

UKIAH REGIONAL AIRPORT COMMISSION
April 7, 2009
Minutes

COMMISSIONERS PRESENT

Eric Crane, Acting Chair
Don Albright
Carl Steinmann

STAFF PRESENT

Greg Owen, Airport Manager
Ken Ronk, Airport Assistant
Charley Stump, Director of Planning and
Community Development

COMMISSIONERS ABSENT

Dottie Deerwester, Chair
Jeff Sloan

OTHERS PRESENT

Jim Derickson
Nick Bishop
John Eisenzopf
Bob Searer
Mike Whetzel
Judy Pruden
Daryl Hudson

1. CALL TO ORDER

The Airport Commission meeting was called to order by Acting Chair Crane 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 - N/A

4. AUDIENCE COMMENTS ON NON-AGENDA ITEMS

An attendee at the recent Airport tenant's meeting commented on the discussion of ways to increase revenues for the Airport that operates as an Enterprise Fund. He has observed that certain Airport operations at the Airport, including the City Corporation, CALSTAR and other businesses have encroached beyond their respective boundaries having an effect on square footage and corresponding rental income generated for the Airport. He supports moving forward with the credit card processing items and make this a priority, if it is a cost savings of the magnitude indicated.

Another public member stated there is the potential for raising substantial income for the Airport from sources outside of the Airport community and recommended this matter be agendized for discussion and consideration at the next regular Airport Commission meeting. Additionally, it would be helpful to have the e-mail list of pilots to encourage comments/input concerning revenue generation at the Airport.

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

Planning Director Stump commented:

- This is intended to be a continuation of the February 2009 Commission discussion pertinent to the B2 Infill area north of the Airport and an Airport compatibility issue associated with the preliminary regulations concerning the zoning regulations for the Downtown and Perkins Street corridor.
- Staff has been working on developing a new set of zoning regulations for the Downtown and Perkins Street corridor wherein the objective is provide more certainty for the property owner/developer in terms of rules and review process, as well as for the community as to the form and design of what is built.

- The B2 Infill area north of the Airport limits the number of building stories to two whereby the vision for this area includes three-story buildings.
- The Study Area and corresponding Airport Compatibility Zone map provided for in the staff report for this agenda item is helpful for discussion purposes.
- Staff's discussion with Mike Whetzel revealed a possible alternative for modifying the B2 Infill area that would not limit/jeopardize Airport operations and *possibly permit three-story buildings* in a portion of what is currently the B2 Infill area. The alternative involves exploring the narrowing of the B2 Infill area by moving its eastern boundary at Hwy 101 to the west where a number of issues were raised and they are addressed in pages 2 through 6 of the staff report.
- The arrows on the map show the Study Area well outside of the busy day noise impacts projected for 2015, the Study Area outside of the 60 and 65 CNEL noise contours during a peak fire attack day, and the flight path in conjunction with the Study Area. From a noise standpoint, the proposed alternative of narrowing of the B2 Infill area by moving its eastern boundary at Hwy 101 makes sense.
- The Airport Master Plan talks about the procedure of departure of Aircraft from the north and the need to quickly maneuver right. This is the area where input from knowledgeable persons would be valuable.
- Page 6 of the staff report for this agenda item shows diagrams of the existing B2 Infill Area and possible new B2 Infill Area.
- He recommends continued discussion of the B2 Infill area and provide suggestions.

Public/staff comments:

- Would the C Compatibility zone be affected by changes to the B2 Infill area.
- The instrument approach is of concern. Possible changes to the B2 Infill zone could affect the Airport Approach Zone.
- FAA concerns pertain to the matter of maintaining navigable airways above 200 feet and approach to landing and take-off. Specifically, the FAA is concerned with maintaining the 'side slope' for approach to the Airport.
- **Acting Chair Crane** is a member of the Mendocino County Land Use Commission and the lines that define the Airport Compatible Zone remain unclear. The question is how the rationale for the establishment of the boundary lines comprising the various compatibility zones was initially formulated. It may be that a template was used based on airport size whereby boundary lines were adjusted to fit the Airport to help guide/regulate development where applicable in the community.
- Staff noted the hospital is located in the B2 Infill Zone and Airport Approach Zone whereby concessions were made to allow expansion of the hospital and keep in mind future expansion is likely.
- There was discussion concerning the issue of noise impacts from aircraft and whether another noise study may be necessary, noting that CalFire has changed aircraft engines creating less of a noise impact.
- **Acting Chair Crane** stated the Airport Master Plan relative to the land use section should likely be updated shortly. Review of funding sources would be necessary in this regard.
- Staff noted the FAA helped fund the last Plan update.
- **Judy Pruden** stated she worked with the Airport Commission from 2000 to 2004 to create a sub-chapter to the land use section of the Airport Master Plan wherein every land portion of the Airport was identified as to highest and best use. The Airport Land Use Plan document was able to be completed in-house without having to pay for a consultant because the Airport Commission has the ability/skills/knowledge about how the Airport should operate and be developed relative to the best and highest use. The Good Neighbor and Noise Abatement/Quiet Flying Policy and Procedures document would have to be updated to reflect changes to Airport Compatibility Zones, which in this case, pertains to the B2 Infill zone.
- Updates to Airport documents can be completed in-house as opposed to hiring a consultant because staff and the Airport Commission have expertise about matters that concern the Airport.
- **Judy Pruden** commented the process of making changes to guidelines/regulations/policies can be successfully accomplished if the objectives are well defined and thought out.

