

**BURLINGTON INTERNATIONAL AIRPORT
BOARD OF AIRPORT COMMISSIONERS
MINUTES OF MEETING
April 18, 2016**

DRAFT

MEMBERS PRESENT: Jeff Munger (Chairman)
Pat Nowak
Alan Newman [via teleconference until 4:27 PM]
Jeff Schulman

MEMBERS ABSENT: Bill Keogh

BTV STAFF PRESENT: Gene Richards, Director of Aviation
Nic Longo, Director of Planning and Development
Erin Knapp, Director of Marketing
Amanda Hanaway-Corrente, Director of Engineering &
Environmental Compliance
Richard Brown, Director of Maintenance
Shelby Losier, Intern

OTHERS PRESENT: David Clark, Skylink
Dave Stiller, Heritage Aviation
Tim McCole, Heritage Aviation
Luke Jean, Heritage Aviation
Tina Lindberg, Mansfield Heliflight
Eric Chase, Mansfield Heliflight
Andrew Grosvenor, Merritt & Merritt
Bryan Elliott, Ricondo & Associates
Michele Boomhower, VTrans
Ed Antczak, Vermont Flight Academy
Pablo Nuesch, Esq. [via teleconference]
Ben Klein, Esq. [via teleconference]
Abdi Dhere, Airport Winooski Cab

1.0 CALL TO ORDER

Chairman Jeff Munger called the meeting to order at 3:06 PM on April 18, 2016.

2.0 AGENDA

MOTION by Pat Nowak, SECOND by Jeff Munger, to approve the agenda as presented. VOTING (by roll call): Jeff Munger – aye, Pat Nowak – aye, Jeff Schulman – aye, Alan Newman – aye (unanimous); motion carried.

3.0 PUBLIC HEARING: Minimum Standards for Commercial Aeronautical Service Providers

The public hearing was opened at 3:10 PM.

COMMENTS

Ben Klein, attorney representing Mansfield Heliflight, made the following comments:

- Minimum standards are central to an airport's planning and financial help. The minimum standards being proposed will discourage/prevent new aeronautic services such as charter providers, maintenance providers, and Fixed Base Operators (FBO) from coming to the airport.
- If the minimum standards being proposed are adopted then Burlington Airport will lock in with one FBO on the field for the largest airport in the state competing for regional business. If Heritage goes "belly up" then no one will be providing crucial FBO service.
- Monopolies are bad for consumers, aviation included. With one FBO at Burlington the airport has suffered. Mansfield Heliflight has been asking for a second FBO for the past four years and the airport has ignored the requests.
- The five acre footprint for the facility is unreasonable and unnecessary. The 5,000 s.f. terminal space is unreasonable and unnecessary. The minimum standards are prohibitive for an airport the size of Burlington.
- Heritage was built in a vacuum. It is not possible for a business to make a profit with the minimum standards, and it is not likely the airport will have another 'Heritage'.
- Many airports have FBOs of different sizes to serve different customers. With Heritage the average general aviation customer is marginalized because they must pay a higher cost for services.
- Mansfield Heliflight is not suing the airport as has been stated, but has filed a Part 16 complaint with the FAA that essentially says the airport is not living up to its obligations. Mansfield Heliflight is frustrated with how they have been treated since requesting a second FBO at the airport. The minimum standards were issued in the middle of the RFP for the north hangar and the minimum standards eliminated to ability to use the north hangar for an FBO.
- Minimum standards cannot be used to discriminate against aviation operations. Burlington has not had minimum standards for years.

Mr. Klein requested consideration be given for another FBO at Burlington, perhaps a local charter provider, and suggested doing a Motion for Summary Judgement on the minimum standards and holding a second hearing on having a second FBO.

Pablo Nuesch, attorney representing the airport, said he worked with staff and Bryan Elliott in drafting the minimum standards which are not discriminatory. The document was presented to the FAA for review and comment. Staff prepared responses to the comments and the FAA was satisfied. The minimum standards are based on peer markets.

