



MINUTES
Airport Advisory Commission
February 18, 2004

COMMISSIONERS PRESENT: Kenneth P. Chalfant – Chairman
nt adjourned the meeting at 5:08 p.m. □ □
Bernie Herpin
Patsy Buchwald
Lynn French

COMMISSIONERS ABSENT: Bud Breckner
Dennis Weber

NON-VOTING MEMBERS PRESENT: George Sugars, El Paso County DOT
Greg Timm, Alternate Commissioner
Chuck Brown, El Paso County Commissioner

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

CITY STAFF PRESENT: Gary Campbell, Operations Manager
Mark Earle, Aviation Director
Rick Gorman, Asst. Aviation Director – Finance
Wendell Hawkins - Operations
Katie Healy, Sr. Office Specialist
Erica Hupp, Community Relations Manager
Steve Hook, Assistant City Attorney

GUESTS PRESENT: Lt. Col. David Angle
Lt. Col. Patrick Goodman, Peterson AFB
Joe Gorney, El Paso County Planning Dept.
Wayne Heilman, Gazette

CHAIRMAN CHALFANT CALLED THE MEETING TO ORDER AT 3:08 PM.

1. APPROVAL OF THE JANUARY 21, 2004 MINUTES:



Commissioner Buchwald motioned to accept the January 21, 2004 Airport Advisory Commission minutes. Commissioner French seconded motion. Motion carried by unanimous vote.

- From the 11/19/03 Airport Advisory Commission, Mark Earle responded to Commissioner Chalfant's inquiry regarding the language used on page 2, under "Planning Department Appeal Process, 2nd bulleted item, regarding the word "oppose". Upon discussion with Steve Hook, Assistant City Attorney, and its use. That statement was changed for accuracy to the following: "Normally, zoning changes go before City Council as Consent Agenda items unless there is an appeal or staff otherwise determines that it should proceed to hearing."



Commissioner Buchwald motioned to accept the language changes to the November 19, 2003 Airport Advisory Commission minutes. Commissioner Ducoff seconded motion. Motion carried by unanimous vote.

2. PUBLIC OR CITIZEN GROUP COMMENTS

- None

3. GENERAL BUSINESS

➤ **LAND USE ITEMS – GARY CAMPBELL**

- Nine (9) Land Use Items were reviewed as follows:



Airport Staff recommends approval for the following Land Use Items:

- | | |
|--|--|
| 1. Buckslip File No. AR CP 04-00039 | 6. Buckslip File No. CPC ZC 04-00014
Buckslip File No. CPC CP 04-00015
Buckslip File No. CPC FP 04-00016 |
| 2. Buckslip File No. AR CP 04-00048
Buckslip File No. AR DP 04-00049 | 7. El Paso County File Name SF-04-001 |
| 3. Buckslip File No. CPC ZC 04-00009
Buckslip File No. CPC DP 04-00010
Buckslip File No. CPC FP 04-00011 | 8. Buckslip File No. CPC CU 04-00013 |
| 4. Buckslip File No. AR DP 04-00028 | 9. Buckslip File No. AR DP 04-00037 |
| 5. Buckslip File No. AR FP 04-00029 | |

- Commissioners commented that they specifically liked the way Gary Campbell broke down the land use items according to the Federal Aviation Regulation (FRA) Part 77 Air Space on this months report.

➔ Commissioner French motioned to accept the staff recommendation to approve all Land Use Items reviewed in this meeting. Commissioner Ducoff seconded motion. Motion carried by unanimous vote.