- Staff will also consult with the Mendocino County Land Use Commission about changes to the B2 Infill zone and its potential affect on the Airport Approach Zone relative to the Study Area for the Downtown and Perkins Street corridor.
- **Judy Pruden** recommended having a joint meeting with the Airport Commission, Mendocino County Land Use Commission and other persons/organizations with an interest in the Airport.
- **Acting Chair Crane** stated changes to Airport compatibility boundary lines concern the Mendocino County Land Use Commission more than the Airport Commission. However, a joint meeting may be a good idea.

6. DISCUSSION/ACTION

A. Taylor Hangar

Airport Manager Owen stated the issue with the Taylor Hangar has been with his ground lease agreement. He was initially required to build 16 hangars within two years of the date of issuance of the building permits. He has only constructed eight hangars. Mr. Taylor is essentially in non-compliance with his lease agreement. Mr. Taylor has no intention of building eight more hangars because it is unlikely he will be able to secure the necessary funding. The issue being is that in 2005, Mr. Taylor was informed by the Airport Manager that he was in compliance with his lease agreement and at this same time his bank advised via a document it would not lend any more money for the project, which makes it difficult at this time for Airport administration to come back now and tell Mr. Taylor is in not in compliance with the terms of his lease agreement. The City Attorney has knowledge of the situation.

Mr. Taylor is paying ground rent on the property and it may be the Airport will have to wait and see if Mr. Taylor is able in the future to complete the project.

Staff advised the language of the lease agreement has some problems with regard to the matter of 'phasing.'

Airport Manager Owen asked the Commission whether they desire to proceed with some type of action to let Mr. Taylor out of his lease and/or renegotiate his lease or table the matter for later discussion.

Airport Assistant Ronk commented at ACA conference meetings, he learned of instances at other airports where tenants lease land and never intend to develop all of the property wherein their costs are fixed.

There was discussion regarding an agreement where Mr. Taylor was to construct a taxiway. Staff advised Mr. Taylor is not paying ground rent for the taxiway. As it presently stands, if an interested person desires to construct additional hangars, including a taxiway, he/she could not because Mr. Taylor pays ground rent for the land.

Airport Assistant Ronk stated once the taxiway is built, it becomes the property of City. The City is then obligated to maintain it.

The Commission discussed the matter in light of the fact the lease negotiations would have to be reopened and it would be difficult to enforce non-compliance with the lease when an authority of the Airport informed Mr. Taylor he was in compliance.

Commissioner Albright commented the only way the lease could be enforced would be on the grounds Mr. Taylor did not meet his initial promises.

There was discussion regarding the matter of shipping containers on the site that essentially require a site development permit for this to be a permanent structure. Staff has the authority to request Mr. Taylor to remove the containers.

The Commission discussed whether it would be feasible for the Airport to take action concerning possession of the land that is currently leased to Mr. Taylor and undeveloped to allow for potential future development. It

was also noted the existing hangars are not in compliance with Airport policy that the hangars must be used for aviation purposes.

Commissioner Albright pointed out if the Airport were to get back the bare land, it would basically receive the same amount of revenue if it were rented to someone else.

The commission also pointed out the Airport would potentially be able to sell fuel if the subject property were developed.

Commissioner Albright further commented in terms of enforcement of the lease and potential for fuel sales, the Taylor hangars rented for non-aviation related purposes should be evicted for non-compliance with Airport policy. Additionally, tenants of hangars that are not used for non-aviation purposes do not purchase fuel.

