

TOPEKA REGIONAL AIRPORT MRO HANGAR DEVELOPMENT



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INTRODUCTION

The Metropolitan Topeka Airport Authority (MTAA) plans to construct and operate a large span hangar comprising approximately 80,000 square feet on the apron at Topeka Regional Airport, Topeka, Kansas.

Market demand for this type of hangar space, in particular space in which firms can conduct Maintenance, Repair and Overhaul (MRO) work on wide-body aircraft, is large and growing. Meanwhile, the availability of such space is very limited.

In the following pages, we detail MTAA's plan for meeting that demand and the potential for working with the right partner to seize this game-changing opportunity with the MTAA.

Welcome to the future of aviation in Topeka!



MARKET OVERVIEW

The MRO industry has experienced dramatic growth in recent years due to:

- Aging aircraft fleet
- Increased air travel
- Technological Advancements
- Regulatory Compliance
- Production Delays (especially the Boeing B737 Max)

Despite this growth, a critical shortage of widebody MRO hangars persists across the central United States. Some Midwest airports have widebody hangars but they are under lease and currently unavailable to absorb the increasing demand. *

This shortage is evidenced in MTAA's interaction with industry officials. During the last year alone, three major prospects expressed an interest in moving a portion of their operations to Forbes Field but were stymied by the airport's lack of large hangar space. This is not to mention the frequent calls received from similar players investigating the area.

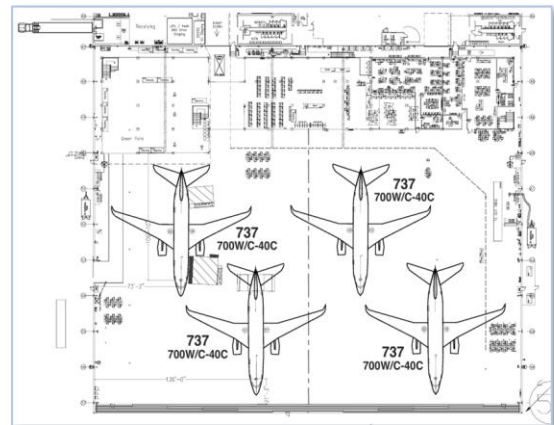
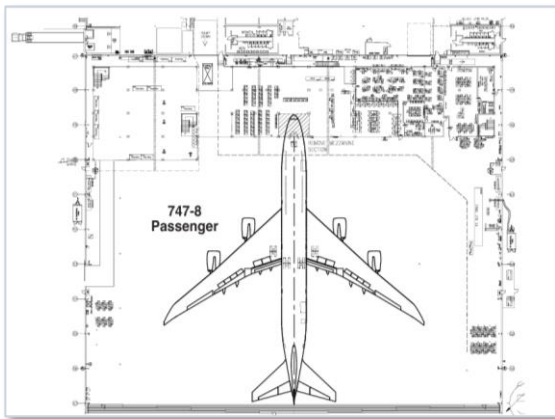
**MRO Demand
Forecast to Top
\$282 Billion In
2025**

Aviation Week - 12/11/24

* See Appendix: Topeka Regional Airport Hangar Study, Dreiling Aviation Services & Rogers Airport Consulting, December 2024.

