

Meeting Minutes

Airport Commission

Regular Meeting

August 14, 2024, | 5:00 p.m.
Chandler Airport Terminal
2380 S. Stinson Way, Chandler, AZ



Call to Order

The meeting was called to order by Chairman Hawley at 5:00 p.m.

Roll Call

Commission Attendance

Chairman Christopher Hawley
Commissioner Cecil Orozco
Commissioner Mark Mount
Commissioner Robert Ehlbeck
Commissioner Damian Nichols

Staff Attendance

Ryan Reeves, Airport Manager
Scott Rinkenberger, Airport Ops Manager
Chris Andres, Airport Planning Program Mngr.
Diana Alonzo, Management Assistant

Absent

Vice Chairman Charles McCorkle
Commissioner Mark Riesterer

Others in Attendance

Matthew Dunbar, Budget & Policy Director
Stephanie Romero, Public Information Officer

Scheduled and Unscheduled Public Appearances

CHAIRMAN HAWLEY asked if there were any members of the public that would like to address the committee on any items not on the agenda.
None.

Approval of Minutes and Discussion

1. June 2024 Regular Meeting Minutes
Move to approve the Regular Meeting Minutes of June 12, 2024.

Consent Agenda Motion and Vote

It was moved by COMMISSIONER EHLBECK and seconded by COMMISSIONER OROZCO to approve the Regular Meeting Minutes of the June 12, 2024.

Motion carried unanimously (5-0).

COMMISSIONER MOUNT stated that he'd like to introduce edits on the operations report. The last sentence of the first paragraph says CHD is the 15th busiest GA in the country, 45th busiest nationwide country. If country and nationwide are the same, can there be some clarification indication if it is for the state or is it for county.

CHAIRMAN HAWLEY stated that he thinks it's 17th busiest GA Airport at 45th.

MR. REEVES responded that nationwide refers to all counts GA and air carrier counts and that the clarification will be made.

COMMISSIONER MOUNT asked if that's for the country that nationwide 50.

MR. REEVES responded yes.

CHAIRMAN HAWLEY stated that on the first page there is a typo just under roll call where it says VICE CHAIRMAN arrived during after the roll call. I think it was after but if you guys could check the recording just to make sure we got it right.

Briefing

2. City Capital Project Funding/Bond Election Discussion

MR. DUNBAR gave a presentation the Bond Exploratory Committee/Election Process for fiscal year 2024-2025. MR. DUNBAR stated that he was happy to be here tonight to discuss some of our capital project funding and bond election. There are some additional changes that may be coming down. Mayor and Council have asked that staff go out and share this information with all the Boards and Commissions, to make sure everyone is aware of these changes and to gather feedback. Today, we're going to talk and share a video (<https://www.youtube.com/watch?v=x-gEyz6Y1wc>) that our CAPA department produced for the last bond election in 2021. This has some good overall information about what a bond election is and why it's important. Then we'll talk about our current 10-year Capital Plan, some of the impact's inflation has had on that plan, and why that's driving the need for bond election a little earlier than anticipated. He discussed the general obligation bond authorization status we currently are in, the different categories of bond authorization as far as utilizing that, our history and timeline of our bond elections and then the direction that Council gave us for some next steps.

Cities build and maintain all kinds of facilities as well as infrastructure like streets and parks, which can cost a lot. There's only so much money, and selling bonds is a way to pay for public infrastructure when it's needed. Bonds are really a loan that is repaid over time with property taxes. Taxpayers have the ability to decide what they're willing to pay for with their property taxes. This is like a credit limit that can be used over many years as long as they're paid off. Coupons can be sold, resulting into no change to property tax rates. Chandler has gone through remarkable growth for the last 40 years and a lot of the current infrastructure the City has to maintain or replaced to continue to provide a great quality of life to the residents.

COMMISSIONER EHLBECK asked if any of these bonds were specifically tied to the airport.

MR. REEVES responded no, not directly. However, the ones that are the most sensitive to the airport are the adjacent roadway projects. We see those as our driveways into the airports. We throw a significant amount of our support behind the street's projects, particularly the ones adjacent to us.

COMMISSIONER EHLBECK asked if the Cooper Road Collector is still on the airport's radar.

MR. REEVES responded yes; the Cooper Rd. Collector is a project several people in the room can speak to very finitely. That project is integral to the airport's development. The roadway will be on the south side of the airport, servicing essentially 2/3 of our property with a 2-lane frontage road. The project is approaching 60% design as we speak.

COMMISSIONER EHLBECK asked if that was the 6ST719 Collector Street Improvements.

