

MINUTES OF THE REGULAR MEETING OF THE CITY OF CHANDLER MUNICIPAL AIRPORT COMMISSION, on Wednesday, June 11, 2008 at 7:00 p.m. at the Chandler Municipal Airport, 2380 South Stinson Way, Chandler, Arizona.

1. CALL TO ORDER / ROLL CALL

Meeting called to order at 7:00 p.m.

A. The following Commission Members answered Roll Call:

Chairman David Church	Commissioner Mike Wigfield
Vice-Chair Chelle Daly	Commissioner Stan Olivier
Commissioner Jim Cullumber	Commissioner Schuyler McCorkle
Commissioner Gary DeHoff	Councilmember Jeff Weninger

B. Acknowledgement of Audience

CHAIRMAN DAVID CHURCH acknowledged the audience and the following people were recognized:

Mr. Tom Baker, Venture Aviation	Mr. John Walkup, Chandler Air Service
Mr. Richard Glaser, Venture Aviation	Mr. Kevin Hartke, City Councilmember
Mr. Darrel Downing, Downing Aviation	Mr. Frank Setzler, Chandler Aviation
Mr. Dave Olney, Dave Olney & Associates	Mr. Mike Still, Hangar Owner
Mr. Jeff Swan, Swan Architects, Inc.	Mr. Joe Goetz, Chandler Resident
Mrs. Stacey Nichols, Tower Manager	Mrs. Lori Quan, Economic Development
Mr. Guy Pepoy, Neighbor	Mr. Neil Jones, Quantum Helicopters

Others Present:

Mr. R.J. Zeder, Public Works Director	Mr. Guy Lennon, Airport Management Assistant
Mr. Greg Chenoweth, Airport Manager	Mrs. Gina Cassuto, Airport Executive Assistant

2. APPROVAL OF MINUTES:

It was MOVED by COMMISSIONER GARY DEHOFF and SECONDED by COMMISSIONER STAN OLIVIER that the Meeting Minutes of May 14, 2008 for the CHANDLER MUNICIPAL AIRPORT be approved. MOTION CARRIED UNANIMOUSLY.

3. UNSCHEDULED PUBLIC APPEARANCES:

A. CALL TO PUBLIC

There were no unscheduled public appearances.

4. SCHEDULED PUBLIC APPEARANCES:

A. CALL TO PUBLIC

There were no scheduled public appearances.

5. ACTION AGENDA:

A. Airport Conflict Evaluation – My Extra Garage Storage, a storage facility for boats, vehicles and other recreational items located at the southwest corner of Cooper and Queen Creek Roads

MR. CHENOWETH presented the Airport Conflict Evaluation for My Extra Garage Storage, a storage facility for boats, vehicles and other recreational items located at the southwest corner of Cooper and Queen Creek Roads. The property consists of approximately 3 acres and is currently zoned PAD with retail uses. Maximum building height is just over 31' and does not present a conflict with the current or future airport uses. A neighborhood meeting was held on May 29, 2008. One neighbor from the adjacent professional offices attended along with an airport tenant. The neighbor asked about traffic flow and expressed a desire to see more retail in the development. The airport tenant expressed agreement with the project. Staff recommends the Commission present to the Zoning Administrator and City Council an Airport Conflicts Evaluation report with findings of no conflict with airport uses for the proposed My Extra Garage Storage development. MR. JEFF SWAN with the planned development explained the site plan. COMMISSIONER JIM CULLUMBER asked about the sale price. MR. SWAN did not have this information. COMMISSIONER SKY MCCORKLE inquired about oil storage. MR. SWAN replied they would have an oil and RV dump along with a spray wash area. VICE-CHAIR DALY asked if the use would be more for storage. MR. SWAN responded it is priced that it will be sold to people with expensive collections and RV's.

IT WAS MOVED by COMMISSIONER OLIVIER and SECONDED by VICE-CHAIR CHELLE DALY the Commission approve and forward the Airport Conflicts Evaluation for My Extra Garage Storage, a storage facility for boats, vehicles and other recreational items located at the southwest corner of Cooper and Queen Creek Roads to the Zoning Administrator and City Council with a finding of no conflict as presented by MR. CHENOWETH MOTION CARRIED UNANIMOUSLY.

6. BRIEFING ITEMS:

- A. Chandler Airport Alliance (CAA) – John Walkup
 - i. Update on CAA partnerships

MR. JOHN WALKUP noted he attended the City Council meeting June 12, 2008 and presented the CAA partnerships to them. CAA holds meetings the first Tuesday of each month and membership is at 23 people at this time. They have contacted Patty Bruno from the Downtown Community Partnership for direction. The website is currently being reconstructed.

