

UKIAH REGIONAL AIRPORT COMMISSION
February 17, 2009
Minutes

COMMISSIONERS PRESENT

Dottie Deerwester, Chair
Eric Crane
Jeff Sloan
Carl Steinmann
Don Albright

STAFF PRESENT

Greg Owen, Airport Manager
Charley Stump, Director of Planning and
Community Development
Kim Jordan, Senior Planner
Cathy Elawadly, Recording Secretary

COMMISSIONERS ABSENT

None

OTHERS PRESENT

Floyd Smoller
Mike Whetzel
John Eisenzopf
Bob Searer
Nick Bishop

1. CALL TO ORDER

The Airport Commission meeting was called to order by Chair Deerwester at 6:30 p.m. at the Ukiah Regional Airport, Old Flight Service Station, 1403 South State Street, Ukiah, California. Roll Call was taken with the results listed above.

2. PLEDGE OF ALLEGIANCE- Everyone recited the pledge of allegiance.

3. APPROVAL OF MINUTES - December 2, 2008

M/S Steinmann/Crane to approve December 2, 2008 minutes, as submitted. Motion carried by an all AYE voice vote.

4. AUDIENCE COMMENTS ON NON-AGENDA ITEMS – None

5. PRESENTATION FROM PLANNING DEPARTMENT ON REVISION TO AIRPORT MASTER PLAN

Planning Director Stump provided information about the Form Based Zone/SmartCode project and the compatibility issues that have surfaced, particularly as the draft code relates to Airport compatibility issues. Staff is asking for comments/input from the Airport Commission as an advisory body concerned with issues that affect the operation of the Airport.

- The City has been working on developing a new set of zoning regulations for the Downtown area and Perkins Street corridor intended to provide more certainty for the property owner/developer relative to the rules and review process while also allowing for more certainty for the community in terms of the form and design of what is built. The proposed new rules would encourage careful infill development where existing infrastructure is available and discourage urban sprawl and the conversion of agricultural/industrial land to commercial and residential uses.
- The new regulations have raised concerns, some of which include:
 - ❖ Concerns about the requirements for new alleys and streets
 - ❖ The disposition of legal non-conforming buildings and uses
 - ❖ Civic space designations – whether or not mandatory or optional
 - ❖ Traffic congestion from increased densities
 - ❖ Review process and associated pathway thresholds
 - ❖ Airport Master Plan compatibility relative to density of development and number of building stories for projects in close proximity to the Airport.
- The Airport Master Plan limits densities, number of stories, and height of buildings in certain areas of the community. The new regulations proposed for developments are inconsistent with the Airport

Master Plan wherein the approach would be to reduce the densities. Staff has been working on resolving the issues of densities, traffic congestion resulting from increased densities, and infrastructure issues for the new regulations. The consultants initially recommended densities be reduced. Staff has done this in order to reduce traffic problems in the Form Base Zone area.

- The primary issue concerning the draft code and compatibility with the Airport Master Plan is the number of building stories whereby the community envisions buildings having three or possibly four stories in the Downtown and along the Perkins Street corridor/area East of State Street. While the current zoning regulations in these areas and Airport Master Plan allows for a 50-foot height, the Plan does not allow buildings to be more than two stories. The issue essentially pertains to the number of stories rather than the height. While a 50-foot height, two story building would be allowed, a 30-foot high, three-story building, for example, would not.
- It may be FAA regulations would allow the lines representing the various Airport Compatibility Zones to be modified. Staff is working with consultants concerning this issue and the 'templates' formulated to fit with the size of Ukiah's airport establishing the various compatibility zoning designations. Modifications to a compatibility zone designation would require review by the Mendocino County Land Use Commission similar to the process when the compatibility zones were established. The matter of how to address infill development was a topic of discussion during this process.
- If the City/community decides to modify the Airport Master Plan relative to compatibility zone issues and development, the matter must be reviewed by the Mendocino County Land Use Commission.
- According to the Airport Compatibility Zoning Map, the B-2 compatibility infill area having the two-story restriction extends from State Street to Orchard Avenue. A solution would be to modify the boundary lines for the B-2 compatibility zone.