MR. REEVES responded yes.

MR. DUNBAR stated that the Collector Streets Road has already been sold. We just sold it last fall, so portion of that project has been sold already. There's also a portion that's going to be sold in 2027 or 2025 when we do another bond in the bond sale. As we go through this presentation, one thing to keep in note is that authorization doesn't mean we're actually issuing that debt. That just means that we can. It's kind of like a credit limit. As the plan calls for projects to move forward, we're able to then sell that debt and then fund that project and fund for projects that have already begun, and we fund back a year and forward fund a year. So, we sell kind of in the middle, that way we don't presell. If the project doesn't move, then we have some issues to focus on if we're making more on our interest than we're actually paying on interest. We have to follow that and try to avoid that arbitrage situation and just sell kind of in the middle. We have half of the project out and resolved; the other half is coming up for in the next sale. When we're talking about our Capital Projects, our new 10-year Capital Plan has about \$2.5 billion dollars' worth of infrastructure needs citywide. 68% of that is bond funded. That's a combination of general obligation bonds, which means voter authorization and excise tax revenue obligations, which funds our water, wastewater, and enterprise fund. Bond funded projects don't need voter authorization. It's a separate type of debt sale, but the general obligation due our current CIP is also funded with current revenues or cash on hand or cash anticipated to be collected at 22 percent, 7% grants and 1.9% in our system. Development fees are impact fees when new buildings come into the city of Chandler.

COMMISSIONER EHLBECK asked what the vertical graph on the left was.

MR. DUNBAR responded that it is the dollar value. What cost \$90 in 2009 would cost \$170 today. You can see the escalation of costs today. We still have some supply issues with anything with steel, concrete and asphalt, our big three that are still seeing slightly higher than that 3 to 4% labor has cooled slightly which is good. A lot of our projects require steel, concrete and asphalt, so we're still seeing that.

CHAIRMAN HAWLEY and COMMISSIONER EHLBECK asked MR. DUNBAR to include their name for potential Bond Committee members.

CHAIRMAN HAWLEY stated that he didn't see anything that pertained to the Airport. He thought there were talks about adding the runway extension.

MR. DUNBAR responded that there are talks about that still, but Mayor and Council have to determine which categories they want to get authorizations for. We don't currently have a need for

bond authorization with airport. We could throw a project up in the time frame that would put it into asking for authorization because with that authorization we could put the question of runway extension on that Bond Election. There are still discussions at the City Council and Mayoral level as to if this is the right time for extension of the runway or if in the next one when it goes out in three or four years to do another bond authorization. They're having those discussions. For right now we don't have all the categories, but we would anticipate Parks, Streets, Police, Fire, Buildings and Facilities. The Airport maybe goes in or maybe it doesn't.

CHAIRMAN HAWLEY stated that maybe this is premature then, but they are kind of being forced to think about it and if they actually need to borrow money to pay for a runway extension. Maybe this is something the federal or state can pay for.

MR. REEVES responded that due to standing Council ordinance to extend the runway, the airport is required to be added.

CHAIRMAN HAWLEY asked if it has to be added to the ballot even if they don't borrow money.

MR. REEVES stated that these are on-going discussions between the airport, City Council and City Management. It is an evolving situation.

CHAIRMAN HAWLEY stated we sort of had a plan in place here. We're going to finish the business strategy with the Airport Strategic Business Plan and then we're going to do the Community Impact Study. He also asked if the next option is to try to repeal that ordinance.

MR. DUNBAR responded if it's to leave the ordinance in, we have to go to a vote this time or next time. If there's a decision that we just want to remove that from the ordinance language, that's a Mayor and Council decision they can do administratively on their end after public comment, but they could do it and remove that. We wouldn't need to go out to the voters with any bond funding if there's a funding or other funding sources.

CHAIRMAN HAWLEY asked if there anything the Commission can do in terms of weighing in on that particular decision and what to do about the ordinance.

MR. REEVES responded that there are Exploratory Subcommittees that are being shored up now as we speak. I think just your honest input, and MR. DUNBAR has your name down. As those calls come in just be ready with ideas and evidentiary back up for said ideas.

CHAIRMAN HAWLEY asked if there is a target date for the Business Plan.

MR. REEVES responded that he has an update on that during his Airport Manager's Report, but can address it now.

CHAIRMAN HAWLEY responded that it is alright to talk about it then as well as discussing the Community Impact Study.

