

CARB Board Minutes

WSDOT-Aviation HQ - Teleconference
Thursday, April 2, 2020 9:00 am – Noon

After a delay due to technology issues, the meeting was called to order by Chair, JC Baldwin, at 9:25 a.m. Board members Richard Bogert, John Dobson, Andy Hover, Rich Mueller, David Fleckenstein, Jennifer Skoglund, Michael Echanove, and Board Secretary/Loan Program Manager Dave Chenaur participated via teleconference. Guest, Janea Delk, CERB Executive Director and Tribal Liaison also participated via teleconference. Excused was Jill Anderson due to an unanticipated scheduling conflict.

Announcements: JC Baldwin welcomed the group and had everyone introduce themselves. JC asked if there were any announcements. Loan Program Manager, Dave Chenaur, updated the group on the status of the first round loans:

Port of Othello did not need to request a project change of scope per initial communications. The Port was able to accommodate fire code requirements while retaining the original configuration of the approved hangar project.

As previously indicated, two privately-owned airport applicants could not meet the loan assurances and elected to not accept their loan offers.

The City of Auburn had to decline their loan offer. They were not able to purchase the project property, as intended. Therefore, \$750,000 in additional CARB funds is available for award today bringing the total available funds to \$3.2M.

The remaining four projects selected for funding had their loan agreements executed and accounts have been established to begin processing loan disbursements.

Approval of January Special Meeting Board minutes: The first agenda item was to approve the Board's special meeting minutes from January 17, 2020 to reconsider loan limits. No additional discussion was offered. The Board minutes were approved unanimously.

Application Review – Project Selection: Dave C. listed and summarized the applications received. The loans requests included eight (8) projects totaling \$4,445,000. All applications were reviewed and scored by three WSDOT staff with the scores averaged. Applications also needed to meet minimum loan program requirements represented by a pass/fail review. All applications passed the minimum standards. Executive summaries and FIT reports were prepared for all applications and sent to Board members prior to the meeting. The application, attachments, letters of support, photos, and scoring sheets were also made available for review.

Chair JC asked members how they would like to proceed. It was decided to review all application before making award decisions. The group proceeded to review each application project in the order they were scored. Dave C. read excerpts from the executive summaries describing the projects and the applicant's justifications from the application's supplemental questions, as follows:

Port of Bremerton, Bremerton National Airport – Multipurpose Facility \$750,000: This was the highest scoring project with an average score of 97.0. This Multipurpose Facility is a new single structure that will include the following elements (artist sketch provided):

1. One 60 foot x 50 foot single bay hangar (housing 3-4 aircraft),
2. One 800 square foot aeronautical office (hangar tenant support),
3. One 260 square foot transient pilot flight planning facility,
4. One 147-seat restaurant, and
5. An administrative support area plus multiple restroom facilities.

This new structure will be built on the site of the existing 42-year-old obsolete airport diner (closed on 12/31/2019) which will be demolished as part of this project. The Multipurpose Facility is approximately twice the dimensions of the diner structure and includes new aeronautical uses, purposes, and an existing airport tenant that the previous structure could not accommodate. Additionally, the restaurant portion of the facility shall be designed in such a way that it will be convertible to aeronautical use at such point that aeronautical use demand at the airport warrants its use.

The applicant supplied the following project justification in their application. “The new facility will become the signature draw of Bremerton National Airport, serving airport/industrial park tenants and transient pilots with facilities that do not currently exist. The new hangar and office will serve as the new base of an existing airport tenant providing both flight training and sight-seeing operations in historic/warbird aircraft while providing unparalleled views of historic aircraft operations to patrons of the immediately adjacent (and within the same structure) restaurant facility. No other dining facility exists within four miles of the airport. Experience with the previous diner has proven that the wider community has been attracted to the airport in significant numbers, providing a major revenue boost to the airport that has been absent since January 1, 2020. Combined with an adjacent Observation Area, operating under a five-year FAA-approved Interim Use Agreement, the facility will also attract the non-aviation community to the airport fostering improved relationships and increased awareness of the airport’s value to both Kitsap and northern Mason Counties. The existing diner structure is reflected as such on the FAA-approved Airport Layout Plan. On February 21, 2020, the Seattle Airport District Office formally accepted this Multipurpose Facility project as planned.”

The review/scoring panel strongly recommended funding.

Port of Port Angeles, William R. Fairchild Airport – Utility Extension and Hangar Site Development \$425,000: This project had an average score of 85.7 points. The Port requests an increase to their previously issued CARB loan in order to fund additional utility extension work. This would bring the loan up to the maximum per project of \$750,000. Additional work covered by this application will include engineering and construction for extending sewer, water, and power to hangar sites H1 and H2 (sketch provided), as well as additional design and construction costs associated with an alternative alignment for the original sewer extension. The alternative alignment of the sewer was explored during preliminary design due to the extensive utility crossings (storm, waterline, power) required for the originally proposed sewer alignment. These crossings were too difficult to accommodate with a gravity sewer system, therefore the alternative alignment was deemed preferable. Engineering design is already in progress for both the T-hangar sewer extension and additional utility extensions to Pad H1 and H2, and the intention is to bid all utility work in May/June of 2020.