PROJECT OVERVIEW AND TIMELINE

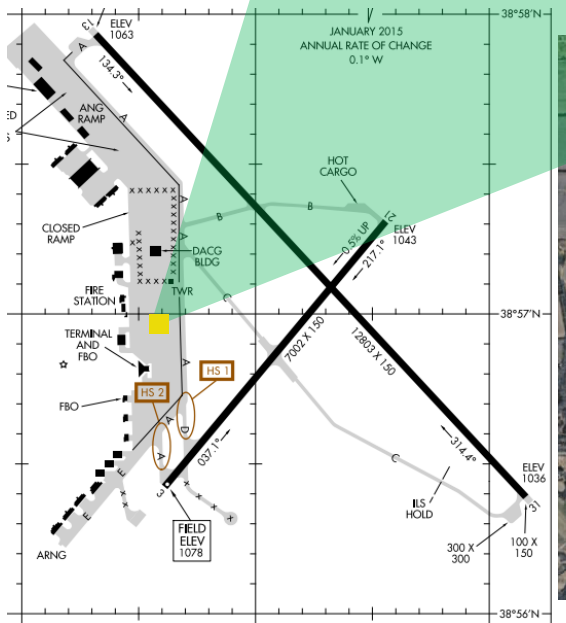
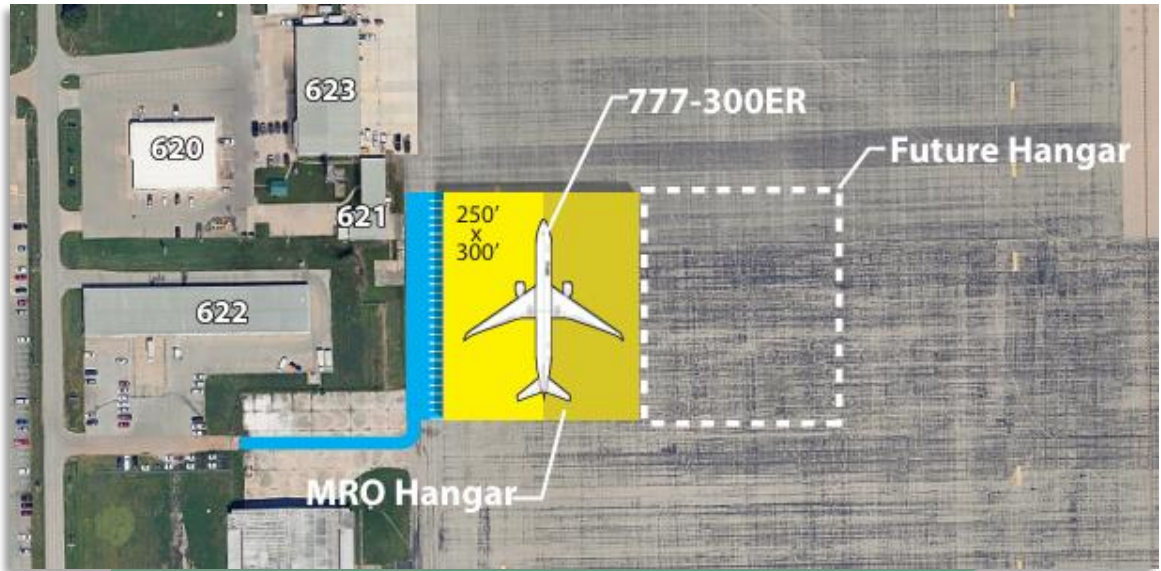
The proposed hangar will be capable of housing the largest commercial aircraft but adaptable to suit a range of operational needs. Such flexibility will enhance the appeal this new structure holds for a variety of potential tenants, from large commercial carriers to smaller operators.



Development Timeline

Q2 2025	<ul style="list-style-type: none">• Site Design complete
Q3 2025	<ul style="list-style-type: none">• Bidding and Construction of Site Improvements• Selection of Hangar Designer
Q2 2026	<ul style="list-style-type: none">• Hangar Bidding, Permitting and Construction
Q2 2027	<ul style="list-style-type: none">• Available for Occupancy

The proposed hangar will be located on the airport apron 560 feet due north of the existing terminal building. It is serviced by a 10' water main. An Evergy substation located on the airport grounds provides 12KW of available electricity.



FINANCIAL OVERVIEW

MTAA is working with the Governor’s office, the Kansas Department of Commerce and the state legislature to obtain a Fiscal Year 2025 state appropriation to offset 66% of the costs of constructing this hangar.

Estimated Project Cost:		Project Funding:	
Site Improvements	\$3,000,000	Unexpended grants	\$1,700,000
Building Design	\$2,500,000	FY25 State App.	\$15,500,000
Construction	<u>\$18,000,000</u>	Local Match	<u>\$6,300,000</u>
Total	\$23,500,000	Total	\$23,500,000

Realistically, the Local Match could be between 50% and 66% (\$6.3M to \$11.75M) depending on the outcome of the 2025 legislative session in June. MTAA will be responsible for certain expenses related to site preparation and utilities. Thus, the remaining match can be expected to range between \$4M and \$10M.