COMMISSIONER EHLBECK asked if they will be at a point in the Community Impact Study to have some summary data to back up if they do decide to put it out to the voters since there is usually a description of what that bond is there to do. If there were some positive economic indicators as to how it provides value to the city, even summary data would be great to be able to tie to any kind of description, likely to get more support. If they can do that, are we going to be in a position to have at least some summary data in advance to add supplemental information for the voters.

MR. REEVES responded absolutely. Staff is currently rescoping the Community Impact Study, particularly Phase 1 and redrafting Phase 2 (it's a four-phase program) in light of the accelerated bond question and that first phase alone is going to produce several things that are important to this discussion. To your question directly, it's going to produce talking points for Council and City Management. It will contain a great deal of public outreach through canvassing and so forth. To put it plainly, the airport has not officially canvassed the public in a number of years on the question of the runway extension. I can say without any hesitation that in the five years I've been here, that opinion has gone through a complete paradigm shift. MR. REEVES wouldn't have believed the positive support we're receiving community-wide now if you would have told him they had it when he got to the airport five years ago. But those first two phases will be high touch, very public facing and will produce not only just that canvas data, but the economic impact data from an extension for both development without the environmental impact with an extension. It will cover all bases for socioeconomic and day-to-day operations.

COMMISSIONER EHLBECK asked if there will be another Airport Days in advance of May where we could potentially get petitioners to say yes, we want to support just for feedback, for the city to determine whether or not they want to do that. If we want to listen to public feedback, that might be a great way.

MR. REEVES responded not an airport day per se, there will be events with our City Management group as well as with the service provider that's handling the Community Impact Study. We have already had multiple discussions about not one, but perhaps several public events at the airport. So, think a miniature airport day where we actually would show the aircraft that would be utilized on this field on a year-round basis rather than the 8 months. The public will be able to interact not just with the aircraft, but with the crews that fly them with the maintainers that put them in the air to see the true economic impact. It is my goal that during this process to give the public an opportunity to see and address that every airplane that flies over their head has exponentially more people putting it there than just the people in it. They are a small fraction of the economic impact.

3. Monthly Operations Report

MR. REEVES presented the Monthly Operations Report for June and July 2024.

June had very good numbers. I will draw your attention particularly to the three-year average, just shy of 20,000 and we came in above 21,000. Numbers are up at Chandler as they are across the valley and it's for the same reasons we've discussed before increased flight training. We are seeing a pretty significant increase in commercial travel, formal commercial 91 and 135 turbine traffic, as you can see in our total IFR itinerant traffic. June of 2023 was only 276, and we added up to 312 for June of 2024. Year over year we are up significantly.

In July, we see the normal summer slump as July historically and meteorologically in Arizona is our warmest month. In fact, the average temperature in July our high was 109 our low was 99. Our average temperature was 104.87°. We averaged somewhere above 3500 feet density altitude on our best days, and we saw 4000 feet and nearly 5000-ft almost daily. With that, you see the normal drop in operational numbers.

It's not insignificant that we're still quite above July of 2023. You can see our total operations for July of 2023 were 17,403 in July. We are not very concerned our IFR traffic, Again, IFR is where we see commercial turbine traffic. Most of those flights in and out of the field are not flight training, but

commercial operations. That we are stable is positive because on the overall North American corporate aviation projections, they were anticipating nearly a 4% drop corporate travel year over year, July to July. We did not see that. In fact, with June they said we should have been stable. There should have been a 0% change, but we built in June. Traffic counts are very positive holding at 46 now instead of 47 in the overall ATAC ranking and 15th in GA. The year over year counts put us at 1/4 of a million operations per annum. Again, it has been many years since we've seen 250,000 plus operations. We do not see those numbers going down.

4. Monthly Noise Report

MR. RINKENBERGER gave an overview of the monthly noise report for June and July 2024.

For the month of June, we had 3 households make three reports, two were for noise, one was for low-flying aircraft. All three were repeat residents of note. The third household reported loud aircraft doing flyovers. It turned out to be a flight training aircraft that was doing pattern work after 10:00 PM, but they landed 26 minutes after the hour to a full stop. That was the end of activity for the remainder of that night, so relatively quiet.

For the July report, again very quiet and I attribute this to the high temperatures. Many residents are buttoned up in their residences with the air conditioning on full blast and running from their house to their vehicles, and vice versa. There were two noise reports, both were from repeat residents. The first one was again aircraft doing repeated patterns after 10:00 PM. That was a non-based aircraft doing pattern work between 10:00 PM and just after midnight.