Airport Commission discussion/questions:

- There was discussion concerning the approach patterns for aircraft and the initial influence on the B-2 zone designation creating the existing development restrictions.
- A change in the zoning designation to allow for a higher number of stories would require 'findings, in which safety concerns would be the primary factor.
- Noise has been an issue and has been attenuated in the past through building techniques.
- **Mike Whetzel** stated noise generated by the Airport is governed by the 'DB range for the surrounding area.' The 'Localizer approach/instrument approach' manifests how density is set.
- **Planning Director Stump** questions why the B-2 compatibility zone extends as far as Orchard Avenue when this is not the approach pattern for aircraft.
- **Commissioner Crane** explained the flight patterns for aircraft when approaching and taking off from the Airport relative to the restrictions on developments. The 'B' side of the compatibility zone is not a straight corridor and/or symmetrical as with flight patterns for the other compatibility zones.
- One option with approval by the FAA would be to place a light on top of taller buildings within the approach path for aircraft.
- The rules are in place to protect people on the ground and the Airport, including protecting the Airport from encroachment resulting from development.
- **Planning Director Stump** stated the intent is to adopt policy to protect/preserve the community and the Airport as a viable resource to the City and County by providing rules to balance infill development currently regulated by the B-2 Airport Compatibility Zone of the Airport Master Plan.
- **Commissioner Crane** recommended possibly realigning the edge of C-Zone (area zoned such because it was already developed) to the B-2 Compatibility Zone to extend to Hospital Drive from the freeway.
- **Mike Whetzel** stated the flight patterns/'approach plates' have changed since this area was zoned because of noise and/or other relevant issues.
- **Commissioner Crane** recommended Charley Stump and Mike Whetzel consult regarding existing 'approach plate' / traffic patterns and compatibility issues with the Airport Master Plan in connection with the proposed Downtown/Perkins Street Zoning Code project and new developments and/or building renovations/rehabilitations to benefit the community.

- **John Eisenzopf** supports further discussions and decisions concerning safety as a key element, including noise with regard to traffic patterns for the long term, particularly for potential new residential developments.
- The Airport Master Plan was adopted for the purpose of protecting the community and the Airport and it continues to be a working document. Modifications may be necessary to allow for positive economic growth and development.
- Staff invites the Commission to further participate and provide input regarding evaluations and possible modifications to documents for effective future use to promote and encourage infill development/improvements compatible with the Airport Master Plan relative to areas in the Form Based Zone District.

6. DISCUSSION/ACTION

A. Transient Helicopter

Airport Manager Owen stated the Commission has identified the area north of Feather Lite as a temporary site for transient helicopters to park so that consideration can be given to a permanent site preferably on the east side of the Airport and the necessary improvements made to accommodate the use.

Victor Hanson, a helicopter pilot was unable to attend tonight's meeting to discuss the issue of transient helicopter parking. As a frequent helicopter user of the Airport, he has expressed support of having designated transient helicopter site(s) and would take advantage of the fueling services opportunities at the Airport. He may be interested in moving his business to the Airport.

The Commission has expressed concern that random parking of helicopters is a safety hazard, impacts the operation of the Airport and causes damage to fixed-wing aircraft.

There was discussion about how to mark the site(s) and/or the appropriate surfacing for helicopter parking and in compliance with FAA regulations.

Staff has noted more helicopters are using the Airport than in the past. The Airport can also benefit from fuel sales if helicopter use is encouraged and accommodations for this use are made available.

The Commission supports having a grass area as part of the helicopter accommodations to prevent debris from being blown askew.

The Commission supports adding helicopter infrastructure improvements to the A.I.P. list.

B. Ukiah Valley Community Television (new PEG station)

Airport Manager Owen stated Ukiah will have a new community-oriented television station operating in Ukiah. The local television station is interested in doing stories about the Airport to promote its well-being as a valuable asset to the community and County.

Chair Deerwester has met with one of the television marketing representatives on another matter and advised the County has three PEG stations interested in doing stories from a positive perspective about cities/city life/history/activities/events in Mendocino County. The local station is interested in doing stories about Ukiah. This station will be taking over operation of the channel that televises the County Board of Supervisors and plans to make improvements thereof.

C. Commission Upcoming Vacancy (Eric Crane)

Chair Deerwester referred to the Commission appointment date and term of service roster and stated Commission Crane's term will expire June 30, 2009. Applications for this vacancy are available through the City Clerk's Office.

Commissioner Crane intends to reapply.

The Commission is hopeful the Commissioner vacancy position will be filled in a timely manner.

D. Lease HLR Roofing

Airport Manager Owen stated HLR Roofing has expressed an interest in renting the former Lumber Mill building and is presently contemplating whether or not to move forward.

This particular site has potential economic significance because it is located in the vicinity of hotels, restaurants, and services in the Airport Industrial Park (AIP). The Commission previously discussed this site would serve well for a rental car business or related business/service to coincide with the compatible uses in the AIP.

Chair Deerwester supports the concept of complying with the Airport Land Use Plan wherein tenants are required to operate businesses that are airport-related uses, as much as possible.

