

# LONG-TERM AIR TRANSPORTATION STUDY (LATS)

## Washington State Aviation Planning Council

### MEETING SUMMARY

April 3, 2008

#### **Present:**

Council Members: Chair Carol Moser, Vice Chair Paul Roberts, David Field, John Townsley, Leonard Bauer (filling in for Juli Wilkerson), Neal Sealock, Penelope Loomis

Staff: John Shambaugh and Nisha Marvel

Consultant Team: David Hollander (SH&E), John Yarnish (URS), Rita Brogan (PRR), and Kimbra Wellock (PRR)

Guests: Jill Satran (Governor's Office), Michael Cheyne (SeaTac Airport), Mike Boggs (Mead & Hunt), Dick Ford (Washington Transportation Commission), Joelle Briggs (FAA), and Paul Wolf (WSDOT Aviation)

#### **Meeting Objectives**

Chair Carol Moser opened the meeting and reviewed the meeting objectives and agenda:

- Overview of the different roles airports play in the system
- Briefing on trends in commercial service and on future activity anticipated in the aviation system
- Overview of how policies can provide a foundation for shaping aviation interests in the state transportation system

#### **Introductions**

Council members, staff, and consultants introduced themselves and their role on the Council.

- Chair Carol Moser: Washington Transportation Commission
- Vice Chair Paul Roberts: Western Washington General Public Representative
- John Townsley: Eastern Washington General Public Representative
- David Fields: FAA Technical Expert
- Leonard Bauer: Washington State Department of Community Trade and Economic Development, filling in for Juli Wilkerson
- Neal Sealock: Commercial Airport Operator

- Penni Loomis: Washington Airport Management Association Representative
- Rita Brogan, Council Staff, PRR, Inc.
- Kimbra Wellock, Council Staff, PRR, Inc.
- John Shambaugh, Council Staff, WSDOT Aviation
- David Hollander, SH&E, Technical Consultant

**Public Comment:**

Chas Talbot (Regional Commission on Airport Affairs): Mr. Talbot urged the Council to ignore the language in the Council Purpose and Need Statement that states that the Council’s recommendations will be based upon current state policy goals, as there is nothing in the Council’s authorizing legislation that restricts the Council in this way. Mr. Talbot stated that the Council will not be able to take full advantage of the opportunity it has if it restricts itself to following these goals. He encouraged the Council not restrict itself to laws already on the books.

John Dobson (President of the Washington Pilots Association): Mr. Dobson spoke about the issues facing Vista Field. Prior to selling the property back to the Port, the City of Kennewick changed its land use ordinance, which made the airfield into an incompatible land use, which in turn restricts development. According to a Port study, relocation of Vista Field would cost \$25.5 million, while relocation of tenants to Richland Airport would cost \$8-\$13 million. Vista Field has 35 aircraft on site, compared to 180 aircraft at Richland. However, Vista Field generates \$8.8 million in economic activity for the community, while Richland generates \$2.2 million. This case illustrates that the impact of an airport is greater than its size. One employer has said that closure of the airport would necessitate relocation of the business, creating an even greater economic impact due to loss of jobs in Kennewick. This case illustrates that businesses rely on airports. Kennewick is ideally sited, as it is surrounded by industrial uses.

Chair Carol Moser added that she and John Shambaugh are attending the Port meeting on this issue and intend to advocate about the importance of aviation to the state.

Carol noted that Don Garvett, Jim McNamara, John Sibold and Juli Wilkerson were not able to attend today’s meeting. Leonard Bauer from CTED is filling in for Ms. Wilkerson.

**Approve March 6, 2008 Meeting Summary**

Kimbra Wellock, Council Staff (PRR) noted that edits submitted by Council Member Field have been incorporated.

The March 6, 2008 meeting summary was approved unanimously by the Council, as edited.

## Commercial Aviation Panel Discussion

### OVERVIEW OF TOPIC

David Hollander, Consultant Team (SH&E) provided an overview of trends in commercial aviation.

Washington is served by 17 airports that receive scheduled passenger airline service. There are eight airports with conventional service. In the San Juan Islands, there are a number of communities served by air taxis, seaplanes, or smaller aircraft.

