City of Santa Fe

Agenda

AIRPORT ADVISORY BOARD MEETING
SANTA FE REGIONAL AIRPORT
121 AVIATION DRIVE
BUILDING 3002B
November 8, 2018 – 4:00 PM

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES
    a. October 11, 2018 – Regular Session
5. OLD BUSINESS
    a. Report from Minimum Standards Committee (Chris Ortega, Committee Member)
6. NEW BUSINESS
    a. Terminal Upgrade Grant Status (Mark Baca, Airport Manager, mdbaca@santafenm.gov, 955-2901)
    b. Airport Strategic Plan Update (Councilor Mike Harris, Committee Chair)
    c. Terminal Study Discussion (Councilor Mike Harris, Committee Chair)
    d. Airport Activity/ Financial Report (Mark Baca, Airport Manager, mdbaca@santafenm.gov, 955-2901)
    e. Waste Water Land Sale Update (Mark Baca, Airport Manager, mdbaca@santafenm.gov, 955-2901)
7. PUBLIC INVITED TO BE HEARD
8. REQUEST FOR FUTURE AGENDA ITEMS FROM BOARD MEMBERS
9. NEXT MEETING: **December 13, 2018**
10. ADJOURN

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TIME: 10:38 AM

SS002.pmd - 11/02

AIRPORT ADVISORY BOARD MEETING
SANTA FE REGIONAL AIRPORT
121 AVIATION DRIVE, BUILDING 3002B
THURSDAY NOVEMBER 8, 2018, 4:00 PM

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AIRPORT ADVISORY BOARD MEETING
SANTA FE REGIONAL AIRPORT
121 AVIATION DRIVE, BUILDING 3002B
THURSDAY NOVEMBER 8, 2018, 4:00 PM

1. CALL TO ORDER

The meeting of the Airport Advisory Board was called to order at 4:00 pm by Councilor Michael Harris, Chair, on Thursday, November 8, 2018, at the Santa Fe Regional Airport, 121 Aviation Drive, Building 3002B, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT
Councilor Michael Harris, Chair
Kevin Egan
Bud Hamilton
Chris Ortega
James Robins
Rosemary Thompson
John Eiling

MEMBERS ABSENT

OTHERS PRESENT
Mark Baca, Airport Manager
Regina Wheeler, Public Works Director
Mike Prinz, City Attorney's Office
Troy Padilla, Jet Center
James Brogan, Enterprise Rent-A-Car
Stuart Kirk, Fly Santa Fe
Michael Szczepanski
Kent Freier, Molzen Corbin
Elizabeth Martin, Stenographer

3. APPROVAL OF AGENDA

Chair Harris said he would like to move item 6D up to first item under new business.

MOTION A motion was made by Ms. Hamilton, seconded by Mr. Egan, to approve the agenda as amended.

VOTE The motion passed unanimously by voice vote.

4. APPROVAL OF MINUTES OCTOBER 11, 2018

Mr. Ortega said on page 2 change pilots to commercial operators and two lines down from that the requirements are in a table.

Mr. Hamilton said on page 10 change strategic plan to vision statement.

MOTION A motion was made by Ms. Thompson, seconded by Mr. Ortega, to approve the minutes as amended.

VOTE The motion was passed unanimously by voice vote.

5. OLD BUSINESS

A. REPORT FROM MINIMUM STANDARDS COMMITTEE

Mr. Ortega thanked Mike and Greg from the City Attorney's Office for attending the Minimum Standards Committee meeting before this meeting. We talked about insurance requirements, concession fees, appeals and leases. Mr. Baca provided us with a table of insurance rates and information from Rapid City as an example for our discussions.

Mr. Baca said he has shared that information with Barbara Boltrek in Risk Management for her feedback.

Mr. Ortega said subject to the minimum standards, anyone who provides an aeronautical commercial activity at the Airport must provide insurance. We discussed if there is a threshold of how much commercial activity triggers insurance or is it any activity. We are leaning towards if they are based at the Santa Fe Airport. The City Attorney' Office is going to review that. As to leases, we are looking at to what extent the new minimum standards would effect those. The City Attorney's Office is looking at that to see what would be the best way to get the leases at the Airport to be more uniform and on a level playing field as to requirements and effect. Concession fees. The minimum standards document does not speak to that per se, but is related if we require aeronautic activities to pay concession fees to the Airport. We just started talking about that today. Appeals. If a commerical activity is denied at the Airport. If the Airport Manger denies it who does it go to. The thought is if it is denied by the City

Manager the next step for determination would be the Governing Body.