- B. Fueling Activity

MR. CHENOWETH commented that at the last Commission meeting, a question was posed regarding how much fuel the City has sold since implementing the new fuel pricing formula in January 2007 and the impact it has had on revenue to the airport. Records indicate losses in both gallons sold on the airport and total net revenue to the airport since the pricing change. Two years before the pricing change, an average of 1.86 gallons per operation was sold. After the pricing formula change, it dropped to 1.67 gallons per operation, indicating an overall market share loss. Overall, the net revenue did not change significantly, but if in considering the total gallons sold per operation at 1.67 per gallon multiplied by the number of operations last year, there should have been 491,200 gallons of fuel sold. However, total sales were at 441,000 overall, a net loss of 50,221 gallons. Using the average net revenue per gallon of 10.5 cents for the two, one-year periods before the price change, multiplied by the 491,200 gallons that could have been sold, the net revenue would have been \$51,000 depicting a net revenue loss of \$1,860 to the actual net revenues since the price change. Staff will revisit the fuel pricing formula and fuel flow fee at the next rate and fee increase. VICE-CHAIR DALY asked if the decreases are related to the overall economy. MR. CHENOWETH replied it may be possible but there was no dramatic drop in operations which would indicate pilots are going elsewhere for fuel. VICE-CHAIR DALY inquired what airports the pilots were going to and their fuel prices. MR. CHENOWETH responded there are a number of airports in the vicinity such as Stellar Airpark, Coolidge and Casa Grande with fuel prices lower than Chandler. Staff is not aware of their fuel pricing methodology. The City's methodology seeks to fully recover costs and make a little bit of revenue as well. COMMISSIONER MCCORKLE asked what our cost per gallon is at this time and if staff would track the impact on airport businesses considering the rising cost of oil. MR. CHENOWETH replied \$5.05 per gallon and since there was a decrease in operations from last year that our operational cost for fuel went down including overall expenses such as customer service and the fuel card system. Fixed expenses such as preventative maintenance and repairs remained the same. COMMISSIONER MCCORKLE asked for a copy of the fuel pricing formula. COMMISSIONER CULLUMBER asked if there were any significant changes in the insurance rates related to fuel. MR. CHENOWETH responded he was not certain in that the airport's liability policy has one premium covering everything. He did note there was an 8% decrease in our premium for the upcoming fiscal year but he did not know how much was related to fuel sales. Staff is working on getting the breakdown. MR. WALKUP commented the City only sells self-serve fuel while Chandler Air Service sells self-serve and off the truck fuel. He presented data from 2006, 2007 and the first five months of 2008. During this time, Chandler Air Service sold 958,000 of 100LL fuel, 9% being self serve, 70% sold to locals and 30% sold to transients. Chandler Air Service, Southwest Aircraft Charter and Quantum Helicopter account for 63% of off the truck fuel sold, local pilots about 20% and transients about 17%. The overall amount of fuel sales has only increased 10-15% since the price increase. This airport supports the local people and the businesses that are here. There was a drop in fuel due to Tailwind Flight Centre closing their doors that accounted for approximately 35,000 gallons per year. MR. WALKUP commented what is needed is an airport that provides better services and cited various airports and their 100LL and Jet A gas pricing. He noted his opinion that fuel prices should be increased to obtain a higher revenue margin. This would have more money spent at this airport. He continued by saying that lowering the price to get more people to come in is not a good plan. In the past 2- ½ years, Jet A fuel averaged 16,000 to 20,000 per month and averaged out at 18,000. Southwest Aircraft Charter averaged between 30% to 41% in Jet A sales in the last five months. The additional amount of fuel sales comes from the increased turbine aircraft at this airport. By improving services at this airport, revenue will increase and this airport will grow. COMMISSIONER DEHOFF inquired how often the price for the City self-serve fuel changes. MR. CHENOWETH responded it is typically when another load is ordered. The last order was

approximately 2 ½ months ago and with the recent removal of the two fuel tanks, ordering will occur more often. Pricing is based on the minimum cost for recovery and margin or based on the market itself.

C. City Requirements for Runway Development

MR. CHENOWETH mentioned an individual inquired what the requirements were for allowing additional runway development at Chandler Airport from the previous meeting. City code states it allows for a 5,700' runway from the current 4,850' length provided there is a successful bond question voted on by the Chandler electorate that is identified as being for a runway extension. The individual also asked if this requirement could be changed and how to go about it. All ordinances in the City code are enacted through City Council through an ordinance. CHAIRMAN CHURCH asked if there was a way to get around the public vote requirement. MR. CHENOWETH replied the current law states the bond vote must happen before any extension can occur. COMMISSIONER CULLUMBER asked if it conflicts with any federal laws or grants. MR. CHENOWETH replied that to his knowledge, this ordinance complies with federal and state laws and is not in conflict with grant assurances.