There was also discussion whether Mr. Taylor is appropriately advertising his hangars at market rate because the Airport does receive a certain percentage of revenue from the rental of the hangars.

A public citizen noted the country is experiencing a major recession and this may not be the time to pursue looking for other tenants having aviation related businesses and risk losing revenue. It is doubtful there are many businesses at this time that could afford to relocate and/or engage in the development of land.

Mike Whetzel commented the Taylor Hangar can be renegotiated month-to-month to allow an interested person/business the opportunity to develop the property and this can be an option to consider. Mr. Taylor is in violation of his lease agreement.

Acting Chair Crane commented additionally, Mr. Taylor is placing 'chattel' on the vacant land that he promised to develop and did not. There are several issues occurring with the Taylor hangar matter as discussed above. He supports escalating the lease/policy violations and taking them to City Council for review.

The Commission requested the Airport Manager require the removal of the shipping containers on the site and/or to check whether Mr. Taylor has authorization from the former Airport Manager to allow them on site.

The Commission was in agreement the matter should be revisited after City Council review.

B. Tenants not Complying with Hangar Lease Agreements

Airport Manager Owen stated in keeping with the Airport Hangar Policies and Procedures requiring that City hangars must contain airworthy aircraft is another Airport issue. He cited a tenant in one of the Pascoe hangars that has had an inoperable aircraft in his hangar for the past three or four years. A 30-day eviction notice has been sent to the tenant to either fix the aircraft or vacate. He advised the tenant has fixed the aircraft. He has a list of other tenants in violation of their hangar leases. He intends to schedule hangar inspections and his objective is to more aggressively pursue those tenants that either do not have an airworthy aircraft in their hangar or are subleasing the hangars.

Staff is contemplating rewriting the current leases for City hangars for clarification purposes about hangar policy and procedures, including insurance requirements.

There was discussion about whether rental rates could be increased/doubled if a tenant is found to be in violation of a lease agreement. This would provide for additional revenue for the Airport.

Mike Whetzel reiterated hangars should not be used for storage purposes to house aircraft that is not airworthy. No fuel sales can be made if an aircraft is inoperable.

If a tenant has extenuating circumstances concerning compliance with hangar policies and procedures, they should be encouraged to discuss these with Airport staff. The matter of aircraft in hangars that are not airworthy is an enforcement problem.

Staff will review the likelihood of being able to charge tenants penalty fees/increase rent for non-compliance with Airport leases/policies, which could be an additional source of revenue, and/or explore alternative options for enforcing compliance and inform the Commission.

C. Airport Day

Airport Manager Owen provided an update concerning the progress on the plans for Airport Day, including some of the events planned. The event is scheduled for June 20, 2009. Staff and the subcommittee have been working hard to make the event successful and enjoyable for the public. The event will have a smaller program of activities this year. The activities were selected with the intent of making the event as pleasing as possible for everyone. The subcommittee anticipates that a military fly-over will be one of the planned activities. Flyers are being generated to encourage pilots from out of the area to fly in. There will be a pancake breakfast. Donations are being made to assist with the cost of the event. He will provide regular updates regarding Airport Day.

7. REPORTS

A. Fuel Pricing

Airport Assistant Ronk reported City Resolution in 1987 states fuel pricing shall be set no lower or higher than 25% relative to competitors within a radius from Napa to Arcata. Compared to 1987, today's fuel prices are a lot more volatile. Airport procedure is to review anticipated fuel costs and closely monitor what competitors are doing in order to establish fuel prices and stay competitive.

Mike Whetzel has noted transient flyers will fuel at airports with the lowest fuel prices and inquired whether staff has considered ways to 'draw in/attract' transient flyers to fuel at Ukiah Airport by possibly lowering fuel prices. Pilots often plan their flight plan around where they can get fuel the cheapest. He inquired whether staff advertises fuel prices and/or post fuel prices online.

Airport Assistant Ronk commented when staff initially greets a customer and the fuel price stated, he has observed even though a pilot may not need fuel, he/she purchases fuel anyway. He updates fuel prices online.

Commissioner Albright asked if the locals are the largest volume of fuel users at the Airport other than the commercial users.

Airport Assistant Ronk stated the largest volume of fuel users is CalFire, followed by 'home-based' local users.

There was a discussion concerning the possibility of offering fuel discounts to local pilots having hangars at the Airport to offset some of the cost increases to tenants/pilots at the Airport.

A public member confirmed he purchases fuel at airports having the lowest fuel prices even though he is a local pilot. It is important to encourage/promote fuel purchases at the home field.