Mr. Robins said we left the door open for discussion if someone is giving one hour of air instruction a month should they have to come to the Airport Manger for a waiver.

Mr. Baca said a lot of the examples show that the Airport Manager has the authority to speak to waivers. We have to determine the process.

Mr. Robins said it looks like you have authority to grant a waiver.

Mr. Baca said yes. He will get more information on that. He is in contact with a Manager in Colorado Springs. He is one of the ones who has the ability to deal with waivers. He will have a report for the next meeting.

Chair Harris said he spent some time reading the Ordinance he had a hand in creating and the draft the Committee is working on. He wants to thank the people on the Committee including Mike Szczepanski. A lot of work has been done and there is a lot to be done. This is the perfect time to have the City Attorney's Office involved. He and another member attended the Committee meeting and listened. We don't want to create a document and send it to the City Attorney's Office and have the work be for naught. A lot of it boils down to how we are going to handle leases and other items. He is very pleased with the progress made. Thanks to everyone.

Chair Harris asked when is next meeting.

Mr. Ortega said 2 weeks before our next Board meeting.

Chair Harris asked Mr. Ortega to let him know and he will pass that on to Mike and Greg.

6. NEW BUSINESS

A. TERMINAL UPGRADE GRANT STATUS

Mr. Baca said right now we have a budget of $525,000 Last week we had a power outage for four hours. Our emergency lights failed. Part of that chunk is going to go to getting an updated quote for a 600 amp switch. Once we expand the terminal would be able to handle that. He hopefully willl get that quote today. He will forward it to everyone. The cost of a 200 amp switch is $85,000. A 600 amp switch will be between $125,000 and $150,000.

Mr. Baca said for the restaurant, we are looking at ideas expanding the seating area. We have the budget for $40,000 in furniture. We are looking at 55 larger, more

comfortable seats. The restaurant and what we want to do with it is the next decision. We have to have that discussion. There are a few different options.

Chair Harris asked do we have a good plan of this building.

Mr. Baca said yes we do. It is a Molzen Corbin plan and it is very detailed.

Chair Harris said he is thinking about the waiting area as well. Removing the counter is a no brainer. Expanding into the kitchen area is an idea as well, but he did not know what that would gain us. It is appropriate to turn to Molzen Corbin and ask for a proposal on a task order to look at a couple of options. That will drive a discussion about food service and how to handle that.

Mr. Elling said it is important to maintain some form of food service at the Airport. A sandwich shop would probably be sufficient.

Mr. Egan said we talked last month about legislation for $14 million. We are going to have to do something with the terminal building sooner or later.

Chair Harris said he is going to talk about that.

Mr. Egan said we can take one big idea and incorporate all we need.

Chair Harris said if the request is funded it will still be three to four years out. We need to do something sooner. It is appropriate to ask for a task order and proposal from Molzen Corbin and look at the waiting area and gates. That is something we need to take care of.

Mr. Hamilton asked do we have any sense of what percentage of the passengers use the food facility.

Mr. Baca said we don't. He can try to figure out something from past information.

Chair Harris said yes and what are they buying.

Mr. Baca said they have soup and sandwiches, hamburgers and fries and the like.

Mr. Padilla said don't over look that the restaurant provides a lot of aircraft catering and that outweighs the revenues they bring in from food for passengers. You have to provide that. It is so specialized including the packaging. There are specific amounts of each item. That is where the restaurant makes most of their money. You have to consider the catering. Sometimes they do well, sometimes not. They have the contracts.

Mr. Elling asked what is the capability requirement of a kitchen that does catering as opposed to a good experience sandwich shop for passengers.

Mr. Padilla said a kitchen for catering could be elsewhere, but it is so hard to find that kind of service. They are one of the only ones in Santa Fe.

Mr. Elling said that is a good point. It would not have to be in the terminal.

Chair Harris said these are the types of issues we have to think through. It is fair to say there is room for improvement in gate areas and food service. We need to look at what is possible and looking at it with these funds.

Ms. Thompson said the aircraft catering is so specialized. She tried to get hotels to do it and got them to bring food, but it is a very important aspect and is big revenue. She didn't know this restaurant was doing catering. That is an important factor.

Mr. Baca said the emergency back up generator is the most important. We are getting an outline from Kent and if there are any remaining funds he would like to use it for signs in the terminal. We are also looking at upgrades to LED.

