

DRAFT
MINUTES

**AIRPORT COMMISSION
THURSDAY
MAY 8, 2025**

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

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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 left early at
2:04 PM

ROBERT CARPENTER, Not Present

ROBERT HANOVICH, Present

ANDREW SHOUSE, Present, late joined at
1:03 PM

DAVID STEINER, Present

KOLBY WHITE, Present

City Staff: Lori Matthews, 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.

None

B. **Announcements**

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

This is Commissioner Steiner's last month on the commission. We appreciate your time with us and wish you well on your future ventures.

C. **Approval of Minutes**

Staff Recommendation: Approve the March Minutes as submitted.

Moved by Robert Hanovich, seconded by Kolby White

Vote: 6 - 0 - Unanimously

D. City Council Updates

Councilmember Matthews shared the following update:

The City is currently doing a comprehensive review of zoning codes and land use regulations. Residents within city limits are encouraged to review proposed zoning changes, as they will affect property use and unit allowances once approved. Currently, the City has limited control over short-term rentals (e.g., VRBO, Airbnb), noting that state law limits local regulation. The City requires rental licenses and a 24-hour contact for each listing, with periodic checks by City staff who do a spot check for new listings. Complaints from neighbors help identify issues, though enforcement options remain limited. The City continues to lobby the state for more local control. City Council is also currently reviewing the City's Regional Plan, which will be up for approval next year.

4. STAFF REPORTS

A. Airport Operation Updates

Enplanements

March was significantly up from 2024 for enplanements with a 24% increase and our third-highest March ever, which really says something as we currently only have one carrier compared to several past years where we had two. April's numbers were also up over last year with a 12% increase over 2024, but a little closer to what we expect.

Unfortunately, we may be seeing lower numbers of available seats starting in May as there is a reduction in flights. The airline industry is reacting broadly to economic indices, and we are seeing a lot of airlines downgrade and retiring aircrafts early. The numbers nationally are an expected 8% fewer seats in service this July than there were this time last year.

Commissioner Jackson asked about Dallas flights and only having one daily flight available. Director Gall responded, flights available vary month to month, in the summer months. Traditionally, we've only had one flight to Dallas, this is due to the density altitude in Flagstaff. When temperatures are warmer, it is harder for them to take off with the amount of gas they must take to get to Dallas.

Commissioner Jackson also wondered how enplanements track regarding total seat availability. This information is currently not compiled on a month-to-month basis but is something staff will work on putting together and bring to a future meeting.

Total Operations

Operations were extremely high compared to last year, up 71% and April's operations were up 11% from 2024.

This year was relatively snow-free compared to some of our previous years, better flying weather brings more visiting aircrafts as well as increases local base flying.

Parking Revenue

Revenue was down 16% in March and down 10% in April. As we can see, enplanements and parking revenue do not track in a parallel manner, and we do not see a strong correlation between the two.

Currently, about 60% of our passenger traffic originates outside of Flagstaff, which are people traveling here as their destination and then going back home. Only about 40% of our passenger traffic are people that are in the region that are flying out of Flagstaff and could potentially be using

our parking lot.

Fuel Flow

Fuel flow was up 38% from 2024 in March which tracks with our increase in operations. Unfortunately, April's fuel report is not out in time for this month's meeting.

B. FBO Updates

None. Wiseman was unavailable to present any updates.

C. Project and Grant Updates

Express Visitor Center

- Work began on time and construction started on 3/24/25
- The old wrap on the wall was removed, and it has been re-texturized and re-painted, and we will be installing a slat wall for merchandise.
- We were able to get two sewer connections installed for the coffee makers that sit between the Express Visitor Center and the micro market.
- Work should be completed by the end of May.

SREB

- Airport staff and design team met in Feb. with the FAA to finalize eligible items. Following this, staff and design team met to discuss project cost reduction / right sizing.
- We have settled on a smaller footprint to house existing equipment only with an option for future expansion. This reduced square footage from 25K to 16K
- We had to remove administrative spaces and associated mechanical systems and revise building materials and finishes.
- The design team is working on a revised concept and associated costs with a new projected cost (current design) of \$19.5M; reduced from the previous \$33M estimate.
 - Our current FAA Grants available are \$9M to \$13M

Commissioner Shouse expressed concern over the overall cost of the construction of this facility and asked if the airport had gone out to bid for this project.

