

MINUTES of  
AIRPORT BOARD MEETING  
April 5, 2006  
Aurora Room, 7:00 p.m.

I. CALL TO ORDER: Chair Ron Swanson called the meeting to order at 7:00 p.m.

II. ROLL CALL:

Members Present:

Pete Carlson	Fred Gaffney	Ron Swanson
Gordon Evans	Joe Heueisen	Tom Williams
Eric Forrer		

Staff/CBJ Present:

Allan Heese, Airport Manager	Greg Chaney, CBJ Community Dev. Dept.
Jerry Mahle, Airport M&O Superintendent	Merrill Sanford, CBJ Assembly
Pam Chapin, Airport Secretary	

Public Present:

Dick Rountree, Tenant	Lynn Mayer, Local Resident
John Cooper, Cooper Consulting Engineers	Helen Unruh, Thunderbird Terrace
Roger Baker, Petro Marine	Thomas Hall, Local Resident
Jim Wilson, Coastal Helicopters	Betty Bryant, Local Resident
Patty Judson, Local Resident	Susie Walker, Local Resident
Susan Andrews, Local Resident	Janet Thrower, Local Resident
Jeannie Josephson, Local Resident	Frank Thrower, Local Resident
Delbert Carnes, Local Resident	Roma Tupou, Local Resident
Constance Carnes, Local Resident	Paul Tupou, Local Resident
Brian Olson, Delta Western	

III. APPROVAL OF AGENDA: Tom Williams moved, Pete Carlson seconded, to approve the agenda. The agenda was approved by unanimous consent.

IV. UNFINISHED BUSINESS:

A. Petro Marine Lease Request: Airport Manager Allan Heese said this project is to install additional fuel tanks into the tank farm. He noted there are FAA stipulations about managing an airport; one requires the Airport to be as financially self-sustaining as it possibly can and take advantage of all resources available as makes good business sense. The second thing is the Airport has to provide fair and equitable competition to people who want to participate on the airport if it has the ability to do so. He discussed the layout of the fuel tank farm (Attachment #1). This project has moved from Lot 10 to Lots 5 and 6 as Lot 10 has a water line and sewer line running through it. The 50' green belt is being retained on Berner's Avenue and Ladd Street. This project would relocate the fence to the edge of the airport property. A berm will be established along the edge of the green belt. Because of the need to relocate the berm and provide the space for the applicant, the Airport will be removing the trees between the northern edge of the lots and Berners Avenue. A lot of the growth is very scraggly and somewhat unsightly. The green belt will be an open space with grass. The second sheet shows a typical diagram of what the area from the street to berm would look like. The third sheet shows what a person would see when walking on the sidewalk. The total cost is

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approximately \$50,000, with the split of the cost to be negotiated with the prospective tenant. The lease rate for a prepared lot is \$.34, with a different rate for an unprepared lot. It is estimated these lots will bring in approximately \$9,500 to \$10,000 annually.

John Cooper, Cooper Consulting Engineers, said that the area has been reviewed with the Corps of Engineers and the Airport. The Petro Marine facility will have drive-through completely-covered truck loading, all coupling is completely enclosed inside the building, and then the storage tanks. He noted that the airport property is one foot lower than Berners Avenue; therefore, this will give one more foot of obstruction than the drawing provided. This installation will benefit the airport. He, too, noted the FAA mandate that the Airport must be fair and equal to people who provide services to aircraft. He said Petro Marine is working with the Airport to make this project possible.

Tom Williams asked Brian Olson if Delta Western contributed to the cost of the development of the site their tanks are located or was it developed by the City. Mr. Olson replied that the existing lot was given to them in "as is" condition and they did the development as necessary to occupy the property. Mr. Williams asked if Delta Western used their facility for any off-airport use. Mr. Olson replied 95% of their sales are on-airport; three months out of the year they use some of it for heating fuel. He said that the facility is used normally from 8-5. The fuel provider may use it outside of these hours. Mr. Williams asked the same questions of Roger Baker with Petro Marine. Mr. Baker said they foresee 100% airport, with an option to pull heating fuel out of the facility during cold snaps. He also anticipated using the facility during regular hours, with the ability to use the facility for emergencies.

