



**MINUTES**  
**Airport Advisory Commission**  
**March 28, 2006**

**COMMISSIONERS PRESENT:** Stephen Ducoff – Chairman  
Bud Breckner  
Lynn French  
Bob Kudwa  
Joel Miller  
Dennis Weber

**COMMISSIONERS ABSENT:** Bernie Herpin – Vice Chairman

**NON-VOTING MEMBERS PRESENT:** None

**NON-VOTING MEMBERS ABSENT:** Jim Bensberg, El Paso County Commissioner  
Greg Timm, Alternate Commissioner  
Rob MacDonald, Pikes Peak Area Council of Governments  
George Sugars, El Paso County DOT

**CITY STAFF PRESENT:** Mark Earle, Aviation Director  
John Faulkner, Asst. Aviation Director, Planning & Development  
Bill Keller, Airport Planning & Development Manager  
Kelly Koon, Special Projects Coordinator  
Tom Marrese, City Attorney  
John McGinley, Asst. Aviation Director, Ops & Maintenance  
Gisela Shanahan, Airport Finance Manager  
Cheryl Schwab, Financial Analyst

**CITY STAFF ABSENT:** Pat McDivitt, City Attorney

**GUESTS PRESENT:** Sarah Colwell, Gazette  
Wendell Hawkins, COS  
Glenn Messke, Peterson AFB

**CHAIRMAN DUCOFF CALLED THE MEETING TO ORDER AT 3:02 PM**

**Next meeting is Tuesday, April 25, 2006.**

## **1. APPROVAL OF THE FEBRUARY 28, 2006, MINUTES:**

- Chairman Ducoff asked for approval of the February 28, 2006 Airport Advisory Commission minutes. Commissioner Kudwa made the motion to approve the minutes and Commissioner Weber seconded the motion. The motion was carried by unanimous vote. Commissioner French abstained due to his absence at the last meeting.

## **2. PUBLIC OR CITIZEN GROUP COMMENTS:**

- No public comments.

## **3. GENERAL BUSINESS**

### **Land Use Items – Bill Keller**

Bill reviewed the following land use items:

- ◆ AR FP 06-00140
- ◆ AR DP 06-00156
- ◆ AR PUD 06-00152
- ◆ CPC A 06-00068 / CPC MP 06-00069
- ◆ AR CP 06-00144 / AR DP 06-00145
- ◆ CPC ZC 06-00084 / CPC CP 06-00085 / CPC DP 06-00086 / CPC FP 06-00087
- ◆ AL 06-003

- Item #5 is a hospital in the Woodmen corridor. It is about 170' tall. We did request an aviation easement as part of the recommendation. If the height increases, a 7460-1 would be requested, if needed. Additionally, being a hospital, it requires a helipad and we'd like to participate in the 7480-1 review for the proposed landing area. These are 2 of the 'if needed' requirements going forward. Commissioner French asked if item #5 would return to the Commission for approval if the height was increased. Bill stated that if it does go before the Planning Commission or City Council as an amended item, then it would come back to us. Otherwise, Bill would participate in the 7460 review at the appropriate time. Commissioner French said he understands the process and is concerned about the height of the building and that if it gets considerably higher it could be more of an issue. Bill noted that the 7460 limits the height of the building to 200' and if it goes higher than that they would be required to notify. Bill recommended that we require the 7460 to be filed as a precautionary measure because it is a hospital. Commissioner French agreed. Commissioner Miller asked if there was any potential for conflict with the flight pattern for 17L when it's reopened. Mark answered that it most likely will not be an issue. The only issue might be when you give Medivac priority in IFR conditions. Typically they transport via ambulance in this case.

Commissioner French moved to approve the land use items to include the amendment to #5 which would require the 7460 be filed. Commissioner Weber seconded the motion. The motion was carried by unanimous vote.

