



MINUTES
Airport Advisory Commission
March 27, 2012

COMMISSIONERS PRESENT: Wally Miller – Chairman
Dr. Pat Boone – Vice Chairman
Randy Courduff
Tom Hayden
Steve Janitell
Dr. Chris Thornton
Dave Elliott

COMMISSIONERS ABSENT: None

NON-VOTING MEMBERS PRESENT: Peggy Littleton, El Paso County Commissioner
Andrew Biancur, Alternate Commissioner

NON-VOTING MEMBERS ABSENT: Rob MacDonald, Pikes Peak Area Council of Governments

CITY STAFF PRESENT: Mark Earle, Director of Aviation
Gisela Shanahan, Asst. Director, Finance & Administration
John McGinley, Asst. Director, Operations & Maintenance
Dan Gallagher, Asst. Director, Planning & Development

CITY STAFF ABSENT: Dana Jackson, Airport Sr. Office Specialist

GUESTS PRESENT: Dan Deutsch, Airport Accounting Manager
Erik Anderson, Financial Analyst
Kelly Jackson, Air Service Development Analyst
Sam Abriani, Airport Intern
Agnes Blachut, Airport Public Affairs Administrator
Neil Ralston, Airport Planning & Development Manager
Rob Schmalz, The Paradies Shops
Patsy Buchwald, The Paradies Shops
Melissa Danielson, The Paradies Shops
Wayne Heilman, Gazette
Alex McKean, Reynolds, Smith & Hill (RS&H)
Christopher Green, Reynolds, Smith & Hill (RS&H)

Next meeting is Tuesday, April 24, 2012

- **APPROVAL OF THE JANUARY 24, 2012 MINUTES**

Chairman Miller asked for approval of the February 28, 2012 Airport Advisory Commission minutes; no objections; minutes were approved as submitted.

- **PUBLIC COMMENTS**

None.

- **NEW BUSINESS**

→ **Land Use Review – Neil Ralston**

- **Item #1 CPC CP 12-00016 / CPC ZC 12-00014 / CPC ZC 12-00015**
- **Item #2 AR DP 12-00081 / AR CP 10-00067-A1MN12**
- **Item #3 CPC DP 12-00017**

Airport staff reviewed three new land use items all in the City of Colorado Springs. Staff did not recommend any objections to items #1 and #2. However, staff recommends tabling item #3 until the results of an FAA airspace review are available for the use of temporary construction equipment that will exceed 50 feet in height.

One item remains tabled from a previous meeting (Item #4 from July 2010).

A motion was made by Commissioner Thornton to approve items #1 and #2 as rendered, and table item #3; the motion was seconded by Commissioner Hayden; it was carried by unanimous vote.

→ **Air Service Update – Gisela Shanahan and Mark Earle**

This Air Service Update will serve to show the steps of a recent air service effort in the context of the Airport's air service development program. The steps of the air service development process were reviewed. The goals of an airline (profitability and efficiency) must align with the airport's goals of competitive pricing and many service options for the community. The Airport's strategy is to understand both the regional market and airlines' business models and monitor changes so that staff can identify when airline and airport goals align. The Airport communicates constantly with all airlines and staff needs to be ready to react when an opportunity arises.

Gisela then tracked the history of Frontier Airlines with the Colorado Springs Airport in the context of the air service development process. After years of communication and changes in the Frontier business model, airport and airline goals recently aligned and Frontier announced first-time, non-stop service between Colorado Springs and four new destinations.

Recently Frontier Airlines submitted an application to the Department of Transportation to start daily non-stop service to Washington National Airport (DCA). Chairman Miller inquired when we expect to hear if Frontier is granted the slots. Mark explained that Frontier Airlines' DCA initiative is a process separate from the above new non-stop service. With the recent FAA Reauthorization, Congress allowed for additional slots openings at DCA and required the DOT to fast-track the process to fill the slots. Frontier had to act on an accelerated schedule to submit an application, respond to other airlines' application, and gather letters of support from the community. Over 230 official letters were written and submitted from businesses, individual citizens, civic leaders, non-profits, local elected officials, the Colorado Congressional delegation, and retired military officers. It is anticipated that the DOT will award slots in late May 2012. Frontier's COS-DCA application is unique because historically, airlines have applied to provide service from their large hubs. Colorado Springs is a small community for which airlines would typically not submit applications for open slots at DCA; however, the

community is comprised of many military installations, institutions and associated government contractors, as well as a significant tourism industry, which altogether create much demand to easy access to the close-in Washington, D.C. airport.

- **STAFF REPORTS**

- ➔ **Traffic Report & Finance Report (January 2012) – Gisela Shanahan**

Traffic Report

- **Enplanements** – January is the last month where we will have a large variance in Allegiant's enplanements due to Allegiant's service changes. Down 8.7% compared to January 2011, which was anticipated by Airport staff. Other events that likely affected enplanements were low bookings on Frontier due to peoples' uncertainty about the future of Frontier. Bookings on Frontier have since bounced back. Additionally, there was a decrease in enplanements reported by United, which is attributed to less frequencies flown by the airline to its various destinations.
- There is a slightly different format of the financial report. We have grouped the passengers the Airport is allowed to report to the FAA together, which ultimately affects the level of AIP funds the airport can acquire. For planning purposes we will also now included non-revenue passengers because we have found that such passengers generate approximately the same level of revenue.
- A reminder that beginning the week of May 18th, Frontier will start flying to four new destinations non-stop- Los Angeles, Phoenix, Seattle and Portland. We are forecasting an 8% increase in enplanements in 2012 compared to 2011, and another 4-5% increase in 2013 compared to 2012 based on the scheduled service. Bookings are looking very good.
- **Seats Available** – Down 3.9% in January compared to January 2011; Allegiant flies less frequencies; Delta Airlines had a 20% increase due to aircraft upgauges on its Atlanta and Salt Lake City routes compared to January 2011. We are seeing that airlines continue to shift away from regional aircraft. United had an 8.1% decrease due to less frequencies to Denver and a temporary smaller aircraft to Chicago due to less demand during slow months.
- **Landed Weight** – Down 4.6% for airline activity in January 2012 compared to January 2011; total landed weight down 6.2%.
- **Load Factors** – 64.5% for January 2012 compared to 67.6% for 2011. This is due to a higher level of seats available but low demand during the winter months.
- **Freight and Mail** – Up 10.4% for January 2012.
- **Military Cargo** – Up 193.2% for January 2012.
- **Aircraft Operations** – Down 13.8% for the month; primarily driven by military operations.

