

**DRAFT MINUTES**

**AIRPORT COMMISSION  
THURSDAY  
12/12/2024**

**FLAGSTAFF AIRPORT  
6200 S. PULLIAM DRIVE  
AIRPORT CONFERENCE ROOM  
1:00 P.M.**

To participate in the meeting click the following link

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**1. CALL TO ORDER**

**2. ROLL CALL**

*NOTE: One or more Commission Members may be in attendance telephonically or by other technological means.*

THOMAS WADDELL, CHAIR, Present  
GAIL JACKSON, VICE CHAIR, Present  
ROBERT CARPENTER, Present  
ROBERT HANOVICH, Present

ANDREW SHOUSE, Present  
DAVID STEINER, Present  
KOLBY WHITE, Present

City Staff: Deborah Harris, Council Member; Heidi Hansen, Economic Vitality Director; Brian Gall, Airport Director; Adam Miele, Programs Manager; Claire Harper, Airport Communications Manager; Tim Skinner, ARFF/Ops Manager; Miciela Sahner, Administrative Specialist/Recording Secretary

**3. PRELIMINARY BUSINESS**

**A. Public Comment/Participation/Input**

*Items presented during the Public Participation/Input portion of the agenda cannot be acted upon by the Commission. Individual members of the Commission may ask questions of the public but are prohibited by the Open Meeting Law from discussion or considering the item among themselves until the item has been officially placed on the agenda.*

**B. Announcements**

*Reconsiderations, Changes to the Agenda, and other Preliminary Announcements.*

**C. Approval of Minutes**

Recommended Action - Review and approve the minutes as submitted.

**Moved by Robert Hanovich,**

**Vote: 7 - 0 - Unanimously**

**D. City Council Updates**

Council member Harris term has expired. We will have a new Council liason in January.

**4. STAFF REPORTS**

**A. Airport Operation Updates**

We had 7,338 enplanements in November which is about a 5% increase over 2023's numbers. Right now, our year to date is sitting a little over 70,000 and just looking at the past few December's we expect to be above 2023's total.

Total operations we had 3,115 compared to about 2,600 last year and that is actually a 17% increase over 2023. We have had favorable flying weather this December which has led to the highest operations count we've had since 2021.

Parking revenue this month was about \$10,000 less than last year, which is especially interesting given that employments were more than this time last year. This could be due to perhaps a change in parking behavior, possibly due to people getting dropped off more at the airport. We seem to have fewer mechanical issues with the lot compared to this time last year, but just seems like we're seeing fewer people parking for shorter periods of time.

## B. FBO Updates

This year they changed the operations for the chartered airbuses for the football teams and that went really well, allowing them to park without having to move so many jets back and forth. Fuel flow this year has been a series of highs and lows which have mostly balanced out, although we are looking at ending the year about 2% lower than last.

## C. Project and Grant Updates

We have two updated this month:

1. We have had a productive meeting with our Job Order Contractor (JOC) and they are progressing very well with the new express visitor center which is going up in the old cafe space downstairs. We should have the architectural rendering by 12/23/24 for staff review with the final scope and fee by 1/14/25 and construction completed as early as 4/1/25.

2. Staff received our guaranteed maximum price from our contractor and reviewed that information, sent it over to our counterparts over at the FAA who have provided us with some comments. We plan to meet with them next week to go over their comments and, hopefully, we can get a couple of items ironed out. Whenever we do a construction project like this, there are some questions about eligibility of expenses, such as which portions of the project are eligible for that federal funding per FAA published guidance, versus what has to be paid for out of our local match. Our intention is to see shovels in the ground by this summer, but that will be part of the upcoming conversations.

## D. Communication and Business Updates

As mentioned last month, we applied for the Small Community Air Service Development Grant but were not selected. The average community contribution for the communities that were selected for that grant were putting forward average \$526,000 and we only had \$75,000. Knowing this we are planning to go to Council with a budget request for this as well as working with the Chamber and community businesses who would be able and interested in putting more money forward.

We started our LAX service on October 12th; the Airport Director and Communications Manager attended a meeting with American Airlines who shared that they had too low numbers and would be discontinuing that weekly service January 4th but plan to pick it back up in early May. We will continue conversations with them about ways to make the route more successful.

Vice Chair Jackson asked about continuing subsidies when the LAX flight returns but

Communication Manager, Claire Harper clarified that the LAX route was all through American Airlines and had not been waived any fees on behalf of the airport or any grants. Although the airport is working with our legal team to finalize our Air Carrier Incentive Policy.

## 5. DISCUSSION ITEMS

### A. Flagstaff Regional Plan 2045

Associate Planner for Planning and Development Services, Elsa Erling, presented on the Flagstaff Regional Plan.

The Flagstaff Regional Plan Update 2045 has a full draft now and has been in a 60-day public review that started in October. The process of creating the Regional Plan started about two (2) years ago with a lot of community engagement thinking about the vision for the plan and then, gathering data and gone through a process called scenario planning or scenario choosing where the public has weighed in on different growth scenarios. It has been reviewed by an advisory committee that has gone through each chapter of the plan and after going through the public review will go through a revision based on the comments received and eventually will go to Council and the County Board of Supervisors.

The Flagstaff Regional Plan gets updated about every 10 years and focuses on the future growth for not only the City but the county as well including communities such as Belmont, Fort Valley, Doney Park, and Kachina. In the upcoming plan we have fewer goals and policies in comparison to the 2014 Regional Plan and is an illustration of future growth illustration with new categories in addition to the goals and policies of implementation guidelines and action items. It's meant to provide more clarity about what applies to development applications versus what is being advised by city and county staff more generally. It includes social and economic systems, transportation, resource stewardship and resilience, parks, recreation and open space, water resource management, energy infrastructure and public safety, and the airport.