### **Donation of Chenoweth Painting – Kelly Koon**

Two photos of the Chenoweth art were distributed. Mary Chenoweth passed away a few years ago and was a local artist in the community. Bill Geary used to run the art program at the Airport and was instrumental in securing the original Chenoweth painting for the airport. This painting is currently on display in the 3<sup>rd</sup> floor lobby. The second Chenoweth painting is currently being stored at the Art Bank downtown and Bill Geary has graciously offered to

donate it to the Airport. The Art Commission has already approved the donation, and once the Advisory Commission approves it, it will be taken to Council for final approval. It is the same size as the other piece and would be displayed in the lobby as well. Chairman Ducoff asked for clarification on how the City receives donations. Kelly explained that we would draft an agreement stipulating the donor/artist release of responsibility of the art. There have been situations in the past where the City received a gift of art and responsibility was not written into the agreement and years later the artist was still trying to dictate where the piece would be placed and care of it. Upon receipt of the e piece, we would have an agreement that the artist/donor would no longer have a say about the piece. Mark noted that there is a City Ordinance and City policy that has grown out of this about gifting art to the City. The gift is accepted by City Council for approval by resolution. Chairman Ducoff asked if recognition of the donor would come from Council and Kelly noted that the donor has requested a plaque be placed near the art indicating donor and artist. Mark explained the full approval process. The Commission recommends approval on any item the City Council will be taking action on. City Council will ask what the Commission's recommendation was as well. Chairman asked if we are clear on any requirements for amount of time it must be displayed and where. Kelly indicated that the donor only requested a recognition plaque and understands the Airport will determine where it will be placed and for how long. Commissioner Breckner asked how we dispose of it when the time comes. Mark explained that the Pioneers Museum has assisted with information on maintaining the item. On other pieces, we have incurred the cost of restoration. Council accepts art on a case-by-case basis. In this case, our staff recommendation is to accept the piece as we already have one like it, it fits with the program and maintenance cost would be diminimus. Commissioner Weber moved to approve the recommendation to accept the art and Commissioner French seconded the motion. The motion was carried by unanimous vote.

#### **4. STAFF REPORTS**

##### **→ Traffic Report – Gisela Shanahan**

- Total enplaned passengers for February were 71,309, an increase of approximately 2,500 over 2005 numbers. Year to date numbers are 143,309 representing a 2.7% increase above 2005. United has increased by 21.3% primarily due to a slight increase in its code share flights by Skywest and the addition of a Denver shuttle flown by GoJets in January of 2006. The GoJets flight was eliminated in March and replaced with a flight to San Antonio. United has also seen a significant growth in its load factors over the past 12 months. American has increased by 9.5% due to the addition of its American Eagle flights. Delta has declined by 25.6% primarily due to the elimination of flights flown by its code share Skywest. Northwest has declined 22.4% caused by a reduction in its flight schedule from February of 2005.
- Landed weight is down 4.2% from 2005, largely due to fewer overall flights. There are 3 fewer schedule airline arrivals in February 2006 as compared to February 2005.
- Total revenue landings for 2006 are 3,134. The total number of landings for 2006 is 2.9% below 2005 due primarily to the reduction in flight schedules by several airlines.
- Total aircraft operations continue are approximately 13.8% lower than last year. Decrease primarily in military operations caused by the deployment of the local Air Force Reserve unit and fewer flights related to troop and equipment deployment.
- Freight and cargo continues to decline. We anticipate the cargo numbers to stabilize during 2006 as the affects of the USPS decision to truck mail to DIA, and the decrease in cargo carried by commercial passenger aircraft levels off.
- Enplanements per departure continue to rise. Year to date we see an average of 50 enplanements per departure.
- Average load factor for 2006 is 70.5% for February and 66.9% year to date.
- All key traffic statistics are moving in a favorable direction as compared to January.