➤ **ACTION ITEM: SOUTH METRO MOBILITY STUDY (SMAS) RECOMMENDATIONS – MARK EARLE**

- Information on SMAS was forwarded to all commissioners prior to today's meeting for review.
 - Airport Staff's position, which is independent from this commission, is to support the most direct access to the Colorado Springs Airport (COS.) The most direct, affordable and realistic alignment is along Fountain Blvd. and Hwy. 24. The airport recognizes that there are many other considerations in this study other than just the airport's position. Whatever plan ultimately comes out of the SMAS process, the airport plans to support. Should the Hwy. 24 route not be considered, Alternative "C" would be the preferred choice for COS.
 - The airport will ask that if Alternative "C" is put into place, that an additional investment be made to keep access as free as possible without using signalized intersections. Expressway-type access would be the preferred access method.
 - COS does have concerns about the alignment to the south being too far south to meet all of our community's needs. Powers Blvd. will provide relief to the north as it continues to develop, however it will be a number of years before the airport gets roadway access to the northern markets that it needs. Ideally, a northern route would be more beneficial to COS.
 - There are other considerations for both the City and the County regarding the proposed Regional Transportation Authority (RTA), which will be a ballot issue this November. The public will be voting on the RTA, which will include from 15-20 projects. One critical issue with RTA will be the maintenance provision. Drennan Rd. improvements will likely be one of the major projects that will be funded by the RTA. Airport Staff advised that they support the RTA funding effort.
 - If the RTA ballot issue fails in November other funding options would be to raise vehicle registration fees, a 2.5¢ tourism tax increase, and a sales tax increase. Those are the only allowable funding sources available.
 - Chuck Brown, El Paso County Commissioner, provided an update on the County's preferred SMAS alternative. He advised that Alternative "C" is their preferred choice. Alternative "C" would be the short-term answer to the transportation access problems that occur on Drennan. Alternative "D" would be the best choice, which goes west on Drennan Rd. and ties into I-25. However, the funding would be problematic. Because Alternative "D" would pass through the Stratmoor Hills area, there would probably be a significant public resistance to this plan. Alternative "C" could also be accomplished much faster than any of the other SMAS alternatives.
 - Airport Staff and the commission agree with County officials that Alternative "C" would be less intrusive for local neighborhoods.
 - The Colorado Department of Transportation (CDOT) has estimated that extending the Martin Luther King Bypass to Powers Blvd. (to include an interchange) would cost roughly \$150M.
- ➔ Commissioner Buchwald motioned that this commission formally recommend their preference for Alternative "C" on the South Metro Accessibility Study (SMAS.) Commissioner French seconded motion. Motion carried by unanimous vote.

4. STAFF REPORTS

➤ COMMUNITY RELATIONS – ERICA HUPP

TRAFFIC REPORT

- The airport is up .8% for enplanements in January of 2004.
- Enplanements for January 2004 were 76,324, compared to January of 2003, which had 75,743.
- National enplanement averages were not available in time to be reported in this meeting.
- The largest decreases were seen with American Airlines. Their enplanements were down 21.4%, and landed weight was down 35.6%. This is a direct result of American reducing their flights by three per day from 2003.
- Allegiant's enplanements were up 3.5%, however their landed weight was down 17.1%. Allegiant has reduced services at COS by five flights per month. Several flights to Las Vegas were added February 12, so improvement should be reflected in the February Traffic Report.
- Each month, the airlines report their activity for the month to Airport Staff. One of the statistics collected by the airport from the airlines are the number of enplanements and deplanements of passengers. This is important to COS because it drives parking, food and beverage, and other revenue sources at the airport. Each aircraft has a certificate of gross landed weight that is reported when a plane lands. The airport charges a landing fee based upon that certified landed weight. Right now the airlines pay approximately \$2.00 per 1,000 lbs. of landed weight. If passengers are up and the aircraft size is down, that means that the airlines are putting more people on their flights or increasing their load factor.
- In January COS saw increases for United in enplanements and landed weight. Northwest and Delta also saw increases in enplanements and landed weight. Delta has added two flights per day in 2004.
- Cargo is down 24.4% due primarily to FedEx having reduced their flights from COS. FedEx flights were reduced from 86 per month in 2003 to 63 per month in 2004. Airport Staff believe that this decrease is actually a function of our current economy and loss of local high tech jobs.
- The United States Postal (USP) service is sending mail now via trucks to Denver rather than using passenger planes due to the security issues that now exist with airlines.
- Trends on freight, cargo, and mail will be provided to the commissioners in the March 17 Airport Advisory Commission meeting.
- The monthly Air Fare Comparison Report for February 2004 was not available to present at this meeting. As soon as it is, Airport Staff will provide that info to all commissioners.
- Commissioners would like to see air fare comparisons from Internet travel Web sites such as Travelocity, Orbitz, Expedia, etc. Airport Staff will provide that information to commissioners in the March 17 Airport Advisory Commission meeting.