The level of airline service varies widely across the state's commercial service airports. Of the 648 scheduled passenger daily departures, SeaTac accounts for 465. Spokane is second, with 74 daily departures.

Passenger traffic levels at Washington's airports are highly concentrated at SeaTac and Spokane airports, which account for 96% of total passenger boardings in Washington State.

Chair Carol Moser asked if 2007 data showed changes over 2006 data.

Mr. Hollander responded that there can be big changes in the course of one year and suggested that Michael Cheyne can speak to updated data for SeaTac. Mr. Hollander noted that Yakima received Delta service connection to Salt Lake, which provides a second hub. This service was just added last year.

### PANEL DISCUSSION

#### LARGE HUB COMMERCIAL SERVICE AIRPORT

Michael Cheyne, Seattle-Tacoma International Airport presented information on recent trends at Seattle-Tacoma International and future airport plans.

Passenger traffic reached a new record high in 2007 with 31.3 million passengers. The first increase in operations occurred in 2007 after six years of decline. Passenger traffic means people getting on and off of planes; operations is any time an airplane takes off and lands.

Departures to regional airports (smaller communities) in the Pacific Northwest decreased by 43%. Airlines are changing their fleets to larger aircraft, which makes it difficult for smaller regional airports to serve. SeaTac lost a lot of feeder aircraft (code share, small planes that feed to SeaTac). For example, United Express went out of business.

International service increased by about 9.4% from 2006 to 2007. Air cargo volumes fell 6.7% in 2007. Much of the decline is the result of a shift from moving mail by air to trucks which reflected a shift in mode, not in demand.

In 2008, we expect to see a steady growth in passenger travel (up 4% vs. 2007), and a decline in operations (down 3.5% vs. 2007). Mr. Cheyne noted that the airline industry changes quickly, so projections and assumptions must be constantly reviewed. Recent trends impacting 2008 figures include:

- Increase in average aircraft size (significant increase in average annual seats per departure, from 123 to 139 seats 2003 vs. 2007).
- Increase in average load factor to 70% (meaning fewer empty seats per flight)
- Increased buffer and turn times (reduces gate capacity)

Council Member Sealock asked if airlines are willing to address turn time as a means to increase gate efficiency.

Mr. Cheyne responded that airlines are more willing to look at use of common gates (as opposed to branded gates, used by only one airline) as it makes economic sense. It will help the airport get more use out of each gate.

Mr. Cheyne continued with a discussion of future drivers of passenger growth:

- International travel grew 9.4% in 2007 but did not bring as many new passengers as the 3.9% growth in domestic travel
- SeaTac is an origin/destination airport (O&D), with about 73% of passengers beginning or ending their trips at SeaTac. SeaTac has the same number of O&D passengers as Dallas/Ft. Worth (ranked 4<sup>th</sup> largest US airport) and Denver (5<sup>th</sup> largest).
- Assumptions for regional demand are based upon demand related to local economy, regional population and economic growth rates that have been twice the national average, and an expectation of the region adding 1.7 million residents and 1.2 million jobs by 2040.

Currently, all of the region's commercial passenger activity is handled at SeaTac Airport. At some point in the future, another airport will be needed to address additional commercial passenger activity.

Drivers of future airport capacity include:

- Number of seats per aircraft
- Ratio of passengers to seats on aircraft (load factor)
- Number of aircraft operations (and calculated maximum delay level (SeaTac's calculated future long-range average delay is 16 minutes, higher than LaGuardia's 10 minute delay level, which is one of the highest in the United States).

Vice Chair Paul Roberts asked for clarification about how much of the delay is the fault of delays at other airports.

Mr. Cheyne responded that the delay is specific to SeaTac.

Council Member Townsley asked if the airspace crowding by military and other general aviation aircraft contributes to the delay time.

Mr. Cheyne responded that is not a factor in the delay figure.

Mr. Cheyne continued, saying that runway constraints will be a barrier to future growth at SeaTac. The airport will reach its maximum runway capacity of 550,000 operations in 20-25 years, which results in the 16 minutes averaged delay time in simulations. Changes in aircraft size and load factor would alter total passengers handled on runways. It was noted that projections are difficult to make as the airline industry is volatile and constantly changing. However the original capacity projection of 2024 is now estimated to occur in 2027 or 2028.