## → Finance Report -- Gisela Shanahan

- Airline revenue is 3.3% below budget, an increase from January. The decrease is primarily due to lower than anticipated landing fees caused by an overall decrease in flights of 3 daily flights in scheduled service. The decrease was partially offset by an increase in loading bridge and terminal space rent received from the airlines.
- Concession revenue is 7.8 % below budget primarily due to lower concession fees collected from the food, beverage, and gift concessions. The variance is due to a difference between projected and actual numbers. The trend will be closely monitored in order to identify any problems with service or management that could be a contributory factor to the decline. Actual concession sales are up 10.8% over 2005, but our revenue is based on minimum guarantees that were negotiated in 2004.
- Terminal area revenue 12.2% below budget. The primary contributor is parking revenue, down \$159,184 below budget. Total number of cars parked year to date is approximately 9,400 fewer than in 2005. Valet totals are up, but the vast majority of the decrease is due to short term parking numbers. The decrease is attributed to the impact of construction which continued through January 2006. The actual revenue is only 3% below 2005 numbers. Rental car revenue is below budget by \$35,526. The variance is caused by a difference between budgeted and actual rates charged for ready return spaces. Ready returns spaces have been charged at \$10 per space and increased to \$20 per space after the completion of the new rental car lot. This variance will decrease throughout 2006.
- The decrease in other area revenues is primarily due to the timing of fuel excise tax remitted from the State of Colorado. We just received November taxes in the month of February.
- Overall revenue is 9.2% below budget. Much of the difference is caused by timing differences between our peak revenue periods and the fact that the budget is split evenly over 12 months.
- For expenditures, total actuals are approximately \$485,000 below budget or 14.1%. Personnel costs are down due to vacancies. Supplies, repairs and maintenance, and services are all down due the timing of purchases. Advertising is up due to the rollover of an existing contract from 2005 to 2006. No expenditures have been made but the report includes contracts that have been awarded but not yet paid. The admin pro-rate charge for City centralized services have not been booked to the Airport yet for 2006. The entries were made in March and the March report should catch up that category. Equipment costs are up due to several vehicles purchased by the maintenance department. Approximately 20% of the cost of these vehicles will be charged to the runway rehabilitation project and will reduce the operating budget equipment expenses.

## → Capital Improvement Program Update – Cheryl Schwab

- The Capital Improvement Program worksheet shows our anticipated capital expenditures over the next six years and is used in conjunction with cash flow projections so that we can ensure that the Airport maintains an appropriate cash balance. We also use this worksheet to keep track of the types of funding that we need to obtain. The worksheet shows each project and indicates the estimated cost of the project and the source of funds. The source of funds, as shown in the columns across the worksheet, are AIP discretionary and entitlement funds, Passenger Facility Charges (PFC), Colorado Dept of Transportation funds (CDOT – State Grant), Airport Capital Improvement Funds, and any other funds, which would include Customer Facility Charges (CFC) and any other 3<sup>rd</sup> party funding source. I'll explain the projects that have funding sources in this category. On the far left of the worksheet, you'll see some numbers...these are the projects I'll discuss today.

### **Rehab Runway 17L/35R**

This project is being funded with our 2005 and 2006 AIP entitlement funds. We also anticipate receiving just over \$26M in AIP discretionary funds, some of which we've already received. We've received a 2004 discretionary grant in the amount of \$5M; we received our 2005 discretionary and entitlement grants in the amount of \$16M; and we're hoping to receive the last installment sometime in the next few weeks. We also are using PFCs to help fund this project. The application to use PFCs for this project has already been approved. Finally, there are just a few items that are not AIP-eligible for which we need to expend some Airport funds; and that's about \$374K. (This work would include some glide-slope grading topsoil and seeding.)

### **Airport Drainage Improvements**

This is the drainage improvement project that is being worked along Aviation Way, and also includes a new detention pond. This project is being fully funded with PFCs. The application was submitted to the FAA last fall, and we recently received notification that this project was approved as an eligible use of our PFC funds.

### **Rental Car Parking/Roadway Improvement/Canopies**

This project is being funded with PFCs, Airport funds, and CFCs. The CFC amount is in the column entitled "Other" and constitutes \$5.3M of funding for this project. Most of the CFC cash is already on hand for this project, and we'll be collecting through mid-summer to obtain the remaining CFCs needed. We do need to apply to the FAA to use PFCs for this project, and that application is being worked up now, and will be submitted in early April.