Importantly, Developers investing in MTAA property pay NO real estate tax.

MTAA is prepared to offer a long-term ground lease* to ensure a developer has sufficient time to recover its investment and enjoy a reasonable return. Importantly, developers investing in MTAA property pay NO real estate tax. MTAA may also collaborate on a fee basis with an experienced firm able to design, build and manage the facility.

* The FAA forbids the sale of airport property.

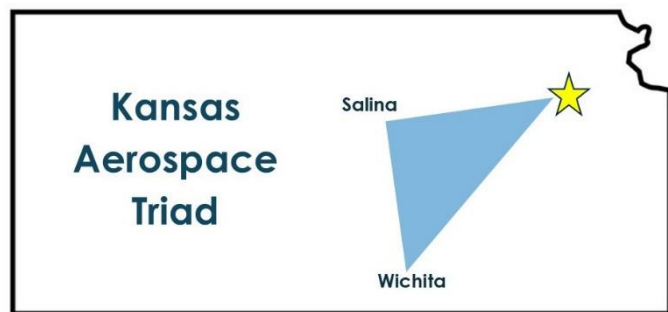
MORE ABOUT MTAA

MTAA is a taxing authority created in 1978 to oversee the area's two airports and associated industrial park immediately adjacent to Forbes Field. Forbes Field is home to the longest runway in Kansas (12,803 feet), a 7,001-foot crosswind runway and over 2 million square feet of apron space.



MTAA is pursuing an aggressive strategy to put Topeka at the center of a thriving aerospace sector in Kansas by:

- ✓ Expanding its aeronautical infrastructure, as witnessed by the hangar project discussed here
- ✓ Adopting policies to encourage development
- ✓ Connecting with avionics and other high-tech firms around the world
- ✓ Attracting commercial air service back to the Capital City



This strategy secures Topeka's position within the Kansas Aerospace Triad.

... AND TOPEKA

The Capital City of Kansas is the thriving center of a five-county MSA with a population of over 232,000. It is home to a number of national firms in a diverse range of industry sectors, including MARS Chocolate North America, Goodyear, Hill's Pet Products, Federal Home Loan Bank, Advisor's Excel and Security Benefit.

These companies and many more draw from a labor pool of 400,000 skilled workers residing within 45 minutes of Topeka.

39.6

Years

Median Age

Shawnee County, KS

\$66,043

USD

Median Household Income

Shawnee County, KS

Sources: US Census Bureau ACS 5-year 2019-2023

LABOR FORCE

84,663

People

Total Employed

Shawnee County, KS

3,673

People

Total Unemployed

Shawnee County, KS

4.2%

Unemployment Rate

Shawnee County, KS

62.5%

Labor Force Participation Rate

Shawnee County, KS

Sources: US Census Bureau ACS 5-year 2019-2023

Four major universities within a 60- mile radius provide Shawnee County's employers with a highly educated and skilled workforce. Washburn University and Washburn Tech, the University of Kansas, Kansas State University and Emporia State University have a combined enrollment of 60,000 students and 12,000 graduates each year.



MTAA works closely with Topeka's Economic Development Organization, GO Topeka, which has access to the host of **Local and State Incentives** available to firms looking to invest in Topeka and create good-paying jobs here.



<https://www.gotopeka.com>

CONCLUSION

The firm with the resources to construct this project and the connections to attract clients will complete a public / private partnership which rewards their investment and sets the stage for dramatic growth in Topeka's aviation industry. Aviation in Topeka truly represents:

“12,803 Feet of Possibility, 444 Acres of Opportunity”

<https://www.mtaa-topeka.org/>



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APPENDIX

- Topeka Regional Airport Hangar Study, Dreiling Aviation Services & Rogers Airport Consulting, December 2024
- MTAA Leasing Policy
- Link to Airport Master Plan:
<https://www.mtaa-topeka.org/topeka-regional-airport>