

SALT LAKE CITY DEPARTMENT OF AIRPORTS
MINUTES OF ADVISORY BOARD MEETING

20 February 2013

Members Present: Wayne Holland – Chair
Igor Best-Devereux
Mickey Gallivan
Natalie Gochnour (Vice-Chair)
David Ibarra
Russ Pack
Mike Zuhl

City Council: Carlton Christensen

Mayor’s Office: David Everitt

Department of Airports: Maureen Riley, Executive Director
Deborah Loertscher, Management Support Coord.

Chair Wayne Holland called the meeting to order at 8:00 a.m

AGENDA

A. Minutes

The motion was made by Russ Pack and seconded by Mike Zuhl to approve the minutes of 16 January 2013 as presented. All votes were affirmative; motion passed.

B. Director’s Report

Maureen Riley, Executive Director, updated the Airport Advisory Board regarding current events.

- The Trax opening is scheduled for Saturday, April 13, 2013. Construction started on the Airport section in June of 2009 with a cost of \$350 million. There are 6 miles of tracks with 5 stops between the Airport and downtown station. The estimate is that 4600 passengers per day will ride that segment.
- Airline analysts predict the merger between American and US Airways will have the same result as the Delta and Northwest merger, which is a reduction and consolidation of routes and hubs over time. There are 9 hubs between the two airlines, and the most potentially affected hub would be Phoenix. About 3% of the SLC market is served by both airlines, with a total of about 20 flights per day.
- To date, there has been no specific legislation being introduced addressing FBO operations and ground transportation in the Legislature. The only discussion so far is

related to the Airport's Minimum Annual Guarantees (MAG), which are used in concession contracting.

- Sequestration and the effect it might have on the aviation industry were discussed briefly. FAA employees would have to be furloughed one to two days per pay period. That, in turn, would have a significant impact on the air traffic system. Eventually, that may result in a reduction of domestic flights, because there would not be enough personnel to operate the towers. Impacts on customs and border patrol would be severe, according to Janet Napolitano, Secretary of Homeland Security. In response to Carlton Christensen's question of taxing things like airline tickets, Riley explained they are already taxed. The irony is that the FAA is a government agency, which is based on cost recovery and user fees, yet Congress is still targeting it for cuts.
- Regarding Mickey Gallivan's question about the taxi situation, Riley explained there was a hearing last week and most issues were postponed until March 1.

C. Economic Development of South Valley Regional Airport

John Buckner, Director of Administration and Commercial Development, presented an overview of the economic development of the South Valley Regional Airport (presentation on file) including the following points:

- SVR campus is approximately 860 acres, 10 miles south of SLC International.
- It is comprised of facilities owned by the Airport, hangars, FBO facilities, National Guard facilities, and soccer fields at the south end.
- Surrounding the airport are retail and light industrial with a lot of high density housing.
- The airport works cooperatively with the City of West Jordan zoning and development to find a consistent use for the contiguous properties.

West Jordan proposed the idea of a development on the east side of SVA, primarily consisting of light industry, hotel, and a small amount of manufacturing. The proposed development sits on Airport property and includes the severed parcel owned by Four Square – approximately 100 acres. One of the issues the Airport has had at looking at possible development is the necessary utility infrastructure, which would require about \$3.5 to \$5 million investment. Another limitation of the Airport with this particular property is that it cannot be sold and would require a long term lease.

The Department of Airport's staff and West Jordan are evaluating the infrastructure requirements and who would be responsible for them.

Igor Best-Devereux questioned why the proposed property would not be considered surplus requirements. Buckner stated the surfaces, easements areas, and properties required to be within the Airport control run up to the subject property. At that point, the requirements diminish

significantly enough that it was deemed by the City and the FAA that the surfaces of this property were not necessary to protect. The approach ends are protected by local zoning.

Natalie Gochmour questioned if there was a way to use this opportunity to address issues with the soccer fields in terms of protecting the Airport's interest and serving as good will with West Jordan City. When agreed to, the soccer field arrangement was one of mutual benefit to both organizations in protecting this particular area. What the Airport has proposed as a result of the FAA audit is to try to maintain the agreement for the soccer fields through its initial term. The concern for West Jordan was that the soccer fields would have to command fair market value immediately, but with the Airport's proposal, there is probably another 12 years or more remaining on that lease.

In response to Russ Pack's question regarding the possibility of using the widening of 7800 South as leverage, Allen McCandless indicated this is not in the 5-year capital planning, but there are some options to review. In addition, because the Airport retains ownership, there was discussion of through-the-fence operations. Buckner indicated the FAA all but prohibits this and it is not in the Airport's best interest. Riley added that the latest information she has received is that the FAA is not approving any through-the-fence operations.

In response to Christensen's inquiry regarding development, Riley indicated the key is to develop a long term revenue stream that would be based on the ground rent coming from the development. This is a solid mechanism for creating economic viability. Otherwise, these reliever airports generally create losses, so the goal is to create an alternate revenue stream that is not attached to aviation.

D. General Aviation Overview

Randy Berg, Director of Operations, gave an overview of general aviation (presentation on file) highlighting the following:

- Definition and aeronautical functions
- Economic impacts
- General aviation personnel
- FBO, definition and functions
- Collegiate aviation
- Utah Army National Guard
- Construction projects
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Best-Devereux observed that he was impressed with the obvious positive attitude towards general aviation, not something that is found everywhere and yet it is very important.

Closing Remarks

Chair Wayne Holland expressed appreciation to Mike Zuhl for his service as the Board Chair for the past year.

The next Board meeting will be held 20 March 2013.

The Board Chair closed the meeting at 9:30 a.m.

Wayne Holland, Chair

Date

Ralph Becker, Mayor

Date