The Commission has noted in past discussions there are areas on the Airport that are not conducive for aviation-related uses and they include, for example, Oak Valley Nursery at the southern end of the Airport and the small engine repair business at the north west portion of the Airport. The Commission also recognizes the Airport must operate as a business such that buildings/grounds are rented to generate income and that the accompanying lease agreements be formulated to reflect lease terms to benefit the Airport. In other words, tenants operating aviation-related businesses should have leases with longer terms as opposed to a non-aviation use renting for purposes of generating revenue should have a lease with shorter terms in the event an aviation-related use is interested in renting Airport grounds or buildings. Also, short term leases allow for temporary conditions and time to prepare for permanent conditions in order to make necessary improvements/renovations to infrastructure and/or buildings for the long term.

Mike Whetzel emphasized making sound business decisions with regard to hangar rentals and lease agreements is essential to avoid what has occurred with the CalStar lease agreement and facility. The Airport has lost significant revenue as a result of the problems that have occurred with securing the lease agreement and effectively being able to relocate CalStar.

The Commission is of the opinion that the best and highest use of the land is of primary importance in keeping with the adopted Airport Land Use Plan so the Airport continues to operate productively.

It was the consensus of the Commission for the Airport to make sound business decisions relative to development and tenant matters compliant with the Airport Land Use Plan and consider making non airport-related use lease agreements one-year and then month-to-month after the lease expires in the event interest is expressed for an airport-related use.

E. Airport Day

The Commission discussed the Airport Day event and various proposed activities the community would likely enjoy. Airport Day will be promoted as a family event. The Commission changed the date from May 30 to June 20, 2009. One activity the Commission supports is showing the movie entitled, 'One-Six Right.' The first meeting of the organizing committee consisting will be February 24, 2009 at 5:30 p.m.

The Commission will continue to receive updates from the organizing committee on the progress of planning for the event.

F. FAA Grant Storm Drain Construction

Airport Manager Owen reported on the FAA grant for the construction phase of the Airport storm drain improvements/upgrades and is hopeful the grant will be made available later this week or early March.

He advised the matter of adoption of a Resolution authorizing the City Manager to submit a grant application and acceptance of an allocation of funds and execution of a grant agreement with the California Department of Transportation for a matching grant for the FAA approved Airport Storm Drain Improvement project will go before City Council tomorrow evening.

He referred to the application for federal assistance the grant writer has submitted on behalf of the Airport. The estimated funding for the project is approximately \$1.5 million wherein the Airport would be financially responsible for \$41,447 and California Division of Aeronautics (CalTrans) for \$37,500. The FAA intends to change the original process for this grant by possibly splitting the project over three years so that \$500,000 would be apportioned over the three year period for a total of approximately \$1.5 million. As an alternative approach, the FAA is now offering a stimulus plan to get airport improvement projects already approved, completed. The FAA now plans to appropriate \$553,000 wherein the remainder of the funding in the sum of \$1 million will come later this year so that the entire project can be completed this year. It is not known 'how or when' the \$1 million will be appropriated to the Airport. At this point, the Airport is guaranteed \$500,000 for the construction phase of the storm drain improvement project. It may be that the FAA will 100% finance the project as opposed to requiring City and CalTrans matching funds.

Staff advised if the FAA requires a grant match, the Airport has the money in the Fund Balance.

Commissioner Crane is hopeful all construction work for the project will be done with local contractors.

There was discussion about the pros and cons involved with having to go out to bid three times should the construction portion of the project be split into three phases.

G. March Commission Meeting

It was the consensus of the Commission to cancel the regular March meeting.

7. **REPORTS**

A. Airport Budget

Airport Manager Owen referred to the Airport expenditure and revenue budget he prepared for fiscal year 2008-09, including year end projections. If the budget projections remain consistent, the Airport should have a Fund Balance of \$29,059.89.

The Commission had questions concerning expenditure budget line items for 'Contractual Service,' 'Building and Grounds Maintenance,' and Group Insurance' and revenue line items for Airport Ground Rent' and 'Airport Gas & Oil Sales.'

The Commission asked staff to provide information how fuel prices are calculated and what related elements make up the 'Airport Gas and Oil Sales' revenue line item. The Commission also asked staff to provide information regarding landing fees and calculations thereof.

Commissioner Albright requested a comparison chart demonstrating the number of gallons of fuel sold to customers individually on an annual basis and how records are maintained.

Staff noted fuel prices vary according to the customer. For instance, CalStar is charged differently than other fuel patrons.

B. CalStar Update

Airport Manager Owen reported CalStar has submitted the necessary documents to the Planning Department for approval of a Major Use Permit, which is tentatively scheduled for discretionary review in April 2009 and necessary before CalStar can relocate.

The Commission discussed the problems associated with the relocation of CalStar and generally supports charging 'earnest money' to validate leases to make certain a potential tenant is committed to renting a facility, particularly for circumstances like what has occurred with CalStar. Long and costly time intervals have lapsed getting CalStar to commit to a move, completion of the lease, City Council approval of the relocation, time to process and go through discretionary review for the Use Permit and actually getting CalStar to move from their present location to the new location.