Second household reported many aircraft flying at 7:00 AM on a Sunday morning and was requesting restrictions on touch and go weekend traffic. Flight tracking data showed that all the aircraft in both reports were at or above regulatory altitude. Of the first household for July data base, this particular household was reporting aircraft at 9,000 or 11, 000 feet AGL. All aircraft were well above regulatory altitudes and even above the ceiling of the Class D airspace for Chandler.

5. Monthly Origins and Destinations Report

MR. REEVES gave a report for June and July 2024.

There were 159 operations in and out of Chandler for June. You can see on the national map that we have 4 repositions that accounted for about 2,015 gallons of fuel burn. All aircraft were repositioning to either Scottsdale or Phoenix for their longer runways. All four of those repositions were based Lear 45 type aircraft. You can also see the temperatures were appreciable with the one exception being Burlington, WA at 81°, but that's still a pretty respectable density altitude for an aircraft. The total fuel burn for that month for business aircraft was just above of 24,000 gallons to and from the field. The longer distance flights are representative of straighter wing, slower cruising aircraft than the Lear 45, specifically Citation 680 Sovereigns and Latitudes. We can see that unsurprisingly; we've got a lot more propeller driven aircraft in the top 10 Aircraft Chart. Many of these aircraft are based here and are not transient aircraft.

In July, we see a marked change. We actually went up 195 flights, with 1 reposition. The one repositioned flight saw us lose about 600 gallons in fuel. The overall fuel burn for this past month was 32,494 gallons. We believe we are seeing increased corporate use of the airport, continuing the trend that we've been reporting for 2 years now.

CHAIRMAN HAWLEY stated that he trusts that staff will make good use of the data for the business plan.

MR. REEVES responded that he is happy to report that C&S Corporation already has all the data and continue to receive it on a monthly basis.

6. Monthly Construction Report

MR. ANDRES gave an overview of the Construction Report.

Information Items

7. Manager's Report

MR. REEVES shared that the Strategic Business Plan, as well as the Community Impact Study, have accelerated due to the Bond process. One of the Strategic Business Plan's primary recommendations has been the extension of the RWY 4R-22L. Airport Administration and City Manager Management, as well as Mayor and Council, are in the process of rescoping the Community Impact Study accordingly. We are in the final third now of the Strategic Business Plan. MR. REEVES is currently rewriting the Council workshop for both Strategic Business Plan and the Community Impact study because they are tied together. Once we have the buy-in from Council, particularly on the Strategic Business Plan, then we come back and finish the final piece of that plan, which will produce the deliverables as discussed earlier.

Our environmental cleanup project is one of five projects which total over \$16,000,000 of City investment in this airport with zero aid from the state or federal government in this fiscal year. This site started officially being used in 1948 when the airport came official. The orange map locations have toxaphene impact. What we are doing right now is preparing to treat Phase I. What we will do in the future is treat all of the soil 2 feet down from surface all around that area with a chemical compound that breaks the toxaphene. This is, to my understanding, the first time this process has been used in the state of Arizona.

The landfill, as I said, is Phase I, a 10-foot-deep pit as of now with congoing excavation.

We do have a timeline as well as fiduciary cushion built into this, which call for completion by Thanksgiving.

CHAIRMAN HAWLEY asked he can ask a question on the cleanup project or wait until the end.

MR. REEVES stated that based on the previous meeting and conversations with the City Attorney, there shouldn't be a discussion during the Airport Manager's Report.

Upcoming projects we are working with IT on airport wide Wi-Fi, we are looking at what types of emitters we place on the terminal, possibly down by the T-hangers and the box hangers to see if we can get full blanket coverage of all aircraft parking and storage areas. That's proving to be challenging.

We are also working with IT and city Buildings and Facilities to install security cameras that will blanket the entire 500 plus acres. This will include several assemblies on the tower just below the cab on the railing you see on the 7th floor. A We will have entry and exit cameras at all 5 mechanized gates. All parking areas to the east will be covered, as well as all of the heliport and FATO. We are also trying to work remote viewing cameras for tower staff so specifically they can have a closer and more detailed

view of both the heliport, because it is a considerable distance from the cab, and more importantly, Taxiway A at the D intersection, which is hidden from their view due to structures. Buildings and facilities have been kind enough to work that into a citywide camera security project.

Fiscal year 2024 fuel sales numbers were very positive. You can see that the overall average went up considerably from July of 2023. Our pricing structure and our competitive purchasing is working quite well. We're remaining very competitive in the in the local market you can see we had predicted 55,000 gallons sold in this fiscal year, but we almost sold 68,000 gallons. When we started tracking this back in Fiscal year 1995, this is our highest sales year since fiscal year '07 before the Great Recession of '08. If we look at the last fiscal compared to this, you can see that we are well above month-to-month ongoing sales. The volumetric model is working very, very happy with that.

