

Summary: Information related to Ames airport, ISU Flight Service, President Leath

Posted Sep 23, 2016 11:19 am

This summary is intended to provide information about matters related to Iowa State University Flight Service's operations, including Iowa State President Steven Leath's travel through that service, and the university's relationship with the city of Ames regarding development of the Ames Municipal Airport. These questions have been asked as a result of comments President Leath made in his Sept. 14, 2016 Annual Address and by several news media through public records requests and routine questioning regarding university travel.

Improvements to Ames Municipal Airport

Since 2013, Iowa State University has been working with the city of Ames on improvements to the airport, notably a new terminal building and large hangar. Growth in the adjacent Iowa State University Research Park, the university, and community prompted discussions about the need for an updated terminal building along with other functional enhancements and safety improvements.

In 2015, the city of Ames, Iowa State University and private entities reached an agreement to share the cost of improvements. President Leath noted in his Annual Address two weeks ago the importance of the airport changes.

"Adjacent to the park (Research Park), the Ames airport renovations, including a new terminal, hangar and fixed base operator will soon offer more inviting, convenient access to our university and community," Leath said in his prepared remarks. "We see huge potential in these enhancements to foster greater collaboration, innovation, and the entrepreneurial spirit as well as enrich the Ames community."

The new airport agreement is one of a number of service agreements between Iowa State and the city of Ames. According to this agreement, the city and private businesses will cover approximately \$4.15 million of the estimated total project cost of \$4.4 million (including both the terminal and hangar), with Iowa State responsible for the remaining \$250,000. Iowa State has also agreed to pay the city the amount of any shortfall between the airport enterprise's annual operating revenue and annual operating expenses up to the airport enterprise's annual debt obligation (annual maximum of \$66,000) created by the funding of the terminal. Based upon the improvements made at the airport, and anticipated growth in utilization and fuel sales, we do not anticipate ISU's annual obligation to exceed \$25,000 in the first few years. Beyond that point, we anticipate that revenues will be in excess of the annual debt obligation, and in that case, a portion of that net excess will be credited back to Iowa State.

While this investment is significant, the new terminal and hangar will provide a more suitable and safe environment for flight operations of which our athletics teams and university personnel use on a regular basis as well as business leaders who are considering locating in the Research Park or Ames community. Furthermore, based on future projections and growth potential, it is anticipated that the airport improvements will help generate revenue in excess of the annual debt obligation, and in that case, a portion of that excess will be credited to Iowa State.

Board of Regents leadership was notified of this agreement with the city and is supportive of this collaborative effort between the city of Ames and Iowa State University.

Iowa State University Flight Service

Iowa State's interest in the Ames Municipal Airport development is also influenced by the fact that Iowa State University Flight Service is based at the Ames airport. The university owns two aircraft: a Beechcraft King Air (twin engine), and Cirrus SR22 (single engine).

ISU Flight Service has a staff of three highly trained pilots. Iowa State requires two pilots in the cockpit when the King Air is used. The Cirrus SR22 can be flown with one pilot. Iowa State owns both aircraft and is responsible for their maintenance. The Board of Regents executive director was notified of both aircraft purchases. Both aircraft were acquired using unrestricted private funds managed by the ISU Foundation. The foundation purchased the King Air and gifted it to the university. The university purchased the Cirrus SR22. No taxpayer money was used to acquire either aircraft.

The aircraft are available to all Iowa State units and are important to facilitate efficient, flexible, and cost-effective travel by university officials. One of the primary units that relies heavily on ISU Flight Service operations is the Iowa State Athletics Department. Specifically, coaches often utilize Flight Service operations during the student-athlete recruitment process. President Leath also relies on ISU Flight Service as an important tool to enhance his ability to conduct the business of the university across Iowa and the country and to connect with important partners, alumni, and friends of Iowa State. Many of these trips are associated with fundraising, which has become an increasingly important responsibility of university presidents.

Use of aircraft by President Steven Leath

Iowa State has owned and operated transportation aircraft for university use since the 1950s. However, because President Leath holds FAA pilot certification for single-engine aircraft and also holds an instrument rating, there have been some questions regarding his use of university aircraft. President Leath has been a pilot for more than 10 years. His initial training was in North Carolina, and since becoming Iowa State's president in 2012, he has received additional training.

President Leath is certified to pilot the smaller of the university's aircraft (Cirrus SR22) and has occasionally piloted this plane for the purposes of conducting university business and for flight training required by the FAA and the university's insurer.

Our records show on four occasions President Leath has used the Cirrus SR22 for trips that were a combination of university business and personal business, or where university business scheduled immediately before or after personal trips required the flexibility of the Cirrus to meet the obligations of university business. Even though each of these trips had a component of university business associated with them, President Leath reimbursed the university for the costs of these trips. The reimbursement amount was based on a predetermined cost formula developed by ISU Flight Service.

On one of the aforementioned occasions, in July of 2015, while piloting the Cirrus SR22, President Leath encountered a microburst, a localized downdraft within a thunderstorm. As a result, he experienced a hard landing at the Bloomington, Illinois airport. Following the landing, a wing flap of the Cirrus clipped a runway light. While the aircraft remained airworthy, relevant repairs costing approximately \$12,000 were subsequently made to the aircraft and were covered using non-general fund resources. There were no injuries resulting from the landing. President Leath immediately contacted the airport control tower to report the matter. The FAA was also informed of the matter and did not consider it as an accident pursuant to FAA regulations.