Patty Judson, 9421 Berners Avenue, has lived in Juneau since 1955. She asked why Lot 10 is not considered appropriate. She asked who the firm was that would be doing the design of the facility. Why wasn't a site closer to the airport operations selected? Will there be a buried pipeline? She was concerned about additional noise in loading and unloading. Is there a better use for the property? She noted it was very close to Duck Creek and the danger of leaks into the creek.

Susan Andrews, 9419 Berners Avenue, has lived in Juneau since 1971. She was concerned about aesthetics with the fence. She said the fence currently cuts across the green belt area. She disagreed with the scruffiness of the trees. They are old growth trees. They are beautiful and make a good sound barrier, with a lot of bird activity. She would like to see the fence along the south line, not in the green belt, and leave as many of the old growth trees as possible. A lot of people walk the street and that would leave an aesthetic border rather than a chainlink fence. She read a letter from Mark Smith into the record (Attachment #2).

Jeannie Josephson, Muir Street, has lived in the house since 1983. She was concerned about the increased amount of stored fuel and the increased danger to the neighborhood. She also asked why Lot 10 was not used. She agreed with the old growth trees remaining for a sound and wind barrier. The wind blows the dust and dirt and the trees help keep it down. If there is any way possible to develop the area and keep the trees, she would appreciate it. She did not

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like the thought of having a fence with barbed wire on the street side. She asked what comprises a green belt.

Delbert Carnes, Radcliffe, has lived in the house since 1961. He did not think wild flowers would slow down the wind, nor cut down the airport noise. He knew that the airport was in the vicinity when he bought the house, but it continues to get worse with helicopter noises and the jets in the summertime. The trees help block some of the noise. He thought the berm should be no less than 10 feet. He was concerned about fuel odors and fumes when the tanks and the trucks are being filled. He asked about the layout showing seven tanks, with three of them being future tanks. He did not understand why the early tanks are not put into the future tank locations and leave the back area undeveloped until extra tanks need to be added. He asked why the airport needs so much fuel?

Brian Olson, Delta Western, said they had put a lot of effort, as Petro Marine is, into trying to come up with a mechanism to address the concerns the neighbors had about lighting, back-up noise, and anything other than organic odors. He thought they were successful because the complaints they received have been minimal. They have three 30,000 gallon tanks – two for jet fuel and one for avgas – and this is almost a little bit too much. There has been a sharp drop off in the use of aviation fuel, which is the most volatile fuel. He did not feel there was enough business to sustain an additional 120,000 gallons of fuel sales. He asked the Board to insure it is aviation related. He also asked the Board to look at the capacity, which gives all the potential risks. He was also concerned about only one entrance/exit. He suggested a secondary access be added during the installation of the additional tanks. He noted that when Delta Western went through the process in the mid-1990s, there was a large voice given about the green belt. It was their commitment to be as minimally intrusive as possible. He thought the green belt needs to be 20 to 25 feet because it does provide wind breakage and a sound barrier.

Janet Thrower, 9416 Berners Avenue, has lived in the neighborhood for 16 years. She had great concerns about the size of the facility. She believed it was a disguise to attempt to create a valley distribution center for fuel that would make money for the airport at the expense of the neighborhood. She said the trucks are mixing with business and residential traffic on a street that is already pretty heavily used for the businesses on Glacier Highway. If this facility is going to be just for the airport, she thought it was not a good idea to concentrate all the fuel in one location. In 1990, there was a 20,000 gallon tank above ground and two 10,000 gallon tanks below ground. This is a huge expansion. Even with the trees on Berners Avenue, when a person drives along there in the Spring, the tanks that are there are visible from the street. She believed that the trimming of the trees that occurred has allowed odors from the fuel to reach the area. She was concerned for the chemicals with all of the fuel that would be transferred. She believed that there needs to be give and take, and the neighborhood has done all the giving to this point. She felt that leaving the trees as a visual, sound, and dust barrier is reasonable.