Gate constraints are another important capacity issue at SeaTac. In fact, gates may be SeaTac's greatest constraint to growth, as they require a large capital investment to address. Getting more efficient use of existing gates could increase capacity beyond current expectations. Reconfiguration of existing gates is the easiest, most cost effective solution to gate capacity issues. Better utilization of international gates is another potential option.

SeaTac Airport is also looking at options to expand capacity of existing curbs and drives. Use of the parking garage to relieve curb parking during peak periods (reserving departure area for commercial vehicles and using the parking garage for passenger pick off and drop off) is an alternative to more costly curb widening.

Chair Carol Moser asked if SeaTac was factoring in light rail to its projections.

Mr. Cheyne responded that they hope there will be an impact, but they are not sure it will be a big impact.

Mr. Cheyne concluded his presentation with a summary of future growth estimates at SeaTac:

- Unconstrained growth models suggest that 550,000 aircraft operations could drive an airfield limit of 59 million annual passengers
- It is too soon to predict when SeaTac will reach 59 million annual passengers as there are several factors that could push it out years into the future, such as road congestion getting to SeaTac, opening of reliever airports, increasing greenhouse gases/fuel prices driving higher fares and lower demand, use of existing airports in the region, etc.

Mr. Cheyne stated that SeaTac staff will continue to assess trends, and will brief the Council as requested.

David Hollander asked for clarification on the projected year in which SeaTac would reach capacity. Previous estimates determined SeaTac would reach capacity in 2024.

Mr. Cheyne responded they project SeaTac will reach capacity sometime in the late 2020s. As there are many factors that impact capacity constraint, it is hard to pinpoint an exact year.

Council Member Sealock pointed out that parking and gate usage are two important issues when discussing airport capacity. However, these issues differ from other capacity issues the Council has been discussing, such as concrete, as addressing them involves negotiation with each airport tenant. It makes it a much more complex issue.

Vice Chair Paul Roberts asked if the cost of fuel is what is driving airlines to use more fuel efficient aircraft and noted that this could have an impact on smaller airports.

Mr. Cheyne responded that we are seeing growth in mid-sized airports in Midwest, but noted our market is different. Travel distances to airports are different, as is point to point service than in other markets.

Leonard Bauer asked how much of gate turnaround is driven by the airports' desire to have gates close together.

Mr. Cheyne responded that we are starting to see airlines realizing that it makes economic sense to keep their own branded gates. We are seeing more willingness to co-locate. We are also trying to install electronic message boards at all gates, so that each gate can still be branded, but changed to serve another airline, which allows us to use gates more efficiently.

Council Member Sealock added that it will require a paradigm shift – it is the cost savings that will push airlines to change behavior. It is expensive for an airline to pay for a gate for a day when it only has two turnarounds.

Council Member Townsley asked what population base is needed to sustain a feeder airport.

Mr. Cheyne responded that he did not know, and suggested that Mike Boggs might be able to address that during his presentation.

Chair Carol Moser asked if the economy, gas prices, recession, and devaluation of the dollar are having an impact on passenger travel at SeaTac, especially given that SeaTac is primarily an origin/destination airport.

Mr. Cheyne responded that it has not produced an impact yet. In fact, SeaTac is experiencing an increase in passenger travel so far this year, but that could change. The airline industry is volatile, and we must continually respond to such changes.

#### SMALL COMMUNITY COMMERCIAL SERVICE AIRPORT

Mike Boggs, Mead & Hunt spoke to the Council about trends in Washington and Oregon in small community air service, as well as the Northwest Regional Air Service Initiative.

Overall, the airline industry financial landscape continues to be difficult. In general, the industry will lead a recession, and come out of it sooner. Airlines have been working in a difficult environment since 2001, which has had a significant impact on small community airports.

Large and medium hub airports like SeaTac and Portland handle nearly 90% of airline passengers in Washington.

Airlines determine the size of the aircraft based on route demand. Smaller airplanes with lower seating capacities cost more per seat to run. Higher operating costs like fuel have a greater impact on the per seat cost. Lower ticket prices at larger competing airports make it hard for small aircraft service to raise prices. In short, it is difficult for airlines to make money in smaller markets.