### **Business Park Planning**

This project has had \$2.3M of airport funds assigned to it for some time. The recent addition to the budget here is \$7M that will be used for pad site preparation to include rough grading, drainage, and utilities for two prospective tenants that have expressed desire to build on the property. The \$7M will be funded with a commercial loan that the prospective tenants will repay through a surcharge attached to their respective ground leases.

### **Instrument Landing System – Runway 17L/35R**

This project will be starting in June, and Airport staff was able to work through our congressional representatives to obtain federal funding in the amount of \$2M, which is above and beyond our entitlement and discretionary funds. Commissioner Miller asked if there is any way the lighting could be installed to bring it to CATII status? John M said that it's in the project already. The in pavement lighting was in the runway prior to demolition. The ILS for 35R will be a CATI ILS and it will not have an approach lighting system. What we hope to do in the next year or 2 is to secure additional funds and put in an ALSAF that would allow us to go to CATII.

### **Runway 12/30 Seal Coat & Paint**

We will be doing this project this year, and we recently received a state grant in the amount of \$150K for it; we will match that grant amount using Airport capital funds for a total project cost of \$300K. The remaining projects that you see laid out for the future years are our best projection right now of the projects we need to do and their estimated costs. Airport staff meets periodically throughout the year to review these projects and to reprioritize if necessary.

Commissioner Breckner asked for explanation about the surcharge for the \$7,000,000 commercial loan for the Business Park. Cheryl explained that the tenants that wish to build on the property will not only pay the ground rent, but will also pay a separate charge that is calculated over 25 years per square foot for the loan. The surcharge is a component of rent that is based on monthly payments that we need to make on the loan,

which is passed on to the tenants that occupy the two-30 acre parcels. Chairman Ducoff asked who gets the \$7M. John F explained that we get the money for improvements and then the tenant pays us for this. Commissioner Kudwa asked for examples of uses for the money. John noted that grading is the biggest aspect, along with roadways, utilities and site preparation. Mark said that the Business Park will be developed in partnership with private development. We are going to put out an RFP for a master developer. They'll take a certain amount of risk and propose how that's going to be structured. Essentially we will lease all the land to them. They will develop it and then work with individual developers' projects. We had opportunities come along prior to getting a master developer in place. We don't have a mechanism to take money from the airport development fund to place on a project, so in consulting with the bond council and finance downtown, the best mechanism was a commercial loan secured by a component of the rent, which is the surcharge. The principle and interest are being paid the by the tenant through the surcharge. Commissioner Weber asked for clarification on PFC and revenue. Cheryl explained that the PFC is the \$3 per passenger ticket sold that the airlines remit to us on a regular basis. The airport revenues are primarily the income that we have at the end of the year that we share with the airlines. Both the agreement of the airlines and the bond ordinance control this.

## → **Operations and Maintenance – John McGinley**

### **Construction**

- We are substantially complete on three projects; rent car short-term parking lot project, terminal renovation (interior remodel) and the security project.

Public parking project – we are working on some punch list items; irrigation and landscape, which will be worked on this month and next. There are several areas where we have observed cracks in the curb and gutter and we contacted the contractors to address these issues. This is being done by demoing some of the areas.

Terminal interior project – there are two major issues that are still pending; the mosaic tile, which will be delivered April 6 and should be installed late April or early May. Another outstanding issue is the column work around the fireplace. We had some discussions with the contractor on how to approach this issue and are now moving along.

Security project – access control system – is substantially complete and we are working on some punch list items as well.

The runway project – the latest demo report was passed around. Essentially we are on time for this project. If you look at the report, you'll notice actual and planned quantities show that we are a little bit behind. This is due to the fact that we've added work to the project. We have received additional funds and are now doing stub work on Taxiways E1, 7 and 8. The contractor has been diverting work on the runway to working on E1. The quantities in E1 are not reflected in the report. If you look at milestone 4, which is March 25, we are at that point today, which makes us about three days behind. Again this is due to the additional stub work. We have not received an official request from the contractor to extend the demo contract a few days, but we expect to. This will not have any impact on the next phase of the project.