Paul Tupou, Muir Street, has lived in the area for seven years. He said he supports the neighbors. He asked to leave the trees. He felt there were enough tanks in the area and if there is a chance to move the tanks, please do so.

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Roma Tupou, 2216 Muir Street, has lived at this house for seven years. She said this is her home and where she lives. She said if someone lived in the area, they would not want 210,000 gallons of fuel in their backyard. She was concerned about fumes. She said that one of the reasons they bought in this area was because of the trees. It separates the neighborhood from the businesses and the airport. She wondered why these tanks have to be congregated next to a neighborhood. It would be better to have it away from a residential area.

Susan Andrews said they received the notice no more than ten days before the meeting. That was a short notice for something this important. The stakes are already in the area as if permission has already been given. She felt this was insulting. Chair Swanson said that a survey has to be done of the area. If the Board came to the meeting and said it was about here or there, it would not be sufficient. The stakes are only survey stakes to tell everyone where the lot lines are. Ms. Andrews said that a 10-foot berm should be installed from the existing berm through Lot 6 as part of the project.

A recess was taken from 7:50 p.m. to 7:55 p.m.

Jim Wilson, Coastal Fuel, said they have tanks on the airport and buy fuel from Petro Marine. He has lived in the neighborhood for 20 years. He thought that this may be a time to get rid of the impound lot and not cut any trees. He thought competition is good because their fuel manager tried to buy fuel from Delta Western and he was not able to do it. It would be nice to get fuel on the airport and not have the fuel trucks filling their small tanks.

Airport Manager Heese addressed some of the questions raised. He asked Airport Maintenance & Operations Superintendent Jerry Mahle to address the issue about cut trees in relation to previous Board direction for fence maintenance and additional odors in the area. Mr. Mahle said the direction from the Board was to clear cut a six foot space on each side the fence for security. Nothing was cut on the ground on Ladd Street, only trees and limbs that were above the barbed wire fence. On the north side, four or five four-inch trees were cut on the outside of the fence. Everything else that was cut were limbs that went into the four to five-foot space. No disturbance was done of the ground. Some small willows and cotton woods were removed in the area.

Mr. Heese said that Lot 10 was almost unanimously turned down by the Planning Commission because it was crowded and would cause the need for backing in and out, which created noise and safety issues. Water and sewer lines were in this lot. The Planning Commission really wanted the Airport to look at a different location. Petro Marine embraced this request and chose Lots 5 and 6.

One question dealt with why the tanks were not located closer to airport operations. This has been through the Airport Master Planning process and is designated as the fuel farm. Mr. Heese's goal as the Airport Manager has been to try to consolidate tanks in the fuel farm and not have them scattered around the airport. He thought this was where fuel tanks should be.

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He noted only having one access point to the fuel farm has been brought up many times. This is essentially correct, however, in an emergency, it would be very easy to get additional access into the fuel farm. The current access into and out of the fuel farm is from Alex Holden Way across a bridge that crosses Duck Creek. La Perouse Avenue would provide a very good emergency access if needed. The fence could be cut very quickly and a new entrance could be established. Long-term, the Environmental Impact Study (EIS) has plans to bring the road from the airport directly into the fuel farm, which will negate using the current access for movement between the fuel farm and the airport. It would remain the access point for the supply vehicles, but the vehicles servicing the aircraft would use the new road.

A question was raised about a buried pipeline. The EIS contains a question of whether a road into the airport is better than a buried pipeline that would service the fuel farm and bring fuel into a transfer point closer into the airport. This has been discussed, evaluated, and dismissed.

Mr. Heese noted the motivation for this project is to provide competition for aviation users and generate revenue for the Airport. He recognized the project has some negative aspects for the neighborhood, but he thinks that with the berm and the green belt, the Airport can make it look as attractive as possible. He recognized that a fence may not be the most attractive method; unfortunately, he thought it was a cost of doing business and living near the airport.

Comments have been made about old growth trees. When the Airport was going through the same exercise ten years earlier, the same idea was brought up about old growth. He did not believe these trees were technically old growth. They may be old trees, but not technically old growth through the Forest Service definition.