MARKETING REPORT

- The airport's re-write of the www.FlyCOS.com Web site was completed in December of 2003, and is now in the design process. Launch of the new Web site is anticipated for late March or early April 2004. The City's contracted Internet design company, "Project A", is handling the design of the new airport Web site.

➤ **FINANCIAL REPORT – RICK GORMAN**

- At the end of each year, COS goes through a process where the airport settles up on airline rates and charges. The airport looks at what the airlines were charged versus what they should have been charged in a perfect world where costs and revenues are known. Given these factors, the past year's financial statements reflect lower revenue because of over collection of fees from the airlines. The calculation for 2003 has not been adjusted yet; therefor the figures presented in the preliminary 2003 Financial Report may be overstated.
- Based upon where the airport's revenues and expenses, Airport Staff anticipate that money will be returned to the airlines for 2003.
- Please note that on November 2003 numbers year-to-date, the airport was virtually flat in the airline category versus a 20.7% increase in December 2003. This reflects the airline settlement for 2002 and the lack of a settlement in 2003.
- Overall traffic for 2003 was down approximately 5.3%.
- Excluding airline revenues, the airport's revenues are down \$725K. \$502K of that amount is due to lower interest earnings on the airport's cash balances. This is not a reflection of lower cash balances, which are actually stronger than where the airport was last year at this time. Several of the airport's investments were rolled over and were reinvested in today's interest rate environment.
- The terminal concession area revenues are up 3.8%. Food, beverage, and retail are slightly down.
- A large increase in "Other Building Rents" has to do with the TSA's 2003 lease.
- In 2004 COS may see a further increase in TSA rent because of the additional space that the airport will be renting to them. A breakroom for employees that will be outside of the public area is also being remodeled for use by the TSA.
- In the landside terminal area, COS revenues are down 1.6%. Lower ground transportation and public parking were offset by monies collected from the rental car companies, who pay the airport 10% of gross or a minimum guarantee. In the past month, most of the rental car agencies paid a minimum guarantee.
- Under "Other", general aviation (GA) was up 16.6%. This was due primarily to additional fuel flowage fees.

- A significant amount of revenues were also collected from flight diversions from Boeing and high altitude testing at COS. Every time Boeing flights touch down, COS collects fees.
- On the expense side, COS ended up with expenses being about \$18.9M, which was about \$603K higher than in 2002.
- While 2002 reflected the impact of 9/11 when COS clamped down on expenses, 2003 ended being about \$518K below the revised budget. This will be reflected in the airline rates, which will probably result in a refund back to the airlines.
- Personnel expenditures were up 6.3%. This reflects three additional airfield maintenance employees who were hired in January of 2004. In addition, medical benefits, salary progressions, and other benefits contributed to the increase. In 2004 there will be no market salary adjustments made to City employee salaries.
- Repairs and maintenance were also up significantly. This was due primarily to the carpet replacement that was done in the baggage makeup area.
- Another large increase was due to the purchase of capital equipment. The airport purchased a new phone switch, additional security cameras, vehicles, and radios. This was still well below what Airport Staff had budgeted for 2003.