We would like to add that we have preliminary February enplanement data and it seems that enplanements are flat or slightly above February 2011 numbers; additionally, March is looking positive so far.

Finance Report

- **Earned Revenue vs. Budgeted** – Airline Revenue is 2.8% below the budget because it is the slowest operational month of the year; Terminal Concessions are up 1.0%; Terminal Area is

down 1.5%; Other Buildings & Areas are down 13.3% which is due to the airport not receiving the fuel excise and sales tax; the bottom line is that we are 3.5% below the budgeted revenue.

- **Revenue vs. Actual Revenue** – Airline Revenue is down 9.1% and this is due to lower landing fees and terminal rent that is being charged; Terminal Concessions up 0.9%; Terminal Area up 9.6%; Other Buildings & Areas down 5.3%; overall we are down 0.9%.
- **Expenditures vs. Budget** – Overall expenditures are 0.2% below the budgeted amount.
- **Actual vs. Actual Expenditures** – Overall expenditures are 4.5% above January 2011 expenditures.

➔ **Operations and Maintenance – John McGinley**

Operations

- We will be implementing an easier badge application process through writeable PDFs and by having instructions on the internet. On the renewal side, we will have signature cards for the signature authority to sign off on so that the applicant does not have to fill out new forms when information has not changed.
- We are about to begin a 45-day project to upgrade the Airport phone system. Although we've upgraded the system a number of times since it was installed with the construction of the airport terminal, the server has not been updated since 1994. The airport has a large phone system-approximately 674 phone lines. We manage the phone system for the tenants and cargo building. The airport decided to commit to managing the phone lines early on and it is less expensive for tenants than if they were to contract the service out.
- The Airport awarded a contraction to ThyssenKrupp for elevator/escalator maintenance.

Maintenance

Landside

- Staff is working to get the sprinkler systems operational.

Facility

- Maintenance staff is working with the contractors for terminal construction.

GA

- The week of April 9th we will meet with all Westside tenants on the changes in the badging system and discuss any concerns/needs that the airport does not know about.
- There will be a Malibu Meridian Owner Pilots Association convention/meeting in September and Cutter Aviation will be managing that event on the airport side.

Chairman Miller inquired whether there will be any events at the airport to celebrate "Learn to Fly Day". John responded that he is working with a contact to discuss whether anything will be planned.

→ Planning and Development – Dan Gallagher

Consolidated Terminal Expansion/Renovation Project Summary

- The CBIS areas C, D & F have been structurally and mechanically complete and turned over to the baggage contractor. The baggage contractor has reached a milestone in Zone 1 (area C); the baggage installation is complete and we are working with TSA to be able to run that system in pass-through mode. It will not be screening bags but its use would allow us to potentially accelerate the schedule. Zone 2 (area D) has been demoed about 30% and about 30% of equipment has also been installed. The baggage contractor will be laying out the mechanical installation for areas E & F and start in Zone 4 (area F) later this week.
- The security checkpoint areas (G & H) have reached substantial completion. The airport is in concept design for the security checkpoint at this time.
- All administrative staff has been relocating to the Integrated Operations/Communications area (area B) so that renovation of the Administrative area (B) can continue.

Rehab of Taxiways E, G and H (Phase III)

This project began in early March. By the end of this week all demolition work will be complete. The work is progressing on schedule.

→ Director's Report – Mark Earle

Mark asked Dan to go more in-depth on the security checkpoint modeling process. Dan added that the airport is modeling many passenger scenarios against the conceptual design to ensure that potential future passenger demands can be met by the new checkpoint. Once a concept is finalized and approved by the TSA, the airport will work out a phasing plan that will take the security checkpoint from its current state to the final layout. The plan will include the use of airport volunteers and temporary signage to help travelers navigate through the checkpoint as it is remodeled. We are in a good position because the expansion will create additional space in the center of the building that can be used in the phasing plan. The TSA has agreed to work with us throughout this process to minimize the impact on travelers.

Dr. Boone recommended that Airport staff utilize the media to inform the community about this transitional period. Mark responded that staff is evaluating a number of options, and that the media will be a part of the plan.

Mark also asked for the Commission's help in thanking community leaders, businesses and individuals who submitted letters of support for Frontier Airlines' application. The Airport will send each Commissioner a list of those who wrote letters.

• **COMMISSIONERS' COMMENTS**

Thank you to Mark for sending talking points to the Commission regarding air service out at COS.

Good job to Gisela and Kelly for putting on a great presentation at HSMAl about air service in Colorado Springs.

• **CHAIRMAN'S COMMENTS**

Thank you to John for setting up a Tower tour.

Chairman Miller mentioned that the Master Plan process is under way. After the meeting, Chairman Miller, Dr. Thornton and Neil will get together to set up a time to meet about the process.

AIRPORT STAFF ACTION ITEMS

Action Item	Assigned To	Status

Minutes respectfully submitted by:
Agnes Blachut, Public Affairs Administrator