The question was raised about what comprises a green belt. A green belt is essentially what you want it to be. He said the Airport envisions the green belt as trading trees for flowers.

The current tenants and Petro Marine have said they will have very little activity at night. Most of the activity will occur during the day time. No back-up alarms are expected, which is an improvement from the use of Lot 10.

The firm responsible for designing the tank farm and the odors will be addressed by John Cooper.

Mr. Heese discussed the timeliness of the notice for this meeting. The Board set the meeting two weeks earlier and the notice was sent out a little more than a week ago.

The stakes have been in the ground for several weeks to show the lot lines. The lots have been surveyed for several years and the stakes delineate the corners of the lots.

Regarding placing the tanks in the impound lot, this could be evaluated; however, the Airport has a lease agreement with the City. The Airport would possibly have a net zero gain on any revenues, but it would also have to buy out the lease for the City.

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John Cooper, Cooper Consulting Engineers, said he appreciated people bringing up the fumes issue. They had not realized this was a concern and will install charcoal filters on the vents to minimize the problem. He noted that he is the prime consultant and will be designing the project. He will be the prime consultant in the supervision of the construction. The construction contractors will not be known until there is a project. This project is about 100 feet from Duck Creek. When the project was on Lot 10, Petro Marine went before the Wetlands Review Board for the City and Borough of Juneau. They asked for a couple of things for Lot 10. One of those requests was that all drainage was contained inside the lot and treated through an oil/water separator. This has been maintained on the new site, even though they have moved further from Duck Creek.

All tanks are dike tanks. Each one has a tank and a shell around it. The shell contains 150% of the volume of the tank. All of the piping will be above ground, exposed, welded steel and pressure tested. This is a state of the art facility as far as maintaining the integrity of the tanks and pipes. All of the pumps will be contained inside of a building to minimize the noise escaping from the building.

The plans show seven potential tanks. Whether all tanks are ever used will be dependent on unknown factors at this time. Requirements for fuel grades in the last couple of years have changed in a manner that no one would have expected five years ago – low sulfur diesel and ultra low sulfur diesel. The plans currently call for one tank of avgas, two of jet and one of diesel. Which of the spaces will be used is an open decision. All seven have been shown and all can be moved toward the front of the facility. Petro Marine wants to be up front that the space is available to add additional tanks as economic needs and fuel requirements dictate. This is predominantly airport and aviation fuel facility. If Petro did not have the diesel contract for the airport, they probably would not have planned the diesel tank.

Petro Marine is doing everything it can to reduce the noise from the facility by placing the pumps in a building. Trucks will be using the facility. If the facility is installed, Petro Marine will pull some trucks through the facility and Delta Western will probably pull a few less. The amount of fuel used on the airport will not change. This will only change the distribution of whose trucks at X number of trucks.

The berm and green belt will be the Airport's responsibility. Petro Marine will help with both aspects. He will probably manage the construction of these items because it needs to be done in conjunction with the other work being done on the tanks.

In discussing the technology of tanks, Mr. Cooper said that the tanks do vent and he anticipated using charcoal filters over the vents to absorb the chemical smell on the exhaust system. There should be no detectable odor for this facility.

It was asked if the impound lot was moved, would Petro Marine use the facility if offered. Mr. Cooper said he could not speak for Petro Marine, but looking at the technicalities of it, he did not see why it could not be used. It would create a whole new set of problems for Petro Marine and the Airport. This lot is closer to the neighborhood and creates some issues with space

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sensitivity that does not occur as strongly on Lots 5 and 6. Mr. Heese said this area does not have a berm at this time and it would have to be constructed. He noted the materials needed for the establishment of the berm will be readily available during the preparation of Lots 5 and 6. The collective costs might go up if the material had to be imported for a berm.

Joe Heuseisen appreciated the concern over the trees. He wondered if the green belt would be served better with a different type of tree or vegetation. He asked if Delta Western had anything in place now for fume containment. Mr. Olson said they do not.

