport outreach to the general public is limited and should be addressed for possible emphasis
  - Consider building more than twelve new T- Hangars
  - Current interlocal agreement is working – no need to modify
  - It is important for the airport to address needs of influential users of airport services
  - Mark McDaniel has great experience with airports – use him as a resource
  - Long-term development will come to the east and south – airport will be right in the middle
  - Kerr County will be a magnet to people (businesses) who don't need bricks and mortar but use technology in a big way
  - Take a hard look at the infrastructure required to support growth
  - Perhaps (in scale) Kerrville can become to San Antonio what Santa Barbara is to Los Angeles
  - Address relationships with Chamber of Commerce, business community and real estate

## Interview with Kerrville Aviation

- Additionally an interview was held with Joe Kennedy of Kerrville Aviation
- Items of interest are as follows:
  - Things are tight due to loss of business to South Texas Fuel and general decline in fuel sales
  - Infrastructure is needed to open areas to be developed
  - Need marketing plan with focus on San Antonio
  - Concerns that South Texas Fuel has an unfair advantage because they can operate somewhat like an FBO but are not required to provide services that are required by Kerrville Aviation.

## **EXHIBIT H**

### **SWOT ANALYSIS**

#### **STRENGTHS**

- Land – 528 acres
- Independent airport board
- Excellent staff
- 6,000-foot main runway
- Crosswind runway
- Remote Communication Operation (RCO)
- Multiple instrument approaches
- Easy access to city and area
- Supportive owners
- Low prices on hangars
- Quality new T-hangars
- Infrastructure
- Geographic – near San Antonio Growth Area
- Use by wealthy individuals who own property in area
- Emergency helicopter services on airport
- Breakeven operating results

#### **WEAKNESSES**

- Lack of hangar space
- Limited Class A land
- Airport not known by the public
- Airport brand is under promoted
- Inability to raise capital for development
- Lack of strategic plan
- Limited services for aviation (avionics, etc.)
- No food or observation facilities
- Infrastructure needs additional services
- No Tower
- Competing FBOs
- Operating income not adequate to support improvements
- Airport Master Plan becoming dated

## OPPORTUNITIES

- Availability of funding from TxDOT Aviation
- To provide additional services (flight school, avionics, etc.)
- Reaching out to existing and potential businesses
- Community outreach
- Develop approach to attract larger GA airplanes
- Likely residential development toward San Antonio

## THREATS

- Mooney
- Dependence on governmental funds for capital improvements
- No "4B" County access which may result in difficulty to obtain funding
- Technology reducing need for airports
- FBO issues from surveys
- Cuts in federal funding
- Increased air traffic could cause complaints
- Potential poor public view of airport
- Economy of the state and area
- Political environment change toward airport
- Additional governmental mandates
- Competitors toward San Antonio adverse impact for future growth
- Safety issues due to drones and other similar matters
- Loss of tenant revenue could require significant capital expenditures
- Building on land adjacent to airport could cause population density issues
- Potential impact of elimination of 100LL
- Adverse activities from COVID - 19

## EXHIBIT I

### STRATEGIC INITIATIVES, GOALS AND OBJECTIVES

#### A. Economic Development

##### Goal #1 - Build and maintain relationships with economic development entities

- Objective #1 – Actively participate with City, County, EIC, KEDC Chamber of Commerce and other entities so that the airport is recognized as a vital part of the community.
  1. Coordinate airport economic development with Gil Salinas
  2. Develop closer relationship with Chamber of Commerce
  3. Develop and maintain communications with EIC and KEDC

##### Goal #2 – Focus on high potential business development at airport

- Objective #1 - Actively pursue those with job creations potential
  1. Reach out to commercial real estate developers for ideas
  2. Actively pursue high potential businesses opportunities

#### B. Infrastructure and Financing

##### Goal #1 – Increase numbers of hangars available for lease

- Objective #1 – Complete New T-Hangars
  1. Construct and complete hangars
- Objective #2 – Rehab. the Horseshoe
  1. Finalize proposal, including firm costs for new 140-ft by 70-ft structure with 70-ft hangar door
  2. Prepare case for shell construction, including income/lessees
  3. Obtain financing for shell construction
- Objective #3 – Complete two box hangars
  1. Finalize proposal for box hangar site, including firm costs
  2. Market space to future tenants

##### Goal #2 – Increase amount of Class A space

- Objective #1 – Evaluate options available
  1. Develop 5-year capital plan with timing and funding
  2. Engage consultant to validate

- Objective #2 - Install and/or extend taxiways
  1. Finalize Master Plan for taxiways
  2. Time phase project
  3. Complete project

Goal #3 – Pursue relationships and finance options

- Objective #1 – Identify and actively develop relationship with the decision makers at TxDOT
- Objective #2 - Pursue maximum funding from TxDOT and FAA
- Objective #3 – Pursue other potential (private) funding sources
  1. Clarify process of maximizing funding from these sources
  2. Streamline the process of funding future projects

Goal #4 – Improve appearance of airport

- Objective #1 – Address deferred maintenance issues
  1. List gaps of superior airport facilities and equipment to current status
  2. Develop specific plan to resolve those gaps
  3. Develop program for more attractive entrance to airport
- Objective #2 – Identify upgrades to terminal facility
  1. Prepare list of improvements currently needed at terminal
  2. Prioritize list and begin to resolve needs
  3. Develop 5-year plan for terminal based on needs of market

C. Service Level Improvement

Goal #1 – Improve service to existing customers

- Objective #1 – Modify existing self-serve facility
  1. Identify attributes of first-class self-fueling operations
  2. Develop plan for KERV based on those attributes
  3. Determine where to best to relocate self-serve operation
  4. Estimate costs of the proposed new plan
  5. Establish policy for pricing based on competition
  6. Implement plan
- Objective #2 – Improve service levels of FBO
  1. Establish criteria for superior operations
  2. Develop plan to close the gap from current to superior
  3. Set firm timelines for improvements

- Objective #3 – FBO goals and objectives alignment
  1. Discuss goals and objectives with FBO
  2. Develop and implement a plan to obtain alignment of goals and objectives

#### D. Promotion of Airport

##### Goal #1 – Market the airport to improve community awareness

- Objective #1 – Finalize and implement a marketing plan
  1. Utilize City and County expertise when possible
  2. Supplement efforts with outside professionals
  3. Implement time phased plan
- Objective #2 - Provide quarterly updates via airport newsletter
  1. Develop a list of interesting topics relating to the airport
  2. Distribute via print, email, website and social media
- Objective #3 – Establish routine airport functions
  1. Host minimum of four airport functions annually
  2. Function hosts will include community and aviation related organizations

##### Goal #2 – Increase communication and outreach

- Objective #1 – Improve digital and social media communications
  1. Maintain airport website
  2. Create and manage airport and social media pages for Facebook and Instagram
  3. Produce videos of airport to be posted on airport website
- Objective #2 – Support education
  1. Support additional aviation training programs at KERV
  2. Identify and support outreach opportunities for youth