Bryan Elliott, Ricondo & Associates, said the drivers of the standards were the airport master plan and follow-on study which both suggested the north hangar is not the future for general aviation services and activities. Three parcels were identified. One parcel was six acres of land that was readily available with an apron. Local zoning and land uses were considered. Existing leases were reviewed (full service and specialized operators). Industry trends, FAA recommendations for minimum standards, and historical activities were also considered. Per the master plan, critical aircraft is the B-2 jet engine. Jet operations are anticipated to triple. Staff comments, user comments, FAA comments

were gathered and a platform for a transparent process was provided. In sum, when drafting the minimum standards consideration was given to the vision for the airport, master plan documents, existing conditions, and hitting milestone benchmarks in the 20 year forecast for aviation activity. The minimum standards document is a natural progression of follow-on to the airport planning efforts.

Ben Klein pointed out the FAA does not approve minimum standards and the footprint of Atlantic (predecessor to Heritage) was five acres, but the terminal was not 5,000 s.f. Heritage terminal was not 5,000 s.f. before the new building was constructed. The airport neglected to mention general aviation is underserved by having one FBO. Mr. Elliott said itinerant operations for a three year period, 2012-2015, were evaluated and the results showed 60% were Group 2 or smaller business jets with 49' to 79' wingspan and 6.2% were Group 1 or single engine piston aircraft with wingspan up to 49'. Ben Klein observed during the time period noted there was one FBO on the airport and the data confirm that having one FBO neglects one section of general aviation and increases the Group 2 aircraft.

Tim McCole, Heritage, thanked the Airport Commission for the opportunity to comment and the transparent, efficient process. The public record shows Heritage jet fuel pricing is within 3% of the regional average. Also, there was a FBO in New England with minimum standards and without notice or public comment the minimum standards were changed (lowered) to accommodate an operator. The result was a huge loss of investment and loss of a number of jobs.

Dave Stiller, Heritage, stated minimum standards will ensure safety, quality, and orderly operations for the airport, community, and the industry. Though Heritage does not agree with all that is in the minimum standards document, the transparent process and opportunity to comment is appreciated as well as hearing the rationale of why comments were accepted or rejected. Heritage does request that the condition for waiver or amendments without public comment be reviewed and any amendments to the document go through similar opportunity for notice and public comment. Language could be added to say "subsequent changes going forward require public notice and comment". Mr. Stiller mentioned the environment that led to the arrangement on the airport today was two FBOs in competition which was unsustainable, and it is not fair to say Heritage particularly drives traffic. Heritage offers a spectrum of services to general, corporate and commercial aviation which is driven by the nature of the airport that serves commercial, military, corporate, and general aviation every day of the year. Saying the minimum standards will require "a second Heritage" in order to complete is not true. The conditions provided by Heritage exceed the scope of services, premises, and fuel requirements. Heritage exceeds the recommended standards on a number of items.

Gene Richards stated much time and effort was put into the minimum standards which are crucial for the airport to have in place. Public process is important and the airport wants a process that is transparent so the suggested change relative to amendments is reasonable.

Alan Newman asked Mr. Klein to identify three items that would allow for an FBO to competitively handle smaller aircraft. Mr. Klein said decreasing by approximately half the footprint size (five acres), apron size, and terminal size would work. Mr. Klein noted the existence of one FBO on the field is not the result of market conditions. Heritage made an offer the landlord could not refuse when the facility was purchased.

There were no further comments. The public hearing was closed at 3:53 PM.

MOTION by Pat Nowak, SECOND by Jeff Schulman, to adopt the minimum standards document, dated April 5, 2016, as presented on April 18, 2016. VOTING (by roll call): Jeff Munger – aye, Pat Nowak – aye, Jeff Schulman – aye, Alan Newman – aye (unanimous); motion carried.

4.0 PUBLIC FORUM

There were no comments from the public.

5.0 FINANCIAL PACKAGE

The financial documents were reviewed. Staff noted a debt ratio of at least 1.50 will be maintained. CFCs from the rental car revenue have been held in reserve, but will be used for garage work and other repairs. An ample reserve will be maintained.

6.0 CONSENT AGENDA

6.01 Minutes of March 21, 2016

MOTION by Pat Nowak, SECOND by Jeff Schulman, to approve the consent agenda including minutes from March 21, 2016. VOTING by roll call: Jeff Munger – aye, Pat Nowak – aye, Jeff Schulman – aye, Alan Newman – aye (unanimous); motion carried.