Both Airport Director Gall and Programs Manager Miele responded to these concerns:

Everything at the airport must be done in conjunction with the Airport Master Plan and the Airport Layout Plan. These are reviewed and published every 10--15 years by the FAA.

As part of the FAA advisory circulars for commercial service airports that are operating Part 139, we have to have a certain amount of equipment, how much staff we should have, and where the building should be in order to clear our priority one areas of snowfall within a certain amount of time.

This site was selected based on those requirements and the earthwork is expensive for that site in order to meet the grading requirements to get those heavy vehicles to the airfield without traversing a slope that exceeds the capacity for them to do with their blades on.

On top of the groundwork, the building must meet the FAA standards for construction and removal. This includes large 28ft bay doors that will allow us to move the equipment in and out. All materials must be American-made from the steel beams to the door hinges and all wages for any contractors and subcontractors must be in line with the Davis-Bacon Act.

As for the bid process, we are working through a construction manager at risk. This is where an engineer goes in and designs the whole site. The architect and the engineer put together a bid package that goes out and everyone has an equal opportunity to price it.

Airfield Maintenance Phase VI

- The project is to correct deficits identified during the part 139 inspection:
 - Rubber on the existing pavement markings on the runway
 - Repaint hold position markings (A1)
 - Blast Pad -- large thermal cracks with vegetation growing in the cracks
 - Ramp lighting -- Three fixtures are not working
 - Signage along the perimeter roadway (RSA notifications)
- Work done during nightly runway closures is expected to begin in mid-June with an anticipated completion in late July.

ADOT Airport Pavement Management Systems Warranty Items

- The rubber removal project was completed in fall 2023.
- Warranty items that needed to be corrected were identified in fall 2024.
- Repairs are to be completed in June or July with local closures of Taxiway A being very likely.

D. Communication and Business Updates

KAFF News Radio Interviews

- Claire Harper and Brian Gall spoke on the Jeff Kennedy show (93.5FM) on Friday, May 2
- Topics discussed included:
 - Airport 2024 recap
 - This was the airports fourth-highest year ever for enplanements.
 - A record year for us in terms of a low number of cancellations with only eight canceled departures for the year.
 - New micro-markets and coffee kiosks
 - Air service attraction efforts
 - Transportation Security Administration Real ID deadline and implementation (May 7)

Chair Waddell asked staff how we see the market at this time with all the current events going on in the aviation industry.

Director Gall responded:

It's been a tricky year. There were very good outlooks for the first half of the quarter of this year, where the airline outlooks from all the major carriers showed extreme growth. We were expecting a lot of expansion over the course of the year, but since most carriers have decided to pull that back, we are seeing a reduction in travel right now. Currently, it seems that this is even between regional carriers versus main lines.

5. DISCUSSION AND POSSIBLE ACTION ITEMS

A. Airport Parking Fees

Airport staff brought back the Airport Parking Rates and Fees discussion that was originally presented back in January. During the first round of discussion, additional fees for a Lost Parking Ticket and Monthly Rate were accepted by the airport commission, but fee increases that would go into effect in July 2026 had been tabled with the request for additional data and conversations on items such as land use and other airport concessions that have been presented on over the past few months.

Current rates were adopted by Council in 2021 but did not officially go into effect until that paid parking system was installed in 2023. These rates start at \$2.00 an hour after the first hour (free in both lots) up to the daily rate of \$8.00 for the terminal lot and \$6.00 for the economy lot; with a discount for vehicles that stay for over a week with a weekly rate of \$48.00 for the terminal lot and \$36.00 for the economy lot; which was calculated as 6 x daily rate (giving 1 free day per week).