It was noted the primary objective is to find a way to balance the setting of fuel pricing while remaining competitive and supportive of local pilots being able to purchase fuel at reasonable prices without having to look elsewhere for the cheapest price. One option would be to lower hangar rents provided a local pilot/tenant purchase a specific amount of fuel. In other words, the more fuel that is purchased, the lower a persons pays in rent. This same discount policy could be extended to the transient flyers.

The Commission discussed allowing for a test period of time concerning the matter of discounting fuel. It may be that surveying pilots to establish preference and/or obtain information is necessary prior to

formulating a test period. The Airport must protect and/or maintain sufficient revenue in order to successfully operate as an Enterprise Fund.

Acting Chair Crane supports allowing for a one month test period.

The Commission requested this matter be agendaized for further discussion to allow time for staff to further review revenue as to whether fuel pricing can be discounted such that revenue can be effectively maintained.

B. Fuel Sales

Airport Manager Owen referred to the fuel sales comparison chart, and stated current statistics show the Airport has sold 117,000 gallons of fuel this fiscal year. Staff factored in last year's fuel figures to determine projected actual number of gallons to be sold for the balance of the year.

C. Compass Rose

Airport Manager Owen reported the 99s desire to come this month and complete the painting for the Compass Rose project. The proposed area has been surveyed and supports Westside Central would be an appropriate site. Airport regulations do not allow a Compass Rose on runways or taxiways.

Staff supports moving forward on the project at the current proposed location.

Acting Chair Crane commented the current location meets the appropriate specifications, but it would be beneficial to look at a site that is functional since transient parking is customary/allowed in Westside Central.

Mike Whetzel stated the area designating the Compass Rose must be kept clear of all aircraft traffic in order to be fully functioning. The nearest Compass Rose is located at the Airport in Santa Rosa.

There was further discussion concerning an alternative site for a Compass Rose that is fully functioning and clearly visible at all times without obstruction from aircraft parking on the lines. The Commission discussed the northwest section of the Airport as a more appropriate site.

The Commission is of the opinion the matter of the Compass Rose requires further discussion as a discussion/action item.

D. CALSTAR Update

Airport Manager Owen reported the Ukiah Planning Commission will review the Site Development and Use Permits for the CALSTAR relocation project tomorrow evening.

There was a discussion concerning having a functioning helipad at the Airport. CALTRANS Aeronautics does safety inspections for smaller airports and has determined the existing area for the helicopter portion of the operation to be a safety hazard. CALSTAR was required to relocate its operation to a new site on the Airport wherein the former DHL hangar/site came highly recommended by CALTRANS.

E. Budget Line Item 291

Airport Manager Owen commented the City has hired a consultant to review this matter and there is nothing new to report at this time.

F. FAA Grant Storm Drain Construction

Airport Manager Owen advised the City owns the design consultant approximately \$170,000. The Airport has not received FAA grant appropriations for the design portion of the storm drain improvement project for the past two years. The Airport has received the funding in the sum of \$178,000 after consulting with the FAA in this regard. He explained the process of taking 'draw-downs' as the procedure for FAA grant improvements. While the money can be drawn-down, staff does not have control over the account the money is drawn from.

8. AGENDA ITEMS FOR NEXT REGULAR MEETING IN APRIL

Acting Chair Crane supports all agenda items are discussion/action rather than reports.

1. Taylor Hangar
2. Fuel Pricing and possibly establish methodology for test plan
3. Tenants not Complying with Hangar Lease Agreements
4. Airport Day Update
5. Compass Rose for northwest section
6. CALSTAR update
7. Budget Line Item 291 update
8. FAA Grant Storm Drain Construction update
9. City Street Sweeper schedule
10. Revenue streams and land use
11. Discussion concerning possible Airport Commission meeting with Mendocino County Airport Land Use Commission.

9. COMMISSIONER COMMENTS

None.

10. STAFF COMMENTS

Airport Manager Owen advised the City Manager has asked to defer discussion/review and possible modifications to the Airport Land Use Plan until a later date. The current Plan has some issues that require review as to allowed and permitted uses relevant to the five land use designations. One issue in particular identifies the Southwest side of the Airport as the only site suitable for tie-downs. The Plan also violates some of the zoning ordinance requirements, as well as other problems.

11. ADJOURNMENT

There being no further business, the meeting at 9:14 p.m.

Eric Crane, Acting Chair

Ken Ronk, Recording Secretary

Cathy Elawadly, Meeting Transcriber