Gordon Evans asked if there was a need for all the extra fuel, as the capacity will at least be doubled. It appears to him it would open another distribution area. He noted that Petro Marine currently has a very good sized facility by the bridge. This would take the current tank farm from 128,000 gallons to adding another 120,000, which would almost double the capacity. Mr. Cooper said that the decision on the tank size was based on reconditioned tanks that Petro Marine had in their inventory. They are using the available, already owned tanks as opposed to demand-generated numbers.

Mr. Evans felt that the revenue was very low for this size of property. He felt this was not enough revenue. Mr. Heese replied that the Board sets the rate. Mr. Evans asked where the trucks would be kept? Brian Olson, Delta Western, said that tank trucks are brought in to fuel the tanks; 95% of the fuel drawn from the tanks is used on the airport. He knew Juneau Airport would not be able to use more than 200,000 gallons of fuel. He also knew that the traffic will increase in the area. Roger Baker, Petro Marine, said the trucks would be kept at their Douglas facility. The fuel for servicing the aircraft is owned by the two fuelers – Coastal Fuel and Aero Services.

Mr. Evans noted that a gas spill a block away from his house has filled their house with fumes. The Fire Department was called out to handle the situation. If a small spill occurs during loading the truck, he could see some problems there.

Fred Gaffney asked about lighting in the fuel farm. Mr. Cooper said he is doing everything possible to keep lighting from being an issue. The loading facility will be contained on at least two sides. There will be some task lighting that will be on when people are doing things. Some security lights will be necessary, but it will be low level.

Dick Rountree said he is familiar with the grant assurance program. He said the last project was 90,000 gallons of fuel. The current project is for seven tanks or 210,000 gallons. If they want an even playing field with Delta Western, 90,000 gallons is the mark to meet. He noted that 95% of the fuel used from the tank farm includes a fuel flowage fee. He asked if fuel going off the airport had a fuel flowage fee.

Fred Gaffney asked if there was an opportunity for the neighborhood to get involved with the design of the green belt. Mr. Mahle replied that they had asked some of the neighbors to sit down as a group to discuss the green belt. Certain things are required by the FAA, such as the

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eight-foot fence with three strands of barbed wire. Once that is erected, the berm and the green belt can be discussed with the neighborhood.

Fred Gaffney called a point of order and asked what the Board will be doing at this meeting. Chair Swanson said they are going to make a recommendation for the Planning Commission.

Greg Chaney, CBJ Community Development Department, said that he is in attendance to gather information. He said that one of the questions that was asked at the last Planning Commission meeting was why would the tanks go in this location when they are seeing an industrial zone in a residential district. Their interest is to separate industrial and residential uses. His job is to provide the information of if it is going to be done, why is it being done. He said Petro Marine does not have any control of where the tanks are located. They will probably want something in writing as to the justification of the placement of these tanks. This is not insurmountable but needs to be done. It was noted that this will come before the Planning Commission on April 25, at which time this will be open for public testimony.

Eric Forrer moved, Tom Williams seconded, that the plan presented to the Board by Petro Marine be adopted and sent to the Planning Commission contingent upon a provision that the green belt, fence location and berm height be the subject of further design in response to neighborhood concerns. Design should take the form of a 10-foot minimum berm above the grade of Berners Avenue, the fence location to be on top of the berm or removed from the roadside and the 50-foot green belt maintained as a landscaped area.

Mr. Forrer said this is a situation that has been seen all over America – the interface between government, industry and residential areas. Some of the cases are resolved poorly and some quite well. One of the keys to resolution is good design. He is a refugee from the valley as noise drove him out. A comment was made that this was being done just to create competition. He said we live in a country in which the existence of competition is a key element of the economy. It makes things work. Creating competition is a valid pursuit.

The notion that the neighborhood has been doing all the giving is, on its face, accurate, but if it is looked at a little deeper, it is not accurate. Essentially what is being asked is government, in the form of the Airport, is being asked to subsidize the existence of a lifestyle for development. There is a hidden give from the point of view of the Airport if it does not develop this property. This begs the question whether it should be developed as a tank farm, admittedly.

