

MINUTES of
AIRPORT BOARD OPERATIONS COMMITTEE MEETING
November 19, 2015
Alaska Room, 9:00 a.m.

I. **CALL TO ORDER:** Committee Chair Mal Menzies called the meeting to order at 9:23 a.m.

II. **ATTENDANCE:**

Members Present:

Dennis Harris
Joe Heueisen

Mal Menzies

Martin Myers*
*via phone

Staff/CBJ Present:

Patty deLaBruere, Airport Manager

III. **NEW BUSINESS**

A. **RED Leasing Request to Allow Aircraft Storage in General Aviation Hangar.**

Airport Manager Patty deLaBruere stated that RED Leasing (the leasing section of Ward Air) has requested that the general aviation hangar that they own be formally approved for commercial use. The hangar was originally owned by Doug Rountree and was private use that morphed into commercial use. The assignment to RED Leasing took place years ago, but not the 'housekeeping' approval for commercial use. The hangar is directly across from the Ward Air hangar. The small hangar is for overflow storage while the main Ward Air hangar is for maintenance and storage.

Board Member Marty Myers stated that there were other tenants around the airport that fall into this category as well, namely Alaska Seaplanes, who have general aviation hangars that are used for commercial reasons. He thought it would be best if we gathered all of these similar general aviation hangars being used commercially, and approve all at once rather than piecemeal through meetings. The members discussed holding off approving the RED Leasing request until all similar hangars were brought forward and approve all at once. Ms. deLaBruere stated that it might be beneficial to move this one forward so that commercial rate changes could go into effect rather than waiting.

Board Member Joe Heueisen stated that the insurance companies may have a problem with some of these private condo style hangars being used for commercial reasons which could change the rates for the whole group. Mr. Myers stated that these hangars are now treated as commercial and the rates are already high. Ms. deLaBruere stated this is true and the insurance companies look at these as quasi-commercial and so does the city; for example, the requirement for parking. Committee Chair Mal Menzies asked that staff pull together the other tenants that fall into this commercial use. The Airport Manager has no objection to this request. *Dennis Harris moved, Marty Myers seconded, to approve the use of Block L, Lot 7 hangar for the purpose of commercial aircraft storage,*

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and forward the motion to the Airport Board for final approval. The motion passed by unanimous consent.

B. Snow Removal Equipment Facility (SREF) Design (Attachment #1). Ms. deLaBruere stated that the SREF committee had met a few months ago to review what the Airport could build with the funding they had to get the most bang for the buck. The Airport went back to the Federal Aviation Administration (FAA) to get concurrence on the proposed methodology and modified design, but found that many changes had occurred including the FAA allowable portions of the building. A new Advisory Circular that came out in 2014 changed what portions of a building were allowed, but actually increased the number of bays for snow removal equipment based on our size of airport. This meant that Juneau International Airport (JNU) was not only eligible for more bays and square footage, but it brought the total for this part of the building up to 100% eligible for FAA funding. Due to the limited funding of a total building that housed both snow removal and maintenance, the project could not move forward as was originally designed. Staff proposed the modified design (snow removal only facility) and the FAA was comfortable with this, as well as the corresponding Capital Improvement Plan (CIP) funding programs.

Mr. Harris asked if the Airport had all the funding in place as represented in the attachment. Ms. deLaBruere stated that the FAA portion is not in place, but the Sales Tax and Legislative Grant are in place. The FAA was in agreement with our methodology on the SREF, as well as the CIP, but the funding would not be guaranteed until the actual grant award, hopefully by July or August. The fact that the FAA was programming this amount into the CIP was favorable.

Committee Chair Menzies asked about the total Sales Tax and state grant money. Ms. deLaBruere stated that on page 2 of the attachment, the funding is outlined into a phased approach. The first phase of the project is now broken up into Phase 1a and 1b for the building. Phase 1a is the snow removal equipment while phase 1b is the other maintenance equipment. Phase 1a will be the portion that is 100% FAA eligible with the appropriate matches from Legislative grant and Sales Tax, the repayment to FAA from Sales Tax, etc., and the balance of Sales Tax and Legislative Grant would be put toward the next phase 1b which is not FAA eligible. The Airport would have to continue working on this phase as funding permits.

Ms. deLaBruere stated that the attached narrative shows the Legislative grant covering the State match that was cut from the budget. The State had set their budget last spring and the Airport received the termination of State match funding after the fact. If the Airport can capture this funding back for the 2016 CIP projects, it would save the Airport over \$800,000. This would also mean that more of the Legislative grant money for the SREF could go toward phase 1b project costs.

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Mr. Harris was concerned about the lack of Assembly backing for the repayment to relocate the SREF to the northwest site. Ms. deLaBruere stated that at the Assembly Committee of the Whole meeting, it was her impression that they were not in favor of backing a general obligation bond which would assist in repaying for the relocation that was the problem. In talking to CBJ Finance Director Bob Bartholomew, he informed the Airport that there were no strings attached to the sales tax dollars so long as the money was used for SREF. So the repayment would be fine. It was thought that if the Airport was not asking for further funding help at this time, and had a project in place that could move forward based on what they had (plus anticipated FAA grant dollars) that this would be favorable to the City. So this is the route that staff and the SREF committee took.

Mr. Harris asked if the \$390/square foot project costs for the SREF was realistic. Ms. deLaBruere stated that this number was revisited by the Architect and ECI/Hyer and confirmed it is a good estimate to work with for this project. *Dennis Harris moved, Marty Myers seconded, to approve the reimbursement of \$1,844,457 to the Federal Aviation Administration (FAA) and \$48,661 to the State of Alaska Department of Transportation (ADOT) for the relocation costs of the SREF (to the NW site) using CBJ Sales Tax dollars appropriated for the SREF project. Funds to be reimbursed to the FAA when either the 2016 FAA SREF grant application is submitted or within 60 days of the next Airport Layout Plan (ALP) submission which shows the SREF site in the NW location, whichever comes first.*

Ms. deLaBruere wanted to remind everyone that the Airport CIP, particularly the SREF discussion, would come before the Assembly Finance Committee on December 16 and welcomed support. She stated that the City Manager wanted to make sure we had a good historical picture of the SREF shortfalls and setbacks over the past couple years that have brought us to where we are today.

- IV. **ADJOURN**: *Dennis Harris moved, Marty Myers seconded, to adjourn the meeting. The meeting adjourned at 9:44 a.m.*