Any remaining loan funds after design and construction of all utility work described above will be used to begin design, environmental review, and permitting for further development of the hangar sites – grading, paving, and drainage improvements – which are not covered under the current utility project.

The applicant stated “All large and corporate hangars are 100% occupied. T-hangars are above 95% occupied. The proposed project will allow for new hangar development, which will increase lease revenues and fuel sales. Marketing for these hangars has already begun. Construction of a T-hangar on Pad F is scheduled to begin soon, and the Port currently has a developer interested in building a hangar on Pad H2.”

The review/scoring panel strongly recommended additional funding for this project.

Spokane Airport Board, Felts Field– Hangar Development \$750,000: This project received an average score of 84.7 points. The project is to build 3 hangars, which will house a total of 27 general aviation aircraft. Spokane Airports will construct a new series of T-hangers which will include the completion of all required infrastructure, utilities, ramp, and apron space. The hangars shall be painted or coated high quality steel or the equivalent and shall be at least 26-gauge thickness. All construction will comply with the Airport CC & R's and comply with local building and fire codes. Above slab plumbing is expected and overhead lighting will be included. They do not expect to include any office or storage space since the focus is on building usable hangars. While final design plans have not been completed, their goal is to provide an appropriate number of hangars to satisfy the current demand.

The expected rental rate (\$400/mo.) is higher than the current t-hangar rental rates (\$230). They intend to solicit Request for Qualifications for the design process and for the actual construction. Matt Breen, Director of Engineering and Planning for Spokane Airports, will be responsible for managing the project for the duration.

Spokane Airport Board, a joint operation of the City of Spokane and the County of Spokane, operates Felts Field Airport in the eastern section of Spokane. The application stated “Currently, Felts Field has no available hangars for lease to general aviation enthusiasts. We routinely have requests for aircrafts hangars but there are none available to meet demand. The Felts Field Hangar Project will enhance the overall experience and exposure at Felts Field for general aviation purposes by providing new, enclosed t-hangers space for aircraft storage.”

The review/scoring panel highly recommended funding the project.

The Board decided to skip a scheduled short break and continued.

City of Davenport, Davenport Municipal Airport – Runway Renovation \$200,000: This project scored an average of 77.7 points. The scope of this work is a runway shift and reconstruction project of Davenport's main runway 5/23. The airport has acquired property west of the airport to accommodate the proposed runway shift. The primary runway 5/23 (future 6/24) will be shifted to the west, extended and widened to adhere to FAA design safety standards. All work up to construction has been completed under FAA grant projects (i.e. environmental, land acquisition, 60% design, 90% design and bids will be sought in March 2020). The intent is for the airport is to hold fee simple ownership of the Runway Safety Area (RSA), Runway Object Free Area (ROFA), and Runway Protection Zone (RPZ) areas. Runway 3/21 (crosswind) will be permanently closed as part of this project freeing up much needed hangar and light industrial development space

The application provided the following project justification: “Currently, the existing RSA, ROFA, and RPZ extend beyond airport property west of the existing Runway 5 threshold. In addition, the Runway 23 RPZ extends off airport property, across the City’s Gunning Road and encroaches into nearby residential/commercial undeveloped property that was inhibited by the restriction of the RPZ. Moving the RPZ allows for future development of that area. The closing of Runway 3/21 will open up approximately 400,000 square feet of light industrial and additional hangar locations on airport property that were blocked for use by 3/21. The reconstruction and lengthening of the main runway will attract more aircraft and business interests. Nearly all approved hangar locations are currently leased and no more lots are approved on the ALP by the FAA. This 3/21 runway closure and reconstruction of 5/23 opens up badly needed development space.” 90% of the project is funded through an FAA grant; the \$200K would provide the required match.

The review/scoring panel recommended funding this project.

Sequim Valley Airport, Inc., Sequim Valley Airport – Access Road/Fueling area Re-paving \$70,000: The project’s average score was 62.3 points. This is their 2nd project application; initial application failed to identify revenue to repay loan. The project is to repave the primary access road into all airport facilities and the fueling area. The road is comprised of old chip seal and slurry that was last repaired 20 years ago. The pavement is failing on the entire road and fueling area. The project would include grinding up old pavement and placing a new layer of asphalt or concrete.

The applicant stated “The poor condition of the road is making access difficult for customers and will likely discourage customers from investment in airport revenue-generating operations. Fixing the aircraft fueling area pavement would also help attract more fuel customers and increase fuel sales. Five (5) letters of support were submitted and shared with Board members. EAA is interested in constructing a building at the airport if the road is repaired. Access to the airport is essential for leasing hangars and promoting dues-paying properties linked to the airport.”

The review/scoring panel recommended funding this project.