B. AIRPORT STRATEGIC PLAN UPDATE

Chair Harris said the reference here should be the Vision Statement. We created this by going through the committee process. When our Vision went to the Finance Committee Councilor Romero-Wirth asked if something could be added about safety and security. He felt that was an important thing to add. He created three options. Our statement talks about a growing economic engine. He proposed that the second sentence stay as is it but add "in a safe and secure environment." He is happy to send that out to everyone. He would like to get a quick response if you have any issues. This will acknowledge her comments to have some phrase in there. It is moving through City Committees. On the Strategic Plan he thinks we could start to outline first steps in regards to compliance. That is what we are working on now. Minimum standards are not necessarily compliance, but they are a de facto issue underlying compliance. Any strategic plan would also include financial stability.

C. TERMINAL STUDY DISCUSSION

Chair Harris said regarding terminal expansion, he walked trough the Master Plan. The City of Santa Fe is not in a position to do terminal expansion on our own. Grant funds or State funds are necessary. Our case needs to be supported and we need to have documented plans and a demonstrated need. If the first criteria is documents for the terminal issue we have to look at what we have submitted in the past. The Airport Master Plan was prepared by Molzen Corbin and Kauffman. It was submitted to FAA.

Mr. Freier said we are about to have it signed by the City and FAA. The layout and drawings are included as are approved traffic projections operations and critical design aircraft. So they are about to accept formally the Master Plan.

Chair Harris said we did a study, but there were no conceptional designs. We have the documents.

Mr. Freier said the five year capital improvement program was signed off on and went to FAA.

Mr. Baca said when Nick was here he took the square footage for construction costs and that is how he came up with the numbers.

Chair Harris said there was a comment from Cam Humphres that it was submitted to FAA. He was making the case for a new terminal. There was a real discussion about a new terminal versus redoing the old one in 2017. In 2018 $35 million was determined as the need for the construction of a new terminal. He does not know if that was submitted to FAA.

Mr. Baca said that was the plan. He did propose it to FAA. They said it was an unreasonable five year plan and to come up with something else. They said runways first.

Chair Harris said he is trying to get a handle on the numbers and what we have said to FAA in the past. Here we are now, getting ready for the next Legislative Session in January. Every municipality puts together a legislative appropriations request. We have city wide projects and specific district projects of $200,000 each. He has said we were not ready for the $14 million appropriation, but the Mayor is in favor of moving ahead with it and it is on the City priority list.

Chair Harris said the documents say we have a $14 million request for the Legislature. The money is to be spent, it seems, this year. He doesn't know how much money will actually go to the Airport and he doesn't know how to justify the $14 million. Our task is to think it through and provide a justification and a case to be made for financial support for a terminal. It could be terminal expansion or phase one of new terminal. Inplanements are the justification and demand. The KSA study was more correct than Kauffman's Master Plan in terms of inplanements. He gave the Board that information in the packet.

Chair Harris reviewed the documents he brought to the meeting.

Mr. Baca said we started working in 2014 to do the 2015 Master Plan. These numbers are based off what was happening in 2014 and 2015. They are not updated

with the growth we had. That is why there is such a discrepancy.

Chair Harris said we report our numbers regarding monthly inplanements to FAA.

Mr. Baca said he has talked with FAA and we are almost ready to do another Master Plan. She is talking about doing an amendment to the Master Plan.

Mr. Freier said he has had this conversation with Kim and Mark.

Mr. Baca said she approved the Master Plan at the time. She did not believe the KSA terminal plan. She did say we are going to catch up the numbers and now we have three years of new inplanement data. It is the right time to go back to FAA.

Mr. Padilla said he was on the Board during that time. There were several forecasts put together. One was the Master Plan. KSA's forecasting lends itself toward the need for a new terminal. The terminal study was way over blown. FAA said you are not going to ever hit those numbers and Kim said that does not make sense. They re-forecasted a set of numbers that were more realistic. Kim is aware of that and did see the terminal study and the two options. She was very heavily involved and got frustrated with it. The bottom line is she knows there is a huge growth issue here and that she would love to help, but funding goes from the center of the Airport out and there are no immediate answers to what kind of funding they could give to Santa Fe.

Chair Harris said we would still have to make arguments to the State. Economic development is another justification. We can talk about what is going on here with the film industry and Netflix in Albuquerque. That is a case for a regional airport. We need to beat the drum on that. Lastly, data driven gets to the work the Air Alliance has been doing with the contract with InterVISTAS. InterVISTAS is an international outfit. They have been working on the first phase for a couple of months now of a market assessment. We might be able to draw on their expertise for data.