7.0 COMMUNICATION/DISCUSSION

7.01 Construction Update Report

Amanda Hanaway-Corrente reported:

- Open projects started last year will be completed this year.
- Future project, Taxiway B Extension, has been renamed to “Taxiway Bravo Extension”.
- Taxiway Kilo work has resumed and will be complete before this year’s construction projects begin.
- Taxiway G realignment is part of the Taxiway K construction project.
- The quick turnaround facility will be in July if funding and permitting are in place.
- Upgrades are required to the glycol system because the state changed the standards. The airport is doubling the size of existing capacity.
- The first two phases of the nine phase air carrier apron rehab project are done.
- Vermont Air Guard (VTANG) has significant work planned in 2017 including rehab of Taxiway Delta and Taxiway Foxtrot and apron work.

The airport is working with the FAA, Air Traffic Control, and VTANG to collaborate on the work.

Gene Richards commented positively on the effort by Amanda Hanaway-Corrente and all the parties involved with the projects. Pat Nowak asked that South Burlington be appraised of the hours of operation. Gene Richards said work will cease at 8 PM each day. Work may be done for a half day on Saturdays.

7.02 Marketing Update

Erin Knapp reported:

- Upcoming events include “Blast Off for Books” with the Stern Center, Rock, Paper, Scissors Tourney for the Homeless Rehab Center, and a Girl Scouts cookie event.
- Harvard business students are doing a “swipe cycle” pilot (bicycles for hire). Good feedback has been received.
- BTV Ignite is working to brand Burlington as a tech innovative hub.
- Champlain College is on the Profinity interactive display.
- Vermont Refugee Resettlement Program held a very successful fund raiser at the airport with over 200 people in attendance, ethnic foods, and bands.
- Email newsletter is forthcoming with a survey asking what is liked at the airport and what new destinations are wanted.

Gene Richards said staff continues to look for opportunities (EB-5, hotel, social media) to grow the airport. Twelve staff members are taking French language lessons. Staff spoke at the Burlington Rotary and French Alliance.

Alan Newman asked if research has been done to find out why people from Montreal fly out of Burlington. Staff will draft a survey question. Shelby Losier noted a survey of users of the parking garage is conducted three times a week.

7.03 Fare Comparisons

Nic Longo reported the fare comparisons are not “apples to apples”. For example, most people are not flying to Chicago, but rather are connecting through Chicago.

8.0 DIRECTOR’S REPORT

Gene Richards noted:

- A press conference was held on preclearance and the Porter connection possibly with train service. The potential is to go from a seasonal service to daily or several days per week service. The Toronto market is another hub.
- The target to finalize the airline leases is June.
- Nic Longo and Gene Richards will attend the Allegiant Service Convention in Clearwater, Florida
- There is good representation from the community and the neighborhood on the noise committee which will move forward.
- The quick turnaround project will start mid-July. The airport will manage the quick turnaround and receive compensation. Heritage will manage fuel supply.

- Staff continues to work on building a relationship up north with Canada.
- Branding BTV will include using all the logos of the city departments in one.

Gene Richards introduced Michele Boomhower from VTrans Policy and Planning. Michele Boomhower, VTrans PPAID, reported the state aviation group is diverse with small and medium sized airports (11 state airports) and great activity and refurbishments. Traffic is up at state airports in both freight and small general aviation. There are private jet flights into Knapp Airport. Newport Airport is moving forward with the runway, fuel station, and terminal development. The state anticipates Burke and Jay Peak will have an operator following the receivership. Middlebury Airport will be upgraded this year.

9.0 COMMISSIONER ITEMS

Congratulations were extended to Jeff Schulman on his new AD position at UVM. The Airport Commission is very thankful Mr. Schulman will continue to serve on the commission.

10.0 ADJOURNMENT

Next meeting: May 16, 2016 at 3 PM.

**MOTION by Pat Nowak, SECOND by Jeff Schulman, to adjourn the meeting.
VOTING: unanimous (4-0)[Alan Newman not present for vote]; motion carried.**

The meeting was adjourned at 4:39 PM.

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