➤ **PROJECT DEVELOPMENT – RICK GORMAN**

PROJECTS IN PLANNING

- The airport currently has 15 active projects.
- The extension of Taxiway “C” to the north to “B2”, will be the primary “big” airfield project that will begin construction this year. Airport Staff are reviewing 100% combined documents on this project now. This will extend Taxiway “C” so that all passenger aircraft coming to the terminal building can turn off and vacate the west runway while eliminating any runway incursions. This project is being funded by 2003 Federal Aviation Administration (FAA) Entitlement Grants.
- The airport received approximately \$1.6M grant for security improvements to COS. This included some fiber optics, additional cameras, and a whole series of access control improvements. The rehabilitation of the west runway came in significantly below what Airport Staff had estimated, which left \$1.3M of FAA grant money funds that are eligible to be rolled over. It is the airport’s intent to incorporate this additional funding into Security Improvements Project (SIP.) Additional projects to be funded include building modifications to move the Explosive Trace Detection (ETD) units out of the lobby and replacement of the full-time employee on the Security Identification Area (SIDA) ramp to verify badges. This employee position will be replaced by a biometric system.
- The Rehabilitation of Runway 17L/35R & Associated Taxiway Project is being assessed for Alkali-Silica Reaction (ASR) damage by a firm the airport has hired, Kimley-Horn Associates. Strategies and methods to mitigate the ASR problem, which causes the pavement to crumble and disintegrate, will be provided by Kimley-Horn. The FAA has committed to

fully fund this project because of the importance of this runway to airport operations. \$5M of discretionary money is available in 2004 to COS to design solutions to resolve this issue. The airport will be issuing an RFP for design services for this area while the forensic work by Kimley-Horn takes place.

- Regarding the Business Park, a Concept Committee meeting was held on February 4 at the airport. CH2M Hill, who are handling the Environmental Assessment (EA) and the Concept Plan, outlined their specific plans for those projects. Aerial photos and surveying of the airport have begun, in addition to meetings between CH2M Hill and Colorado Springs Utilities (CSU.) CH2M Hill will be meeting with the FAA this month to begin the EA process and review the approach and processes required. A meeting for the Business Park Marketing & Leasing Committee is scheduled for February 26. This committee will look at and determine what the business deal will be for the Business Park. Their task will be to review leasing and financial options that will attract new employment to our community or to bring in business expansions. It is important that the airport work with the local private development community. The planning effort by the Marketing & Leasing Committee will work in parallel to the Concept Planning process.
- Van Sant Group architects are going through the process of designing the building expansion areas and “shell” building that will involved in the Terminal Expansion Project. Part of the shell process is the interior design that must be integrated with the new concession opportunities. A Food & Beverage Concession RFP will be issued in approximately one month. \$300K has also been budgeted for this area to be used for carpet replacement, which will be rolled into this project.

➤ **OPERATIONS & MAINTENANCE REPORT – MARK EARLE**

- The FAA completed their annual inspection at COS last week. COS came up with a clean report. Wendell Hawkins, Senior Airport Operations Agent, added that suggested areas of improvement focused on tenant functions that were unrelated to the airport. They also were able to observe COS’s snow operations while the inspection was completed during our last snowstorm. Kudos go to the airport’s Operations and maintenance airfield staff who did a great job preparing for this inspection.
- Peterson Air Force Base (PAFB) was also involved in the annual FAA inspection due to the fire and emergency services they provide to COS.
- Tasers are being deployed by the Colorado Springs Police Department (CSPD) Airport Unit officers. CSPD is performing demonstrations for airport and airline personnel on how the new tasers work. Commissioners advised that they would like to see a demonstration of the new tasers that will be used at COS. Airport Staff will arrange for a CSPD taser demo for the March meeting.
- A Food & Beverage Request for Proposals (RFP) for COS is scheduled to be out in approximately one month. There will be five (5) new food and beverage opportunities available at COS. Because of the economy and current passenger traffic levels, the airport anticipates that most bids will come from larger firms. Airport Staff are looking at ways to have large

firms create joint venture opportunities with smaller local and Disadvantaged Business Enterprises (DBEs). An outreach program is being developed for the Food & Beverage RFP.

- Vicki Phillips, Airport Finance Manager, is going through the process of selecting an interior design architect for the Terminal Expansion Project. Architects for this project specialize in integrating mall-like environments with common spaces.
- Airport Staff are currently pre-qualifying contractors for the Terminal Expansion Project.
- The next Arrival/Departure Airfield Control Group (A/DACG) is scheduled for March 13 at Fort Carson.