Mr. Kirk said we have completed the first part of the study on what is happening now regarding activity at the airport. The whole flow of what the study is doing is to present a defendable document, data driven, economic plan to present to an airline to support additional flights here and how that could be profitable. The next step is what is the future for the Santa Fe Airport and what is the demand in Santa Fe and northern New Mexico. We will get them started on that. There will be a lot of on the ground participation on that. Economic activity is likely to place demands on the airport. We will be in a position to provide some defendable data as to what we think demand will be in the future.

Chair Harris said great. We very much appreciate that.

Mr. Elling said he had a discussion with Mr. Kirk about a study being done about the economic impact of the Airport. An economic impact statement would assess how

much economic activity is tied to the Santa Fe Airport. He was startled to see the Jackson Hole Economic Activity Study. That kind of a study would be vital for us to justify an economic development mission. If we had a number even remotely like theirs it would show that we need to grow this Airport. He doesn't think that has been assessed.

Chair Harris said good point. He is going to the Economic Advisory Committee and will talk to them in general terms. Matt Brown will not be there, but maybe he can find some money to get that done.

Mr. Elling said he thought the Air Alliance was going to do that.

Mr. Kirk said no. This firm has the capability to translate the data they have into an economic impact study. We can get together with Matt Brown. It is not in our contract right now. Modules could be added. He talked to Santa Fe Studios about pulling the direct flight out of LA and how that made a major impact on the film business. That would be quite useful.

Mr. Ortega said the State Aviation Division has given out numbers that were used in press releases about the number of jobs generated by the Airport.

Mr. Freier said they are in the Airport Systems Plan. He is happy to give you your portion of that.

Mr. Kirk said we have some of that data. It needs to be updated. The study was done in 2015 and talked about the loss of passengers to Albuquerque because we did not have the right kind of service.

Mr. Hamilton said we need to go back and understand what was done before we redo something. We may have enough information already.

Mr. Baca said he can locate the study.

Mr. Elling asked what about the $14 million from the Legislature.

Chair Harris said we are the Body who has to provide the argument and make the case. Mark Duran is the City lobbyist. His sense is the guy is pretty effective, but he need ammunition.

Mr. Elling said the terminal request of $35 million to FAA was for a new terminal. We could use the $14 million for leverage. They might be more interested if we were putting up $14 million.

Chair Harris said he tends to discount the Terminal Study because of the cost estimates attached. The Mayor had the same reaction. He will try to work on the numbers.

Mr. Eiling asked what are the politics of getting the money.

Mr. Egan said it is pretty clear to everyone that this is an inadequate facility. He thinks there is some urgency in trying to move the ball forward. We should, as a Body, make a formal declaration to the Governing Body that we are looking at this and coming up with ideas.

Chair Harris said he will do that.

Mr. Elling said we are crammed at this airport. We need to be ahead of this. Airlines are already looking at not flying in here because we cannot take the volume.

Chair Harris said American added an additional flight to Dallas starting next year.

Mr. Baca said we have to keep in mind the numbers. We are growing faster than anticipated, but we are also up against small and large hub airports. That puts us a bit lower for asks.

Mr. Freier said one thing that might be helpful is there is one table in the Master plan that projects that right now you need a 30,000 square foot terminal let alone getting up to the 2025 numbers. That is a useful piece of information.

Mr. Elling said if we have $14 million for a new terminal it will be the same size.

Chair Harris asked what if we expand this facility.

Mr. Elling said he thought we did not have the footprint to expand the facility.

Chair Harris said in the Master Plan it shows expansion alternatives. We have some information about how to fit it in.

Mr. Elling said to make that building 35,000 square feet is an option.

Ms. Thompson said in Taos the Ski Valley purchased a thirty passenger plane that will make six round trips a week. She passed around an article.

Mr. Egan asked does that detract form their funding of the Alliance.

Mr. Kirk said they have said it won't.

Ms. Thompson said regarding the restaurant here, instead of expanding, if there is a pad site location on the Airport we could give a national chain a discount so they could locate here. They could be on site or off and we could take out the restaurant totally and use the space for expansion for eating or other purposes. There are a lot of people within a five mile radius who would come eat there.

Chair Harris said that is an alternative. We have tasked Moltzen Corbin to think things through and give us some possibilities. We need to move forward and work on what we have and what is possible. The Jet Center is building a hanger and we have the parking lot development to work on as well.

Mr. Kirk said we talked with the Taos Ski Valley and they don't intend to change their support. We have not talked to the town of Taos yet.

Mr. Egan asked what is the Alliance budget.