Our proposed increases would increase the terminal lot by \$2.00 per day, bringing it from \$8 to \$10 per day, and a change of \$1.00 for the economy lot, bringing that lot from \$6 a day to \$7.00 per day. Our weekly and monthly rates would increase proportionally, giving the same discounts as they currently offer. (Proposed increases are listed in red on the chart below.)

Staff Proposed Rates	Current Rates	Effective Fall 2025	Effective July 1, 2026
Terminal Lot Rates			
1 st hour	Free	Free	Free
Per hour rate (after 1 st hour)	\$ 2.00	\$ 2.00	\$ 2.00
Per day rate – Terminal Lot	\$ 8.00	\$ 8.00	\$ 10.00
Weekly rate – Terminal Lot	\$ 48.00	\$ 48.00	\$ 60.00
Monthly rate – Terminal*	-	\$160.00	\$200.00
Lost Ticket Fee – Terminal	-	\$72.00	\$90.00
Economy Lot Rates			
1 st hour	Free	Free	Free
Per hour rate (after 1 st hour)	\$ 2.00	\$ 2.00	\$ 2.00
Per day rate – Economy Lot	\$ 6.00	\$ 6.00	\$ 7.00
Weekly rate – Economy Lot	\$ 36.00	\$ 36.00	\$ 42.00
Monthly rate – Economy*	-	\$120.00	\$140.00
Lost Ticket Fee – Economy	-	\$54.00	\$63.00

The new rates proposed were calculated as follows:

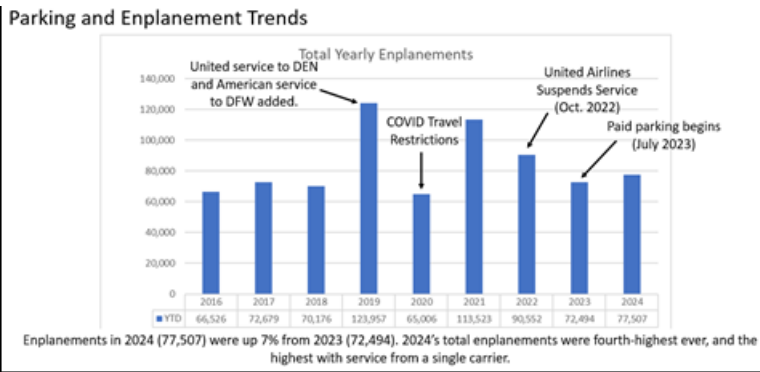
- Monthly rate = 5 x daily rate (2 free days per week)
- Lost ticket fee = 1.5 weeks of parking
- Proposed Terminal Lot Increase = 5.6% annual increase since adoption
- Proposed Economy Lot Increase = 3.7% annual increase since adoption
- Weekly rate = 6 x daily rate (1 free day per week)

Airport staff worked compiling data to make a reasonable and comparable calculation for these rates. Comparable airports we looked at included Prescott, Yuma, Montrose, St. George, Durango La Plata, Mesa Gateway, Tucson International and Phoenix Sky harbor.

Airport	Parking Lot	Hourly Rate	Daily Rate	Monthly Rate	Lost Ticket
Prescott Regional	Main	Free	Free		
Yuma International	Main	\$2.00	\$10.00	\$125.00	\$350.00
Montrose Regional					
	Short Term		\$14.00	\$260.00	
	Short Term - South		\$12.00		
	Economy		\$11.00		
St. George Regional	Main	None	\$7.00		\$150.00
Durango La Plata Co.	All Lots	\$2.00	\$9.00	~\$180	
Mesa Gateway					
	Economy	\$2.00	\$9.00		\$250.00
	Covered	\$2.00	\$11.00		\$250.00
	Long-Term	\$2.00	\$13.00		\$250.00
Tucson International					
	Daily	\$3.00	\$12.00		
	Economy	None	\$5.00		
PHX Sky Harbor International	East	\$6.00	\$16.00		
	Economy (Uncovered)				

These comparisons have variations in size, distance from terminal buildings, regional vs international airports, but they give a pretty good idea of the prices being charged within Arizona and other neighboring airports of a more comparable market and size.