Interstate Highway is on site and currently mobilized. They are working on E1. They plan on doing E1, 7 & 8 first and then once they get the stub taxiways done and poured, they will move on to the runway.

Commissioner Breckner mentioned that he had seen an article in the paper about new national roadway signage regulations making them easier to read. He asked if there is any effect to the airport and do we want to be cognizant of this? Mark stated absolutely, we do. We will look for the article and see what the requirements are.

We are working with the Special Olympics. They are organizing a 'plane pull' event in June. For folks interested in putting a team together, teams consist of 20 people and the entry fee is \$1000. The team will pull a 747 and the team that pulls the plane the farthest, fastest will win. Last year CSPD won the event.

#### → **Planning and Development – John Faulkner**

- AOA service roads – pre-bid is on Thursday and bids will close April 1. We hope to complete this project in this construction season.
- Airport drainage – we have a little change to one of the drainage ponds bid. We have fill material from this site that can be used for the Skywest project, so the package will be redesigned to include that bit of work in the package. We'll have a bid package revision that will include the fill material which will save us some costs in the actual construction of Pond 8. We're taking advantage of a couple projects to help lower our costs and get rid of some material so it doesn't have to be hauled off site.
- Business Park – there has been a substantial amount of work on the design and development. The design and development guidelines remain in draft form and we are trying to schedule a meeting with the Concept Committee to allow us to finalize them. So far we have received limited feedback. We are hoping to get more comments to wrap this up. We will also be meeting with the Marketing Committee soon in order to theme the park and develop the common elements in the park. This will set us up to begin marketing the master development of the park. A significant amount of work is underway in the design review of the two – 30 acre sites. The \$7,000,000 improvements include quite a bit of grading, roadway and utility work. There is design review going on with the City right now on the planning side and on the CSU side in order to get the plans approved. The pre-bid meeting was today just prior to the Advisory Commission meeting for contractors to work on this project. Eight firms have expressed interest. Work continues on the coordination side with the two prospective tenants to be sure utilities are in the right place and make sure the plans make sense. Notice to proceed and contract award for the \$7,000,000 is scheduled for mid-April.
- The ADAC/G work has begun. There is quite a bit of construction and coordination work taking place right now; both on the design side and the construction coordination side to make sure our folks are not in the same place at the same time. There is also a lot of construction access coordination that is happening to make sure we understand where they are going to be accessing the ADAC/G site from. It crosses over both elements as we look at their design to make sure it's compatible with what we are doing. There is some utility work that crosses over also.
- West side – we have a scope and fee proposal we expect to get in this week for utility relocates and roadway work with Intermountain Air. We are hoping to get that proposal in and work started fairly shortly.

#### → **Director's Report – Mark Earle**

- Passing around Customer Comment Cards. This is something the Advisory Commission felt was a good idea. When it was first requested, we held off until we had the volunteer program in place. Now that the program is up and running we want to roll this out. Kelly explained that these will be printed on card stock so the customer can mail it back if so

desired. Part of the delay on this is the address change to Proby. They will be placed at the Info Center as one of the display items. We currently do have a complaint process as well and the Comment Cards will help get positive and negative feedback. Mark noted that if we have a complaint, Kelly receives the complaint and farms it to the appropriate manager to handle and then we respond back to the complainer. Commissioner Weber asked if we could have these in more than one location. He said a kiosk in the concourse would be nice. Mark stated that sometimes kiosks become a collection area for trash and gum. Commissioner Miller said he thinks people won't use the card unless they are really ticked and want to make a complaint. Mark said that if there is a problem with staff, we follow up on all the complaints. We get a lot of people that go to the Info Center with their complaints. The volunteers field a lot of this. Commissioner French asked if we could have a preprinted stamp on the card and what it would cost. Discussion went around that it doesn't save money or time. He feels there needs to be a drop box at the exit of the concourse so we can collect them better. Mark said the kiosk idea will be looked into. Chairman Ducoff asked for statistics on complaints and Contact Us (website contact). Commissioner French asked if we have a way to respond to anyone that sends us an inquiry over the internet. Kelly said yes we can respond via the internet. Chairman Ducoff asked about question content. Kelly said most of them are basic inquiries. We will report back next month with statistics.