Mr. Kirk said $50,000 is what we get from Los Alamos and Taos and through Tourism we get varying amounts. It adds up to about $300,000 to $400,000 a year.

D. AIRPORT ACTIVITY/FINANCIAL REPORT

Mr. Baca said the Airport activity and financial reports are in your meeting packet. He reviewed them.

Mr. Baca said we have completed the crack sealing on the north and south ramps and are seeking additional money.

Mr. Freier said on 1028 we have gone to a bid project rather than a change order. He is in the process of finishing plans and documents. We will advertise for a bit sometime in December and go to construction in the spring.

Chair Harris said he thinks this is the type of information we need on a regular basis. That is what we asked Mark to do every month. We appreciate that.

Chair Harris said he will work with Mark on the format of the financial reports so that it is more easily readable and understood.

Mr. Elling said if fuel flowage is 10 cents a gallon for every gallon pumped on the airport is that number correct.

Mr. Baca said he will check on that.

Mr. Ortega asked will we get this every month.

Mr. Baca said yes.

Mr. Ortega asked that Mr. Baca include the percentage of what was budgeted so far that has been spent

Chair Harris said we know we have an issue with parking fees not being

collected. This is good information. We will get it more user friendly.

Chair Harris said we said in our vision statement "sustainability." We said that means two things, financial and FAA.

Mr. Hamilton said at our last meeting he asked about the cost of a bridge for E175s and Mark said he would try to find out.

Mr. Baca said he did not find out. He called Florida where they are made. They have one that swings out and pivots, but they were working on a new design and have not gotten back to him. $25,000 is the cost of the one they have now.

Chair Harris said he thought about moving up to next level as well.

Mr. Baca said he is hoping to have the actual quote by the next meeting.

Mr. Egan said when you talk to that vendor also get the information about installations so we can talk to them about what the issues are.

Mr. Baca said he will do that.

E. WASTEWATER LAND SALE UPDATE

Mr. Baca said we are on step 3. They are reviewing the appraisal and waiting on FAA to make the determination that the appraisal value is the current market value. Once they get that back to him we will start working with the Wastewater Division about how to divide up paying the $1.2 million. In his discussions with Mr. Jones he would like to spread it out over four years. These funds would help him with his budget and to have matching funds when needed.

Chair Harris asked what is the timing for FAA. He would like to check this off.

Mr. Baca said the word rush is not in the FAA's vocabulary. He has called them several times to see where they are at. Maybe at the next meeting we will have more informtion.

Mr. Elling said that is real money.

7. PUBLIC INVITED TO BE HEARD

Mr. Padilla said regarding the noise complaints, it would be helpful to list how many complainers there are. There are a few who make multiple complaints. It would be nice to put that match together. How big of a problem do we really have. As to the

CIP with match, don't forget that the statement in the plan is that all the money is not to come from the City. ICIP that is earmarked for the Airport needs to stay behind the Airport and not change. Don't let that change happen in the rounds of changes and negotiations. As to economic impact, for AOPA for one weekend their numbers were $800,000. He thinks that is a large number and we are on the right track there. With Mark Duran and what will come up in front of the Legislature we need to add landing fees. Landing fees mean money to the Airport. It would be nice to get some people together so Mark knows all about landing fees. Right now the state does not allow us to charge part 91 airplanes. We are only allowed to charge 135 and 121 which are the airlines. The Santa Fe Airport is losing out on $200,000 to $300,000 a year on landing fees. We want them to change the verbiage and allow us to charge the landing fees. The verbiage was agreed upon last year and the bill passed, but the Governor pocket vetoed it.

Chair Harris said he will organize that.

Ms. Wheeler said the process at this point is that a Resolution has to be passed by the Governing Body to support that item. So let's get that going. She will work on it.

Chair Harris said thank you for that.

Mr. Kirk said one thing that has come out of this first stage of the study is that the Santa Fe Airport increased its passenger load by 15%. Both United and American had load factors of about 80% and those are good load factors. They are happy with that. The average fares at Santa Fe increased and average fares nationwide decreased. That is a selling point for flights out of Santa Fe. Airlines can get a premium fare. American's top market is DFW, Phoenix, New York City, Austin and Boston. United is New York City, Denver, Washington, San Francisco, Chicago and LA.

8. REQUEST FOR FUTURE AGENDA ITEMS FROM BOARD MEMBERS

Items previously discussed.

9. NEXT MEETING
DECEMBER 13, 2018

10. ADJOURN

There being no further business before the Board the meeting adjourned at 5:56 pm.

Councilor Michael Harris, Chair

Elizabeth Martin, Stenographer