➤ **DIRECTOR’S REPORT – MARK EARLE**

- Airport Staff will assist this commission in creating a support document for their recommendation to City and County Traffic Planning on the SMAS.
- Received a letter from KAT Air Services in regards to issues they are having with providing catering for the airlines at COS. Karen Tillotsen from KAT advised that airlines at COS are not patronizing her business, which is creating financial issues for them. Airport Staff reported that the national trend right now is for airlines to cut back on costs by having catering provided out of large hub airports. Unfortunately, COS cannot effect this internal operation procedure that most all air carriers have chosen. Airlines are successfully cutting costs with this method of providing food to passengers and are not likely to adopt a more expensive option of catering from local providers such as KAT.
- Taxiway development is being coordinated with the West Side tenants that will go to Colorado Aviation between the FedEx ramp and the JetCenter T hangars.
- Draft copies of the Greater Colorado Springs Economic Development (EDC) “Springs Into Action” report from their Air Service Task Force were distributed to all commissioners. This report outlined the following strengths and weaknesses at COS:

↑ **STRENGTHS**

- COS is presently served by eight airlines offering a broad range of services to the Central Colorado region. Non-stop service is available to twelve cities, and one-stop connecting service is offered through nine of the nation’s largest hub airports. The airfield and terminal facilities at COS are in excellent condition and have sufficient capacity to accommodate growth for the foreseeable future. The facilities are clean and efficient, and the airline and airport staffs have a reputation for being consumer oriented. COS offers its customers amenities such as low-cost parking, free wireless internet access and a far more “user friendly” environment than its nearest competitor, Denver International Airport (DIA). COS has been recognized in the industry for its efforts to keep operating costs low and for passing those cost savings on to the airlines. This has resulted in COS having a significantly lower airline rate structure than DIA. *Forbes*

Magazine's Web site, www.forbes.com, recognized the Colorado Springs Airport as one of the best small airports in the Midwest for business travel. In the coming year, the airport will continue its commitment to the creation of an optimal environment for passengers through the development of new restaurant and gift shop concessions, upgraded passenger screening facilities, expanded lobby and gate areas, and improvements to the airport's parking and rental car facilities.

↓ **WEAKNESSES**

- **DIA Impact on Air Fares at COS** - Even with its relatively low airline costs, COS has struggled to maintain a full range of air service options. The primary influence on air service at COS is its proximity to DIA. Of the eight air carriers that serve COS, six of them also fly out of DIA. In general, these carriers tend to charge more for their service at COS, and limit seating capacity to a level that can be sold at higher prices. Passengers seeking lower fares are forced to purchase tickets on flights arriving and departing DIA, where higher capacity and competition keep prices under control.
- **Low Fare Carriers** - Proximity to DIA is also an impediment to the introduction of service by one of the airlines commonly known as low fare carriers. Currently, 6 of the 7 companies considered to be low fare carriers operate out of DIA while only one of these carriers offers service at COS. Given the operational efficiencies that low fare carriers require, it is unlikely that any low fare carrier would choose to operate simultaneously out of two airports in close proximity such as COS and DIA.
- **Regional Jets (RJs)** - Air service quality at COS has also been impacted by the industry-wide trend toward the use of "regional jets" in small to medium sized markets. While this has resulted in higher frequencies and greater efficiency for airlines, it has limited the availability of seats for group sales. Airlines that operate RJs at COS are reluctant to sell large blocks of seats at lower prices when they can sell those seats individually at a premium. Here again, customers are driven to DIA where larger aircraft are available that are better suited for group sales. The regional jet trend also means that there are fewer first class seats in the market. This enters into the decision-making process for frequent business travelers who are accustomed to upgrades, and customers who simply prefer first class service. The switch to regional jets has been particularly hard on the region's resort, meeting and convention businesses.
- **Roadway Access Limitations** - COS is located approximately 7.5 miles east of Interstate 25 on the southeast side of Colorado Springs. There is no "limited access" road connecting the airport to the interstate. Access to the airport from any direction other than the south requires navigation through a system of city streets and thoroughfares with numerous at-grade intersections and stoplights. This causes uncertainty for passengers who are

planning their trip to the airport, particularly those who start their trip from northern Colorado Springs or the communities that lie along I-25 between Colorado Springs and Denver. While ticket prices are the primary determining factor when passengers choose an airport, drive-time and the hassle associated with the drive, are also considerations. Roadway access issues will become an even greater factor in future years as development in the northern and northeastern sections of Colorado Springs intensifies.

