

MINUTES OF SPECIAL MEETING OF THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, held in the Council Conference Room, 88 E. Chicago Street, on Monday, August 11, 2014.

THE MEETING WAS CALLED TO ORDER BY MAYOR TIBSHRAENY AT 5:33 p.m.

The following members were present:	Jay Tibshraeny	Mayor
	Rick Heumann	Vice-Mayor
	Trinity Donovan	Councilmember
	Nora Ellen	Councilmember
	Kevin Hartke	Councilmember
	Jack Sellers	Councilmember
	Jeff Weninger	Councilmember

Also in attendance: Rich Dlugas, City Manager; Marsha Reed, Assistant City Manager; Nachie Marquez, Assistant City Manager; Kay Bigelow, City Attorney; Marla Paddock, City Clerk; Jeff Kurtz, Planning Administrator; David Bigos, Mayor & City Council Asst.

City Manager Dlugas said they would be hiring a consultant later in the summer to complete an economic impact study for the Airport.

Ms. Lori Quan, Airport Manager reviewed the PowerPoint presentation and explained there are three types of airports – military, commercial and general aviation. She stated Chandler will never be a commercial service airport and they have been working to communicate that publically. Chandler Municipal Airport is considered a reliever airport. She displayed the National Plan of Integrated Airport Systems (NPIAS) - FAA Map. She noted 467 airports of 2,800 GA airports are classified as regional relievers.

She reported there are approximately 400 aircraft based at Chandler Municipal; it is the 43 busiest airport in the U.S. and the 16th busiest for General Aviation. In 2014, there were 130,323 operations through July 2014. There were 211,600 operations in 2013, which was a 7% increase over 2012.

There are 127 on-airport jobs. She stated this number does not include aviation businesses on property adjacent to the airport such as AeroZone, Softcomm Projects, Varga Enterprises and Curtis Superior Valve.

She explained the State (Az. Department of Transportation) did a study and it was broken down to individual airport level. Chandler's annual economic activity is estimated at \$26 million. Direct output is \$10 million also included is tourism impact.

Ms. Quan stated Chandler is known for flight training. There are four on site. Quantum, Chandler Air Service, Wings 270 and TransPac. In addition there is business aviation. Southwest Aircraft Charter operates at Chandler Municipal Airport.

Self-Sustainability has been studied twice in the past 15 years. She noted the airport is about 25-30% built-out.

Ms. Quan reviewed the Airport Financial Summary slide. She stated there was about \$1 million in revenue, with \$100,000 in Indirect Costs, in addition to Capital and Debt Service. The General Fund subsidy was \$208,911 in 2013-14. She noted the addition of funds for legal services was also approved by Council in 2013-14.

Vice Mayor Heumann asked if grants were included. Ms. Quan stated they are accounted for differently.

The Mayor asked for an update on the lawsuit. City Attorney Bigelow said there have not been any legal fees paid. The determination is pending at the FAA Director's office and has been extended another 6 months. The Mayor indicated his desire to send a letter to the FAA.

Ms. Quan noted there was a \$300,000 non-grant eligible project to take a tank above ground. The Vice Mayor asked what the subsidy estimate would be. Ms. Quan stated \$300,000, but shouldn't be that high as some projects are not being awarded.

She reviewed the History of the General Fund Subsidy slide and the Airport Fund Revenue Sources. She stated there are 100 people on the waiting list for hangars. There are 116 hangars. There are 200+ tie downs and they are at 60% capacity.

Ms. Quan said Scottsdale is a successful model for self-sustainment. It became self-sustaining 11 years ago. Falcon Field became self-sustaining 9 years ago.

She commented that Chandler has the space to develop as there are approximately 50 acres remaining for lease.

Vice Mayor Heumann asked how much the Falcon Field budget is. Ms. Quan said she could follow-up with that information.

The Mayor noted a caution on comparisons as there was residential on all sides of Chandler Municipal.

Ms. Quan stated at build-out, 9 square miles Chandler Airpark Area will have:

- More than 28 million s.f. of non-residential space
- 30,000 jobs
- Non-noise sensitive enterprises including aviation-related services, manufacturing, distribution and advanced business services.

She noted the areas to look toward were recreation and flight training along with enabling the business traveler. Key opportunities included: Chandler Municipal's history, airport size, weather, and tourism; along with East Valley job growth, and links to tech markets in Mountain West.

She explained the RFP priorities would be to analyze the current direct and indirect economic impact, and define airport tangible and intangible assets. In addition to identify and establish long-term goals to make the airport financially self-sustaining, while supporting the City's economic development initiatives; identify additional revenue generating opportunities, and

make recommendations for enhancing the airport's economic benefit to the community and region.

Vice Mayor Heumann stated it would be imperative to know what the true economic impact is and balance with the subsidy.

Ms. Quan stated that 2006-07 had peak usage with 269,000 operations. 2014 projected is 220,000.

Councilmember Hartke asked what the economic cost would be if the airport ceased to exist. Ms. Quan replied that would also include seeking permission from the FAA.

Adjournment: The meeting was adjourned at approximately 6:44 p.m.

ATTEST: \_\_\_\_\_  
City Clerk Mayor

Approved: January 8, 2015

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the special meeting of the City Council of Chandler, Arizona, held on the 11<sup>th</sup> day of August 2014. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this \_\_\_\_\_ day of January, 2015

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City Clerk