One of the questions that came up when we previously discussed was what effect the increased parking fees could have on enplanements.



Paid Parking went into effect in July 2023, and we saw a 7% increase in enplanements from 2023 to 2024, with 2024 being our 4th highest enplanement year ever with service from a single carrier.

A few other important data points to note include:

- 60% of our commercial passenger traffic originates outside of Flagstaff, meaning people who don't live in the Flagstaff or Northern Arizona region but rather are traveling here and flying back home.
- In 2024, 66% of customers parked in the Terminal Lot and 34% in the Economy Lot.
- Total parking utilized is typically 30-40% but exceeds 50% on holidays.
- Enplanements in Q1 2025 were up 11% from Q1 2024 and up 2% from Q1 2023 (before paid parking).

Commissioner Shouse voiced his concern in a price increase leading to lower utilization of the airport parking lot and inadvertently lowering revenue rather than keeping the rates as is or lowering them in order to keep utilization steady or even increasing closer to a 100% goal.

Airport staff do not expect to see utilization go down even with a price increase; enplanements have shown a steady increase since implementing the paid parking system. Additionally, staff have been looking to open parking to folks that might have been parking here for not airport business with the addition of the monthly parking permits. Another item to note is that the staff is not looking to increase utilization to a full 100% as we want to be prepared for when we have additional parking demand from a second carrier and accommodate the increased parking needs during busier seasons, including the holidays.

Chair Waddell called a vote requesting a motion to approve the rates as presented today.

Moved by Robert Hanovich, seconded by David Steiner

Vote: 3 - 2

B. Airport Badging Fees

As a commercial service airport, we issue security access credentials to anyone who needs unescorted access to the airfield or unsecured areas or secured areas of the terminal. Our badges are broken down into two categories of security badges. One is our AOA badge or an Air Operations Area badge, which is for everything within the airfield excluding the areas that are for commercial passenger service. The second one is our SIDA or Secure Identification Display Area, which allows access into commercial service space beyond the TSA checkpoint and the area immediately around the commercial aircraft boarding area.

We issue about 135 AOA badges and about 90 SIDA or sterile area badges annually and there is currently no limit to the number of badges that can be issued to any of our tenants. This includes an unlimited number for airline staff as well as for anyone renting a hangar from us. There's no limit to how many people they can sponsor to have a badge for their aircraft storage unit.

Right now, there is no fee for badges, and we're the only commercial service airport in the state of Arizona that does not charge. Below is a table showing our annual cost for providing those badges. This includes staff time, supplies, postage, which is a part of the system that we send fingerprints off to the federal government for background checks for SIDA and sterile badges, fingerprinting fees, including the enrollment system that we enroll every batch holder into which alerts us of certain criminal charges that may come up in the future.

Cost Category	AOA Initial	AOA Renewal	SIDA/Sterile Initial	SIDA/Sterile Renewal	Lost Badge
Staff time/expense	2 hrs/\$70	0.5 hrs/\$17	3 hrs/\$105	1.5 hrs/\$53	2 hrs/\$70
Supplies	\$4	\$4	\$4	\$4	\$4
Postage and handling	\$0	\$0	\$19	\$0	\$0
Fingerprint fees	\$0	\$0	\$37	\$0	\$0
Enrollment fees (\$6 annual)	\$12	\$12	\$12	\$12	\$0
Total	\$86	\$33	\$177	\$125	\$74
Total Excluding Labor	\$16	\$16	\$72	\$16	\$4

For AOA badges, our costs are about \$86 for an initial \$33 for a renewal. SIDA and sterile badges are about \$177 for an initial and \$125 for each renewal and lost badges end up costing about \$74.

Staff again worked on collecting data from other airports within Arizona and surrounding areas.