Pierce County, Thun Field – Hangar Door Replacements \$750,000: The project had an average score of 57.0 points. This project includes the installation of new hangar doors on 50 County-owned T-hangars and providing a new electric power and distribution system to operate the new doors.

Current hangar doors are in disrepair. The applicant stated “New hangar doors will provide better security and create new revenue opportunities. County has an ordinance (2015-65) that approves a rate increase for hangars with new doors. By generating an additional \$75K in revenue, the airport can increase level of service in terms of maintenance.” Estimated combined monthly revenue from the hangars is \$6,322.50 less estimated monthly loan payments of \$3,794.13 equates to net profit of \$2,528.37/month and \$30,340.44 annually.

The review/scoring panel recommended funding this project.

City of Renton, Renton Municipal Airport – Hangar Demolition \$750,000: Project received an average score of 55 points. The Renton Municipal Airport has 5 hangars that have been condemned and its occupants have been evicted due to the condition of the buildings. The project will prepare construction documents for the safe removal of the buildings. They intend on conducting a thorough Hazardous Materials assessment and produce abatement reports accordingly. The airport intends on applying for all necessary permits prior to construction. Each of the 5 hangars will be demolished including the foundations and the utilities will be capped off. The airport will place gravel and asphalt over the hangar footprints and install tie down anchors for aircraft.

In an effort to provide safe and effective parking stalls for the existing tenants on the airport, they plan to demolish the condemned buildings and in its place provide open air tie downs. The airport estimates that the condemned building has 26 hangar spaces. In their place they estimate that we would provide up to 37 tie down stalls. The Renton Municipal Airport currently has a 10 year waitlist (93 applicants) for aircraft hangars and 4 year waitlist (50 applicants) for tie down spaces. Once these spaces become available they will be filled immediately. Estimated revenue from Tie-downs is \$56,832/yr. versus \$45,528 in loan payments/yr. equal net profit of \$11,304 annually. Renton Municipal Airport’s Manager indicated they would accept partial funding.

The review/scoring panel recommended partial funding of this project.

Kittitas County, Runway 7/25 Reconstruction \$750,000: Project received an average score of 51 points. This project rehabilitates Runway 7/25 at a length of 3,700 feet and a width of 60 feet, as identified on the approved Airport Layout Plan. This project will include design and construction, to be completed in 2020. Early coordination with FAA has indicated this will be a Categorical Exclusion (CATEX) for environmental.

The applicant provided the following justification. “Runway 7/25 was closed in 2018 due to failed pavement conditions and operational liability for the airport sponsor (Kittitas County). This project would rehabilitate the runway, bringing it back into operation in order to support airport businesses and tenants including CWU. The County would repay the loan using airport revenues from leases, fuel sales, and user agreements. The reopening of this runway along with other planned airport improvements are part of a plan to support marketing efforts for new aviation businesses, in order to increase revenues.” The project is not eligible for FAA funding based on criteria for secondary & crosswind requirements. The Airport Manager indicated they would accept partial funding.

The review/scoring panel noted the project was eligible for funding.

After reviewing all the projects discussion ensued about the merits of each project and the funds available for award. JC asked the Program Manager what the financial scenario would be if we funded based upon the review panel’s ranking. Dave C. replied they could fully fund six (6) out of the eight (8) projects and partially fund one (1) additional project. The lowest scored project would not be funded.

David Fleckenstein asked if they should retain any funds for an emergency due to the COVID-19 virus impact on airports. David F. also noted that the City of Davenport’s Runway Renovation project may be eligible for additional Federal funds through the federal CARES Act related to the COVID-19 outbreak. As such, their project may be eligible for 100% funding. David stressed his desire to see them access grant funds instead of utilizing a loan. This would free up \$200K. Based on his comments the board suggested making their loan offer contingent on whether they receive the additional grant funding.

The discussion focused on the three lowest rated projects; Pierce County, City of Renton, and Kittitas County. Both Pierce County and Renton’s projects clearly identified revenue and positive cash flow (net profit) if the projects were completed. Kittitas County struggled to clearly identify and quantify revenue generated from the project. Pierce County’s project was scored higher by reviewers based upon the revenue potential demonstrated. In addition, Board members shared concerns over the merits of funding Kittitas’ project that was not supported by the FAA.

After discussion, The Board moved to fully fund the projects based upon their ranked score with two exceptions; City of Davenport would be contingent on whether they receive additional federal grant funds and offer partial funding to the City of Renton with the remaining balance of \$255,000. The motion was seconded and the motion passed unanimously. The Program Manager was directed to draft Initial Offers of Financial Assistance (IOFA) to the selected projects.

Comments/Next Board Meeting: Members discussed timing for the next Board meeting. Board Secretary, Dave C., was directed to send out a survey to members with options to meet in late July or early August via teleconference. A meeting request notice will be sent after the survey results are analyzed. JC thanked the Board for their participation.

The meeting was adjourned at 11:55 am.

_____ Date: _____
David Chenaar, Acting CARB Secretary