The city will be sending me to NBAA-BACE in October. This is just one more example how the City keeps driving the Airport to do more in getting our Airport in front of developers and operators.

The City, particularly City Management, Mayor, and Council, have a partnership with Harvard Kennedy School of Leadership at Harvard University. They will be sending me to a week-long leadership course that I will bring back and then teach to other colleagues.

I am going to be part of a Chamber of Commerce Economic Discussion on October 2nd from 11:00AM to 1:00PM. I will be sitting down with some colleagues from Sky Harbor as well as Mesa- Gateway.

October 2nd and 3rd is AZAA's Fall Conference. I highly encourage you all to attend. It will be held at the Desert Willows Conference Center.

In November, airport staff has been tentatively invited mid-month to an FAA PBN airspace discussion. This is the four-plus year process to reconfiguring airspace over Arizona. The FAA has involved us for the past two years. This is typically a 5–7-year process. They are adjusting airspace, the standard instrument departures, and standard approaches into airports in Arizona to match what flight crews can actually fly with the current fleet. I have to commend the FAA on their procedure and processes on this effort, having experienced some of the more difficult airspace restructurings in the past 20 years in this valley, this is an absolute model of how it should be done. They're consulting with airports, they're consulting with controllers, they're consulting with towers and they're taking flight data and actually seeing what the aircraft are capable of making the SIDs and STARs match. I've seen the adjustments to Chandler and have very few concerns. Pilots will welcome them, and it will be better for the community because it is going to direct traffic over unpopulated areas quicker and much more efficiently.

We currently have an Airport Operations Tech opening, but I'm happy to report the last week of this month we will be fully staffed again.

CHAIRMAN HAWLEY asked if they could entertain questions.

MR. REEVES stated that was per the City Attorney.

COMMISSIONER EHLBECK asked MR. REEVES what the term he used to describe the toxic material that on the dirt is.

MR. REEVES responded toxaphene.

COMMISSIONER EHLBECK asked what the toxaphene is.

MR. REEVES responded that it was an herbicide, a hazardous waste and relatively common with crop dusting. We're just in a much better position than most airports are because the city of Chandler has been saving to do this project for years.

COMMISSIONER EHLBECK asked if the plan for the whole area is going to be concrete and or asphalt.

MR. REEVES stated that more pointedly, the intention for that area is turning that into the highest value development acreage on Chandler Municipal Airport because it is southernly situated with northern exposure for hangars. Ease of operation, as in all real estate development rules, midfield on airport should be your most valuable real estate asset and this \$7 million project, it's going to ensure that that acreage indeed is.

CHAIRMAN HAWLEY stated that he doesn't remember being briefed on this one and asked if it was part of the construction report in the previous month.

MR. REEVES responded that it was, but it didn't show in airport budget. This is a joint department effort; we are doing this with our Environmental Division.

CHAIRMAN HAWLEY asked if the Airport budget's is being hurt by this project.

MR. ANDRES responded no, it's our Environmental Division, a completely separate line of business.

CHAIRMAN HAWLEY stated that he was trying to remember back to our Airport Master Plan, there was a triangle of contaminated land and asked if this is the triangle what will be left of the triangle.

MR. REEVES responded we will definitely need to go through a small update to the Airport Layout Plan when this is done to show what that property should be developed as. The Airport Master Plan couldn't directly say what it should be because it was environmentally designated.

Member Comments/Announcements

CHAIRMAN HAWLEY shared that he was at Oshkosh in August and the end of July. It was the first time he'd been there since 2003 It felt bigger than ever, and it was really inspiring to see the state of aviation, not just in the U.S., but in the world. He would like to see more activities like that. He doesn't think CHD will ever be an Oshkosh, but the Airport Days, the airplane rides, hot air balloon rides and chili cook offs and whatever events can be brought to the airport can strengthen the reputation within the community, which is really important right now. He also wanted to mention that he felt the meeting minutes that were just approved earlier were a fantastic FAQ about how to run Boards and Commissions. In fact, it might be a good idea to just turn them into FAQs and post them online on the legal department's website because he felt they were just really valuable.

Calendar

The next regular Airport Commission meeting will be held on Wednesday, September 11, 2024, at 5:00 p.m., in the Chandler Airport Terminal, 2380 S. Stinson Way.

Adjourn

The meeting was adjourned at 6:16 p.m.

Ryan Reeves, Secretary

Christopher Hawley, Chairman