D. Taxiway C Issue

MR. CHENOWETH briefed the Commission regarding the Taxiway C issue, which dates back to November 2007. There are new leases in place for development on the south side of the airport that will occur in the near future. There is also a lot of helicopter activity on Taxiway C adjacent to the planned development. When this development occurs, a lot of fixed wing activity will also occur on Taxiway that could create a conflict between the two uses. If helicopter activity is ended on Taxiway C as proposed, helicopters and fixed wing aircraft will need to share the two runways. The other result is that both will have to be in a similar traffic pattern for spacing and separation with altitude separation being a consideration. He noted that by increasing altitudes, adequate separation could be maintained and the residential areas south of the airport should experience some noise reduction. However, with use of the north runway by both aircraft types, there would likely be an increase in both traffic and noise to the north of the airport. The current practice of using Taxiway C has always been successful, but the airport has not experienced significant fixed wing aircraft activity on the south side to date. Staff had originally recommended that helicopter activity cease January 1, 2008 to increase the safety measure for fixed wing aircraft. After dialogue with airport users, the date was moved to July 1, 2008 to give fixed wing, rotor wing operators and the tower time to work on and practice a set of procedures to prepare for the changes and provide a final evaluation in May 2008. The City requested a progressive implementation of procedures to change the use of Taxiway C and the traffic patterns leading up to the plan for July 1, 2008 action. A subsequent meeting with some of the airport users, the City Manager's office and the Public Works Director resulted in a decision to consider delaying the restriction beyond July 1, 2008. CHAIRMAN CHURCH asked if the July date was firm or flexible. MR. CHENOWETH responded the City Manager would consider it. MR. R.J. ZEDER commented he attended the meeting with the City Manager, MR. WALKUP and MR. JONES. Since through-the-fence and fixed-wing developments on the south side of the airport has not occurred by DWO or Arizona Pacific Aviation and that it is not foreseen for there to be any construction this year, he is comfortable with the recommendation of not enacting the restriction July 1, 2008. This will enable discussions with those affected and the tower. MR. NEIL JONES expressed his appreciation for communication between city staff and the airport users since it is a significant issue and is hopeful there will be a satisfactory agreement for everyone. He had major concerns with the initial communication from the City in November 2007 due to lack of dialogue with the operators and ATC, before being proposed. He asked that the Commission be involved in this process and lend the operators assistance with this issue. VICE-CHAIR DALY asked MR. JONES what percentage of helicopter operations requires the longer pavement and what length is needed. MR. JONES replied in general for any helicopter operator approximately 30%-40% needs the longer pavement lengths, depending on training schedules and the weather. He noted this is characteristic at Falcon Field, Phoenix Regional, Williams Gateway and on occasion Scottsdale is also used - not just this airport. If there is a choice, at least 1,200' of pavement is required. VICE-CHAIR DALY remarked she is not comfortable with the mixing of fixed and rotor wing aircraft and is concerned about safety. Due diligence is still necessary to come up with a viable solution to this issue for everyone concerned. MR. JONES expressed an opinion that this issue has more to do with noise than safety or construction. Driving this particular attempt to restrict operations by the stakeholders is people complaining about noise. Were it not for that, it would be business as usual. VICE-CHAIR DALY replied given the choice between noise and safety, she would opt for safety but she is concerned about the spreading of noise. MR. JONES commented if the changes were implemented tomorrow, it would not help the noise problem, it will spread the noise, it will affect more people around the airport, since fixed wing and rotor operations will spread out farther and be less safe. If these restrictions were never proposed, the airport would continue to evolve gradually. Provided the system works correctly between staff, the FAA, ATC and stakeholders, solutions would come about with

appropriate procedures to address the necessary changes. COMMISSIONER MCCORKLE asked if use of Taxiway C by all helicopter operations once development on the south side is underway or complete is still an option and agrees that safety is the utmost concern. MRS. STACEY NICHOLS replied the mixing of the two aircraft types on Taxiway C is possible without compromising safety. This is because any aircraft activity in the movement areas must contact the tower before entering that area. This applies to any taxiway whether it is on the north or south sides of the airport. COMMISSIONER MCCORKLE was also commented that the cost of fuel use might increase if patterns extend since they would use more fuel to do this. MR. JONES commented he just signed a lease with the City of Chandler for 50 years and feels the restrictions are in direct conflict with that lease in his role as both a stakeholder and leaseholder at the airport. COUNCILMEMBER WENINGER asked if these changes are a foregone conclusion. Are the recommended changes necessary once the development is implemented. MR. CHENOWETH replied that the obviously there are different opinions on how to address this, so specific methods are not yet determined and there is room for discussion on this issue. However, he noted there must be a change of some form and that further discussions will determine the best solutions.