	AOA	SIDA	Steril	Lost Badge	Contractors
Grand Canyon Airport (GCN)	\$30	Currently Not Available	Currently Not Available	\$50, \$75, \$200 Revoked after 3rd; \$250 Not Returned Fee	No Charge
Phoenix-Mesa Gateway (AZA)	\$45	\$45	\$45	\$50	\$50
Yuma International Airport (YUM)	\$10 Application Fee	\$10 Application Fee	\$10 Application Fee	\$30	\$10 Application Fee
Durango-La Plata County Airport (DRO)	\$30 Initial; \$30 renewal	\$115 plus \$85 fingerprints; \$55 for renewal plus \$25 system	\$50 plus \$85 fingerprints; \$50 renewal plus \$25 system	\$100, \$150, \$200 3rd or more	N/A
St. George Reginal Airport (SGU)	\$30	\$75	N/A	\$150	N/A
Montrose Regional Airport (MTJ)	\$60	\$75	\$60	Same Price	N/A
Prescott Regional (PRC)	\$100	\$100 plus \$110 fingerprinting	N/A	\$100, \$150, \$200 \$100 damaged	N/A
Laughlin/Bullhead (JFP)	\$50	\$50	\$50	\$50	No Fee
Tucson International (TUS)	\$77 Initial; \$40 renewal	\$77 Initial; \$40 renewal	\$77 Initial; \$40 renewal	N/A	\$77 Initial; \$40 renewal
Phoenix Sky Harbor International (PHX)	\$32 Initial plus Fingerprint fee; \$7 STA' \$50 control fee	\$45	\$45	\$50	\$45

- AOA
 - High: \$100
 - Low: \$10
- SIDA/Sterile
 - High: \$210
 - Low: \$10
- Lost Badge
 - High: \$200
 - Low: \$30

The airport is proposing separate fees for an initial credential versus a renewal with a goal of recovering all the material costs and a portion of the labor cost. We would also include a built-in rate increase in about a two (2) year time period as costs continue to increase.

Proposed Rates	Effective 8/1/2025	Effective 7/1/2027
AOA - Initial	\$40	\$50
AOA - Renewal	\$20	\$25
SIDA/Sterile - Initial	\$75	\$100
SIDA/Sterile - Renewal	\$50	\$75
Lost Badge Fee (First Occurrence)	\$50	\$75
Lost Badge Fee (Second Occurrence)	\$75	\$100
Lost Badge Fee (Third Occurrence)	\$100	\$125

Commissioner Hanovich expressed concern over charging contractors, wondering if a badge cost would just end up being passed back on to the airport at the cost of the work they are completing.

Staff did not propose a separate rate or exclusion of fees for contractors at this time, but staff is open to that discussion.

Commissioner White asked how long a badge lasts and the reasoning behind the increasing lost badge fee.

Badges typically last two years. Initial badges for the SIDA are one year and then two-year renewal thereafter. One of the reasons for increasing lost badge fees is to discourage people from losing their badge. TSA only allows a certain number of active badges that are unaccounted for. Once we exceed that, we have to shut off everyone's badge, cancel that entire series, and replace every badge after completing a redesign of what our badges look like.

Commissioner Steiner asked about the background check, asking if this is a new requirement and if there are cost increases to the fee.

This has been a requirement for years; the initial date of requirement is not known by staff but can be looked up if wanted. The fees to submit badging applications do increase, current proposed fees include the 2025 fee increase for the background check/enrollment system.

Chair Waddell asked who is currently absorbing this cost and if there are shorter-term badges provided, such as a 3-month badge for contractors.

Currently, the airport pays for the cost out of our airport budget. Badges for contractors are generally tied to the terms of their contract, whether that be 90 days or up to 2 years for some of our JOC contractors; although we do require them to turn them in while they are not using them for a job to minimize the risk of it getting lost or stolen.

6. TO/FROM AIRPORT COMMISSION MEMBERS

Commissioner Hanovich requested airport staff include an exemption for contractors that are staffing contracts that are directly supporting the airport. Staff agreed to bring the item back to our next meeting for a vote and took a break/leave, and asked if there were any objections.

Motion to cancel next months meeting.

Moved by Andrew Shouse, seconded by David Steiner

Vote: 5 - 0 - Unanimously

7. ADJOURNMENT

Moved by Robert Hanovich, seconded by Andrew Shouse

Vote: 5 - 0 - Unanimously