It is not a good business practice to allow land and buildings on the Airport to be vacant.

Mike Whetzel commented if an airport-related business desires to operate at the Airport that would generate income for the Airport, including the purchase of fuel, it is important to be accommodating. The former DHL building could have accommodated a new business such as the helicopter business that has expressed an interest. However, CalStar is relocating to this facility so the building has been encumbered. Revenue has been lost because the building is vacant with no rent being paid until the lease agreement with CalStar is completed and signed. He is of the opinion that good business decisions were not made concerning the relocation of CalStar for lack of due diligence by not moving forward in a more timely manner on completion of the lease agreement. The hangar has essentially been 'tied up' for a year without generating any income.

Staff will provide a report on the status of CalStar at the regular May meeting.

C. Budget Line Item 291

Airport Manager Owen reported a consultant will review how this Budget line item is managed/functions and identify associated formulas for further discussion by the Commission about concerns expressed regarding City policy for this budget line item.

D. Tenant Meeting in March

Airport Manager Owen intends to have an Airport tenant meeting in March.

E. Taylor Hangar

Airport Manager Owen referred to his letter dated February 11, 2009, to Mr. Taylor concerning allowance of non-aviation tenants to lease hangar space. Upon review of the ground lease agreement, he found Mr. Taylor to be in violation of his lease agreement. The agreement requires Mr. Taylor to construct and rent sixteen aircraft storage hangars. Mr. Taylor was required to begin construction of the improvements within 12 months after the commencement date of the lease and to complete construction within 24 months from the commencement date for each phase. To date, Mr. Taylor has constructed only 8 of the 16 hangars. He has asked Mr. Taylor about the timeframe for completion of the project. Revenue has been lost as a result of the remaining 8 hangars not being completed since the Airport receives a certain percentage of the rents for the Taylor Hangars in addition to rent for the ground lease.

Staff advised tenant rates for Airport ground and facilities are calculated based on square footage. Some modifications will likely have to be made to rental agreements because tenants encroach on area that is not part of the lease agreement.

The Commission discussed the fact Mr. Taylor has a ground lease with the City. While Mr. Taylor is responsible for renting his hangars, he must comply with Airport policy that requires all hangars to be rented for airport-related uses and if no interest is expressed, allow for a non aviation-related use provided Mr. Taylor continues to market his hangars for aviation-related use. There have been at least two hangars rented for non aviation-related uses. The Commission questions whether Mr. Taylor has actively been advertising for tenants having aviation-related uses.

Staff stated the City is not responsible for advertising of the Taylor Hangars although Mr. Taylor has complained the City has not been doing enough advertising for tenants.

The Commission stated Mr. Taylor has come to the Commission to address the matter of compliance with Airport policy concerning requiring aviation-related uses in hangars.

F. Sweeper

Airport Manager Owen reported Airport runways, aprons, and taxiways are being regularly cleaned of debris by the City Sweeper.

G. Airport Manager Conference

Airport Manager Owen recently attended an Airport Manager's conference in Monterey. It was an invaluable opportunity to talk with other airport managers, FAA representatives, and other relevant

participants to discuss the current situation with the economy and effective operating methods to maintain and/or increase revenue, and job creation to positively promote the sustainability of airports.

There was a brief discussion concerning the cost benefit over time of incorporating solar panel systems at the Airport. Staff has consulted with the City Director of Utilities about this matter.

8. AGENDA ITEMS FOR NEXT REGULAR MEETING IN APRIL

1. Report on the process for calculating fuel prices and a comparison chart concerning the number of gallons sold per customer annually
2. Discussion/Action Airport Day
3. Discussion/Action Taylor Hangar relative to non aviation related uses and violation of lease
4. Report on Budget Line item 291, if information is available
5. Report on FAA grant for the storm drain construction
6. Tenant encroachments with regard to rental rates and space actually being utilized

9. COMMISSIONER COMMENTS

Commissioner Albright further commented on the policy concerning helicopter transient parking.

10. STAFF COMMENTS

Airport Manager Owen reported an airport-related business has expressed an interest in relocating to the Airport, which would benefit the Airport. The type of use requires substantial space to conduct business. The tenant is looking at the Eagle Nest hangar, which would require an expansion to accommodate the business operation. He is also interested in building another hangar and purchasing fuel at the Airport. He currently purchases a minimum of 3,000 gallons of jet fuel per month at the Santa Rosa airport where he currently operates.

The Commission and staff support finding a temporary location for the business to allow time to plan for a permanent site.

11. ADJOURNMENT

There being no further business, the meeting at 9:25 p.m.

Dottie Deerwester, Chair

Cathy Elawadly, Recording Secretary