

Airport Advisory Committee
Draft Meeting Minutes
Wednesday, February 12, 2020
Airport Terminal Building
65 Airport Road

In attendance:

Committee (in attendance): Joe Alosa (Chairman), Councilor Candace Bouchard, Councilor Gail Matson, Charles Gerhan, Rita Hunt, and Deputy City Manager Carlos Baía

Committee (absent): Rick Bartle and Jim MacKay

Staff: Martha Drukker, Chip Chesley, and Jay Burgess

Airport Manager: David Rolla

Guests: John Gorham (Jacobs), Heath Marsden (Jacobs), Carol Niewola (NHDOT)

Meeting called to order at 4:35 pm

1. Approval of the December 17, 2019 meeting minutes

Councilor Bouchard moved approval; Councilor Matson seconded the motion. Minutes approved.

2. Capital and Operating Budgets

Mr. Baía reviewed the FY 20 operating and capital budgets with the committee in anticipation of preparing the FY21 budget. He noted that operationally, the airport is losing money annually. The FY 20 proforma showed that the airport fund itself will be depleted by FY 2023 which would trigger Council's decision to use general taxpayer dollars to support the facility. Mr. Baía stated his understanding was that prior to the National Guard lease, the City's General Fund had historically supported the airport.

Mr. Baía mentioned that things that could change that financial outlook would be reduced services, increased development or increased aviation activity that could lead to new or more significant revenue streams.

Mr. Baía noted that the airport has not gotten a lot of development interest. The last time someone inquired about building new hangars was several months ago and they did not pursue any project.

Councilor Bouchard asked if the City's airport lease rates were competitive. Ms. Drukker noted that a number of other airports in the recent years have looked to Concord in setting their ground lease rates.

Chairman Alosa suggested that the airport start thinking about infrastructure for electric airplanes. He noted that if we are planning hangar replacements and fuel farm changes in the future, we should plan for the type of electric infrastructure that might be needed and model how new revenue streams could be had for this use.

Mr. Baía went over all the projects in the Airport Capital Improvement Program. Mr. Burgess stated that he was projecting a City-funded \$22,000 project in CIP 75 to do some concrete repair in FY 21. Aside from this project, City Administration was not proposing any additional CIPs for FY 21. Mr. Baía explained this dearth of projects as follows: 1) The airport has made significant investments in safety and equipment improvements over the recent years to the point that the airfield and the air operations experience is quite improved; 2) The airport budget continues to run an annual deficit. Any additional capital projects will need to be paid with cash from the airport fund or with debt which will further obligate the fund. This is not sustainable as presently configured; and, 3) The City has an opportunity to bank \$150,000 in FAA funds per year up to four years if it does not pursue other FAA grant-funded capital projects during this time period. This would allow the City to have a significant pot of dollars in a few years that could be used for a project such as a new terminal building should the Committee and Council feel that is warranted.

Nonetheless, Mr. Baía stated that he wanted to make sure the Committee had an opportunity to weigh in and provide its own recommendation. He noted, for example, that Mr. Rolla had recently advocated for a runway extension which is not presently in the City's Capital Improvement Program. Ms. Niewola of NHDOT explained that for FAA to fund a runway extension, the agency will require a study that shows that there is existing demand over the next five years to warrant such an investment. That demand level has to come from existing customers, not potential customers. In addition to the study, soliciting letters of interest in a longer runway from existing customers would also be beneficial.

Ms. Niewola noted that the airport would also need to show this demand by taking an inventory of existing flight operations. This demand level would have to be exclusive of any military or federal aircraft.

Councilor Bouchard asked how much a runway extension might cost. John Gorham estimated that it would be between \$3 and \$6 million. Ms. Drukker noted that the City would be responsible for at least 5% of that number or \$150,000 - \$300,000.

Councilor Bouchard asked how many customers Concord's airport had lost to Manchester. Mr. Rolla responded that this number is hard to analyze. He explained that the customer base changes frequently. He cited the examples of St. Paul's parents that had a plane, but now their child has graduated so they no longer fly to Concord. He also noted the Lincoln Financial jet which reduced its flights to Concord over the recent years. Councilor Bouchard noted that Lincoln Financial's decision appeared to be related to what was happening with the company not necessarily the runway.

Mr. Baía asked if the committee wanted to add anything to the proposed FY 21 capital budget in light of the conversation. The consensus of the committee was not to pursue any additional capital projects in FY 21 (except for those already discussed, such as CIP 75) and instead bank the annual allocation from FAA.

The committee also recommended that a CIP with a runway extension study and design/build of a runway extension be added to the City's Capital Budget in an outyear.

3. Terminal Area Study Update

Heath Marsden briefed the committee on the work to date and the recent stakeholder meeting. He noted that a second stakeholder meeting is scheduled for March 4th.

4. Old Business

Mr. Baía stated that the Adjutant General's Office has yet to sign the P&S for the airport property at the northeast corner of Regional Drive and Airport Road. The State continues to advise that the P&S is still pending approval from the Attorney General's Office.

Mr. Baía noted that the Adjutant General's Office has asked if they could start on the appraisal without the signed P&S. The Committee was not opposed to this assuming the airport's interests were protected. Ms. Niewola did not see any regulatory reason from the FAA or NHDOT why the appraisal couldn't be done now. However, she did warn that the FAA only allows 6 months for an appraisal's shelf life.

Mr. Baía informed the Committee that a report on the aerobatic practice area that the committee had recommended would be on the March City Council agenda.

5. New Business

Ms. Drukker stated that with the success of the "Wings and Wheels" event, more volunteers are needed. She suggested a core group of 10 volunteers to take the lead on the event would be critical to ensure that the event continues.

Mr. Rolla stated that he had been contacted by the National Guard and they wish to hold an "Armed Forces Day" on May 16, 2020. They would like to use runway 12/30 for physical competitions such as a running. They are looking to close that runway from 8:00 am to 1:30 pm on that day. The Committee was supportive of this event. Ms. Niewola explained that the Guard would need to submit a "non-aeronautical use request" to FAA. Mr. Baía stated that—to be consistent with the Wings and Wheels event—this should also have City Council's approval. He stated that if Mr. Rolla can forward him some pertinent information on the event, he will draft a report for City Council's March agenda.

Meeting adjourned at 5:45 p.m.

Respectfully,

Carlos P. Baía