Within the Regional Plan there is one goal with two policies; the goal is to strengthen and expand the role of Flagstaff Pulliam Airport as the dominant hub for passengers, air freight, public safety and firefighting aircraft operations general aviation and other related services in Northern Arizona. There are two policies Policy A.1 is to provide safe, efficient, reliable and sustainable transportation facilities that encourage and accommodate air and related ground services at the airport and then policy A.2 is to plan and manage development in the vicinity of the airport to discourage land uses incompatible with airport and flight operations.

There are six (6) implementation guidelines

1. Maintain and expand the role of the airport as an important link to the national plan of integrated airport system.
2. Improve multimodal access and transit service to and from the airport including transit, bicycle infrastructure and storage and parking.
3. Expand and improve facilities that support increasing the destination and frequency of the regional air service as identified in the airport's Passenger Demand Analysis.
4. Frequently evaluate energy, water, solid waste, and air quality impacts of airport operations for improvements and efficiencies.
5. Minimize artificial sky glow, glare, and light trespass to support Dark Skies policies while maintaining compliance with federal regulations and safety requirements.
6. Improve airport user experiences and travel opportunities to serve the region.

The draft Regional Plan is available to review on the Flagstaff website at <http://www.flagstaff.az.gov/regionalplan2045>.

## B. Airport Rates & Fees

Last meeting, we went through and gave an overview of the budget process and where the airport stands when it comes to our revenue. The airport is an enterprise fund although historically have not been self-sustaining, that is not unusual for airports our size. We have been leading several discussions on rates and fees in order to move us into a better financial standing.

The airport currently has more than 30 identified unfunded maintenance projects which we are trying to find a funding source for. Additionally, we have a pretty large fleet of vehicles out here with an average age of about 20 years and the maintenance cost for those vehicles is also increasing and there has been an increase in the number of federally mandated programs that we have to meet to comply with as part of that.

Some Airport fund solutions include: working with legislators, lobbyists and other partners to increase grant funding at both the state and federal level; increasing parking revenue; proposed development such as the Northern Arizona Technology Park ([www.naztechpark.com](http://www.naztechpark.com)) and property along the Westplex; and terminal concessions. Unfortunately, many of these will take a long time to bring in any revenue. In the meantime our focus is to look at revising and proposing new fees.

Current Airport fees include:

- Aircraft Storage Permits (Hangars, shades, & tie downs)
- Landing Fees (Charged to airlines and air cargo companies)
- Fuel Flowage Fees
- Parking
- Ground Transportation Permits
- Ground Leases (Aeronautical and Non-aeronautical)

The airport is looking to bring in a consultant to help with research on aeronautical fees by doing a rates and charges study which will include items such as aircraft storage permits, landing fees, fuel flowage fees, lease rates and commercial use permits. A large reason for bring in a consultant is that the FAA has some guidelines for what they want to see before those fees are changed. The FAA requirements want us to show that these are competitive but also reasonable, they want to see that airports have a methodology for setting their fees and they aren't arbitrary.

Administrative fees are non-aeronautical, and these have more flexibility on those and we can develop them internally, which will allow us to have a shorter timeline in implementing them. These rates include parking fees, security badging/background check fees and ground transportation permits.

Parking rates were set back in 2019 and approved by Council in late 2020 or early 2021. Revenue for parking has currently plateaued, so the idea isn't necessarily just to increase the cost, but possibly to add additional categories that could bring in more business. Right now we have an hourly, daily and weekly rate. What we'd like to look into is adding a monthly rate for folks that come to the airport a lot. Before implementing paid parking, we had a lot of people that parked out here that weren't using the airport and, as long as we have the capacity for it, having a monthly permit could be enticing for those people to come back. For example, during our winter seasons, many people have more vehicles than what fit in their homes and we can offer them an alternative place to park.

Badging is another area where, right now, we are not charging anything at this time and our main goal here would be to recover the costs. There are fees associated in both materials and costs for sending out the background checks and the cost of staff time. These costs aren't monumental but do add up over time.

Ground transportation permits specifically as another one that we haven't looked at in some time. Airports are generally required to charge fair market value for ground leases. Once we get some more information from our consultants and figure out what fair market value, we can use that to help

us with the next steps.

Next steps will be to have staff develop fees based on actual and comparable costs, bring that to the commission for review and comments and once reviewed, present those to City Council for approval.

Commissioner Shouse, asked if there was any desire for the airport to get more support from the General Fund. As the airport is an enterprise fund, the goal is to move away from using the General Fund, but until we can get to the point of being self-sustaining, we do still make requests to help us with funding; unfortunately, there is not the capacity within the General Fund to help us beyond what we are currently receiving. We are going through the budget cycle for fiscal year 2026 at this time and making requests for our unfunded projects.

Vice Chair Jackson raised concerns about adding more fees on top of the higher taxes and fees that are already established in Northern Arizona, especially looking at the higher costs of flying out of Flagstaff than it is to fly out of Phoenix. Airport staff mentioned that that is why we have discussions in this forum, so that we can look at any topics and engage with the community in order to make decisions intelligently.

6. **TO/FROM AIRPORT COMMISSION MEMBERS**

7. **ADJOURNMENT**

**Vote: 7 - 0 - Unanimously**