- Community Recognition program – most of what we were able to find is primarily historical and focused on aviation. We are continuing to collect information through April 15 and then will report back at the next meeting with suggestions on concepts and procedures that were the best.
- Air space – John M has been working hard with Ft. Carson and the FAA on an issue between R2601 and the ILS to RW 35L. This has been a very complex process. We thought we were going to have to reach an interim solution. Instead, the FAA Regional Office surprised us this week and came through with a permanent solution. They reviewed it and deemed it to be safe and that the ILS can coincide with the full use of UAVs in the restricted area and waived the separation between the ILS and the UAV area. This is consistent with what has been done in other areas. Mark said that General Mixon was informed of the decision and commented that he appreciated the community support.

### **Action Items**

- New contact list is being distributed.
- We provided you with the 11 x 17 overlay map last month.
- An ASR report has been sent to all Commissioners.
- The December meeting is being changed to the 19<sup>th</sup>.
- We are still collecting criteria for the Community Recognition program.
- The CIP update was done this meeting. Commission decided they would like to have this done quarterly.
- Commissioner French asked if the airport has any plans for a parking garage. He noted that he received two calls today inquiring. Mark said that a parking garage doesn't make sense if you have surface parking available and room to expand horizontally. John F explained that bonds are 30 years and when you evaluate the life cycles of systems in a garage, it's very extensive. Many times, especially in cold climates, the parking systems do not live the full bond period. Parking spaces run about \$15-18,000. The debt service on this is about \$1800 without coverage or operating cost. This calculates to about \$2400 per year and when you do the math, in most markets, this doesn't pay off. A parking system that is more than three stories high just doesn't pay out over the 30 years. Even the three deck garages. In a market like this, it requires one-third of the revenue. A parking garage is built when you run out of space and need to go vertically. When we

reconstructed the parking lot, we actually made room for a parking garage. We will constantly evaluate this. During the WestPac days a garage was turned down.

- We are working on including comparable airport information in the financial reports.
- There will be a series of public events. In most cases, the timing of the event may be very short notice. For example, we will be having a celebration for the completion of the terminal renovations; the ADAC/G groundbreaking was canceled last week; Skywest groundbreaking has been tentatively set for April 19; and we hope to have business park announcements in the next few weeks.
- Other events: Space Symposium in April, Chamber Business Expo in May and we still speak whenever requested.
- Pueblo will be getting a flight training center and we feel this is a terrific deal for them. We never considered this a competitive issue.

## **5. OTHER BUSINESS**

- Commissioner French gave a brief update on Meadowlake Airport. We finally have the real ALP which has been submitted to the FAA. The ultimate length of the runway will be 6750' which is perfect for small aircraft and light support aircraft. We don't have any conflicts with COS.

## **6. CHAIRMAN'S COMMENTS**

- Noted that Commissioner Herpin was 1 of 27 candidates running for Rick Skorman's position on City Council and was sworn in today. As a result, he will be resigning from the Airport Advisory Commission. He has done a great job and been very supportive of the Commission. We will get a chance next month to sort all of this out and see who is going to fill Commissioner Herpin's position.

## **7. AIRPORT STAFF ACTION ITEMS**

- Airport staff –
  - Report back on Community Recognition survey and policy.
  - Locate article about State standards for roadway signage.
  - Provide complaint and 'contact us' statistics.
  - Invite TSA to next meeting.
  - Provide 2005 annual Financial Report at next meeting or when information has been compiled.

**Chairman Ducoff adjourned the meeting at 4:40 p.m.**

Minutes respectfully submitted by:  
Kelly Koon, Special Projects Coordinator