He thought that the green belt should be rigorously analyzed. Perhaps the notion of turning the green belt into a park could be reviewed. The idea of walking past a chain link fence with razor wire is an extremely bad image. The location of the fence, undoubtedly risk factors and the legal world will raise their ugly head and force the Board to look at the fence on the airport property line, but he wished to see that challenged. Berm height should be raised as it increases security of the airport.

Gordon Evans moved to amend the motion to have the fuel storage sight, if approved, be limited to four tanks and that if any future tanks are going to be installed, they have to go back before



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the Planning Commission and show a need for it. The motion to amend died for lack of a second.

Discussion was held on the positioning of the fence. Mr. Mahle said that a fence needs to be visible according to FAA security. Further discussion was held on discussions with representatives from the neighborhood regarding the berm, fence and green belt. Mr. Mahle said he would be happy to meet with the neighbors to come back to the Board with a specific plan at the next regular meeting limited to the specific aspects.

Airport Manager Heese said the original cost of \$50,000 to \$55,000 has been established for a single berm, easily constructed fence and a grassy area with some wildflower seeds planted in it. He said the current suggestion may be much more costly and the Airport does not have a budget for it. He asked the Board not to neglect the increased costs, because it is a very important part to move forward. Mr. Williams said he thought this would be negotiated.

Mr. Forrer said there is a larger issue than just the tank farm. The longer the Airport does not develop the land it has for development, the worse the situation will get. If a berm, a fence, and a green belt are built for the whole area that is acceptable to the community, it will benefit the Airport for years down the line for any other kind of development that may come into that area. To that extent, the budget should be created to do it. Otherwise, the Board is falling down on their responsibility to maintain their investment lands.

Fred Gaffney said the Airport should be a good neighbor and do what is right for the neighborhood. To the extent that the property is going to be developed, the Airport should be a good neighbor and this is a way to do it.

Tom Williams said that he supports development of the tank farm to the extent that it is designated a tank farm. He understands the neighbors' concerns, but it is part of the Master Plan and it ought to be used for that. He thought that the neighbors ought to be accommodated. His preference is to displace the impound lot and build the facility on that location. The preliminary development costs would be less. The primary use of this area is for fuel tanks. The Airport is in the position of taking the first bidder and moved ahead with that because the tank farm was farther down the road. This would be the best of all worlds. However, looking at the long-term, it would be beneficial to develop the property and use it for that use.

Mr. Williams also said that the issue of fuel going off the airport should be reported to the Airport and this issue should be referred to the Finance Committee. If a tenant has the beneficial use of the facility and the Airport is not seeing the benefit, something should be put in place such as an off-airport sales fee. The second issue is the rate as negotiated and relates to non-aviation use should also be referred to the Finance Committee. Chair Swanson referred these to the Finance Committee to work out the details, but noted that Delta Western would also be part of the discussions.

The motion restated: Eric Forrer moved, Tom Williams seconded, that the plan presented to the Board by Petro Marine be adopted and sent to the Planning Commission contingent upon a

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provision that the green belt, fence location and berm height be the subject of further design in response to neighborhood concerns. Design should take the form of a 10-foot minimum berm above the grade of Berners Avenue, the fence location to be on top of the berm or removed from the roadside and the 50-foot green belt maintained as a landscaped area. The motion passed on a vote of six to one, with Gordon Evans voting against the motion. Tom Williams gave notice of reconsideration.

B. Airport Manager's Report:

1. Airport Manager Allan Heese said that regarding the discussion about getting the neighborhood involved, he appreciated the intent of the Board in working with staff, but noted it is the Board's position to direct the Airport Manager, not direct staff.

2. A lot of the things brought up during this meeting are exactly the reason the Community Development Director has been asked to talk to the Board. This is slated to happen next week. This will be a discussion of how the Airport interfaces with the community and vice versa.

V. TIME AND PLACE OF NEXT MEETING:

A. The next regular Airport Board meeting will be held on April 12, 2006, at 7:00 p.m. in the Aurora Room.

VI. ADJOURN: Gordon Evans moved, Joe Heueisen seconded, to adjourn. The meeting adjourned by unanimous consent at 9:33 p.m.