E. Lease Status

i. Venture Aviation – Lease Extension, First of Two Five-Year Lessee Options

MR. CHENOWETH noted that Venture Aviation has announced their intent to exercise the first of two possible five-year extensions. This first extension will expire on December 31, 2013. MR. CHENOWETH noted he looks forward to having them at the airport for at least another five years.

ii. RFP's

MR. CHENOWETH commented there has been significant movement and activity on the RFP proposals, and the Commission will be apprised as these potential leases continue to formulate.

iii. Direct Lease

MR. CHENOWETH stated staff has received applications that require a significant amount of research and clarification. Staff will share information on these potential leases as it becomes available.

F. Airport Improvements and Constructions Projects

Construction:

- *Airfield Signage Project* – All signage is in place except for three or four sign faces that still needs to be replaced by the manufacturer.

Design and Planning:

- *Airport Noise Study* – Wednesday, June 18 is the first Advisory Committee. The primary intent of the meeting is to allow the members to become acquainted, provide them with the federal laws, and provide information regarding their tasks. A public meeting is schedule for late July or early August 2008. The consultant will provide the public with noise information analysis and preliminary alternatives at that time. COMMISSIONER OLIVIER asked what time the meeting was. MR. CHENOWETH replied at 6:00 p.m. in the airport conference room. MR. WALKUP inquired if the notices were sent. MR. CHENOWETH responded they were mailed out June 10. He noted the schedule shows the study being completed sometime in March or April of next year.
- *Perimeter Road Design* – The design is at 95% and is in final review. Design completion is anticipated in July 2008 and FAA grants are expected in the upcoming FAA fiscal year.
- *Light Vault Renovation* – The design is at 30% and being reviewed by ADOT. Design completion is anticipated in August 2008. Construction funding is in place.
- *Airport Boulevard Design* – The design is close to 30% and will be reviewed by ADOT. Design completion is anticipated December 2008.
- *NW Apron Design* – Contract administration is working on the contract with the design engineer.
- *Storm Drain Project* – Contract administration is working on the contract with the design engineer.

G. April 2008 Financial Activity

MR. CHENOWETH briefed the Commission on the April 2008 Financial Activity stating there was a significant increase to the cumulative year-to-date balance from last month. This is due to the funding that was identified last month as encumbered for the fuel tank removal project and the tower voice recording system replacement are in reserve and are no longer depicted as a debit in the financials. The cumulative year-to-date balance for March 2008

went from -\$120,000 in last month's report to -\$18,000 in this month's report. However, with revenues in April 2008 being significantly higher than expenses the cumulative balance is showing at a positive number of \$3,970. COMMISSIONER DEHOFF inquired if there was a list of encumbrances/expenses. MR. CHENOWETH replied they could be provided. Staff is working with Budget & Finance to determine a better way of reporting the financial activity.

H. Air Traffic and Noise Abatement Activity for May 2008.

MR. GUY LENNON briefed the Commission on the Noise Abatement Activity for May 2008. There were 20,436 operations for a total of 261,241 operations for the last twelve months. The FAA reports Chandler as being the 45th busiest airport and 10th busiest general aviation airport in the country. There were 15 noise calls; 4 regarding traffic patterns - 3 regarding helicopters and 1 for fixed wing. The other 11 came for a departing airplane going south to the aerobatic area performing maintenance procedures for his airplane. MR. WALKUP asked for an analysis of the noise complaints depicting the number of complaints, the number of callers and separating the legitimate complaints at this airport from other areas. CHAIRMAN CHURCH asked if staff anticipates operations going below 20,000 in a month. MR. LENNON replied it would be reflected in the twelve-month forecast. COMMISSIONER MCCORKLE inquired if staff foresees a decrease of operations if gas prices continue to rise. MR. CHENOWETH replied in the affirmative, as pilots will probably fly less due to economic concerns.

I. Airport Manager Comments

MR. CHENOWETH advised the Commission that Mr. Doug Whitney is the new Airport Operations Supervisor effective June 2, 2008. He most recently worked at the Flagstaff, Arizona airport.

7. COMMISSION MEMBERS COMMENTS

COMMISSIONER OLIVIER reminded everyone that June 14 is Flag Day, June 15 is Father's Day and July 4 is Independence Day. COMMISSIONER CULLUMBER commented that the Commission and the City should put things into perspective, airports are noisy but they are also one of the strongest economic engines and that it should be supported without so much worrying about being so politically correct. COMMISSIONER DALY commented Scottsdale Airpark is one of the largest economic engines in Arizona and if projections are correct, Chandler will be even larger. COMMISSIONER DEHOFF thanked the City Manager's office for listening to the operators and encouraged them to continue this.

ADJOURNMENT

Noting no other comments from Commissioners, CHAIRMAN CHURCH adjourned the meeting. The meeting of the Airport Commission adjourned at 8:45 p.m.


Chelle Daly
Vice-Chair


Greg Chenoweth, Airport Manager
Recording Secretary