- **Limited Non-Stop Service** - In the wake of September 11th, the airlines have been forced to make every effort possible to increase efficiency and cut costs. This has resulted in a reduction in non-stop service in small to medium sized cities; particularly those served by airlines that operate on the hub-and-spoke concept. This has made it more challenging than ever to convince the airlines to provide additional non-stop service to our community.
 - Commissioners were asked if they want to provide comments or input on the Air Service Task Force recommendations. Please provide those comments or input to Erica Hupp, Community Relations Manager, no later than March 1 to submit at the next Task Force meeting.
 - An interim alert system to advise City Council members of press releases from the airport before they are released has been developed at City Hall. Commissioners will be added to the email distribution list for this alert system. Once the City's new process has been finalized Airport Staff will advise commissioners.
 - The airport is meeting with airlines to encourage them to provide low cost air service to COS. This process will be on going. A report process for this commission on those meetings is under development. For negotiation purposes and also because airlines generally do not desire their scheduling strategies to be made public, information on these meetings will not be released at this time.

5. OTHER BUSINESS

- Mark Earle advised that Chairman Chalfant and he had taken former Airport Advisory Commissioner, Joel Miller, out to lunch and presented him with his service recognition award on January 15.
- Commissioners advised that they have received complaints about Transportation Security Administration (TSA) personnel and their treatment of passengers passing through COS's security checkpoint. Complaints focused on TSA personnel being rude and having bad attitudes. Mark Earle, Aviation Director, advised that the airport does occasionally receive similar complaints about the TSA and works closely with the local Federal Safety Director (FSD) to resolve these problems. The airport has expressed concern about this issue and also the profiling that is now a standard TSA procedure.
- Complaints about the carpet being dirty in the security checkpoint area have also been voiced to commission members. Some passengers have reported to commissioners that they do not want to take their shoes off there. Mark Earle

advised the commission he would discuss with the TSA at the next opportunity. Also, passengers may not be aware that they are not required to remove their shoes.

- Concerns were expressed about cigarette smoking that takes place outside of the airport entrances. Airport Staff advised that smoking is allowed 50' from airport doorways in compliance with City ordinance. Lingering cigarette odors may be attributable to the ashtrays that are located by the doorways. No smoking signs are posted in these areas. Airport Staff will look at ways to possibly improve the no smoking signage.

 **AIRPORT STAFF DELIVERABLES FROM THE 2/18/04 AIRPORT ADVISORY COMMISSION MEETING**

- Airport Staff will assist this commission in creating a support document for their recommendation of Alternative "C" to City and County Traffic Planning on the SMAS.
- Airport Staff will research trends on freight, cargo, and mail to be provided to the commissioners in the March 17 Airport Advisory Commission meeting.
- The monthly Air Fare Comparison Report for February 2004 was not available to present at this meeting. As soon as it is, Airport Staff will provide that info to all commissioners.
- Airport Staff will provide air fare comparison information collected from Internet travel search engines such as Travelocity, Orbitz, Expedia, etc. and provide that information to commissioners in the March 17 Airport Advisory Commission meeting.
- Airport Staff will look at ways to possibly improve the no smoking signage posted outside of airport entrance/exit doorways.
- A presentation on the proposed small airshow for COS will be presented at the March Airport Advisory Commission meeting. The presentation will include operational plans and impacts on the West Side of the airport.
- The West Side Development Update that originally scheduled for presentation in this meeting has been rescheduled for the March Airport Advisory Commission meeting.
- Commissioners advised that they would like to see a demonstration of the new tasers that will be used at COS. Airport Staff will arrange for that demo in the March Airport Advisory Commission meeting.

- Commissioner French motioned to adjourn the 1/21/04 Airport Advisory Commission Meeting. Commissioner Buchwald seconded motion. Motion carried by unanimous vote.

Chairman Chalfant adjourned the meeting at 5:08 p.m.

Minutes respectfully submitted by:
Katie Healy, Senior Office Specialist