Service at non-hub airports declined by the greatest rate, with 57 communities losing all service. Further, the turbo prop jets that typically serve small markets are being phased out. There are few orders and options for smaller 50-seat regional jets and no orders to turboprops with less than 70 seats. It is difficult for small markets to generate enough demand to regularly fill a larger plane.

Smaller communities need code share service to be successful. A code share is a marketing arrangement between a regional provider and a larger airline. The regional provider typically uses the large airline's branding (such as United), but service is provided by two distinct operators. Code sharing is easier and more attractive to the customer, and generally results in a lower ticket price than combining two local fares.

Communities are becoming more aggressive and offering larger incentives and support packages to lure regional air service.

Council Member Field asked how successful these incentive efforts have been.

Mr. Boggs responded that we're seeing more analysis being done to estimate the cost/benefit in advance of offering the incentive. As far as we know, the airlines that received the incentive are still providing service. It is difficult to know if that will change given the continued rise in fuel prices and cost per trip. Airlines will cut service if they cannot raise prices enough to cover rising costs. Incentive programs typically last 1-2 years, long enough mitigate the start up risks. It is not intended to be a long term commitment by the community.

Council Member Loomis asked what the source of funding is for incentives packages.

Mr. Boggs responded that incentive packages are sometimes financed by the local municipality, private businesses, as well as universities – it varies depending on the community.

David Hollander, Consultant Team (SH&E) asked if it is the small airports that are located closest to large airports that are struggling the most.

Mr. Boggs responded that the ability to sustain air service depends on population size and isolation. The more isolated a community, the easier it is to sustain air service. Boise is a good example. While Boise has a smaller population than Eugene, it has more non-stop service than Eugene.

Mr. Boggs continued with an overview of air service issues facing Oregon and Washington. From 2000 to 2006, outbound seats and passengers have declined significantly in some Washington and Oregon communities such as Moses Lake, Port Angeles, Wenatchee, and Yakima. There is a lack of appropriate aircraft to serve small communities – some plans are getting very old and there is no new technology under development for short-haul aircraft.

Frequency of flights is an important issue for business travelers in small markets. Recreation travelers will travel to hub airports for lower ticket prices. Business travelers have a different set of needs. Smaller community travelers cannot be shifted to off peak times as they have to meet the connecting flight. If they cannot meet connecting flights, it will not work.

Mr. Boggs provided a brief overview of the Northwest Regional Air Service Initiative (NWASI), which is designed to:

- Improve air service to Washington and Oregon;
- Provide better access from secondary markets in Oregon and Washington to the national air transportation system; and
- Engage smaller communities in Oregon and Washington in finding solutions to regional air service issues.

#### Key findings

- All markets in the study have one or more viable service options
- Many service opportunities require 19- or 30-seat aircraft.
- Aircraft manufactures are manufacturing larger aircraft (70-seat or more) not smaller aircraft
- Service possibilities exist for regional jets and unique turboprop service for a few communities
- All markets require a code share at the hub to survive (currently Alaska/Horizon is the only code share that works)
- All but one of the markets studied will require either cross-subsidy or direct subsidy to work (where profit earned at the large hub subsidizes the small airport's losses)

#### In summary:

- Airline and aircraft trends in the Pacific Northwest do not bode well for smaller communities
  - No airline has a business plan that includes service to OR and WA markets with 19- to 30-seat aircraft to SeaTac or Portland
  - NWRASI markets that cannot support regional jets (50-seat) or larger turboprops (74-seat) may lose service
  - Air service in smaller markets is threatened by the weak economics of short-haul service combined with low-fare competition at larger airports
- Key to air service improvements, and in some cases, continued air service are:
  - Developing airline interest in serving smaller markets with 19- to 30-seat aircraft
  - Securing code share agreements at SeaTac and Portland airports with Alaska/Horizon
  - Developing funding sources to address the economics of short-haul markets

Mr. Boggs encouraged a high-level organization like the Aviation Planning Council to champion air service in Washington and Oregon, possibly through subsidies. Currently, the only organization doing advocacy work is the airport managers association. Commuters will lose service if action is not taken.

Council Member Field asked if the 57 communities that have lost service are suffering as a result.

Mr. Boggs responded that communities that are reasonably close to a large airport are not suffering. But communities that are more than two hours from a hub report a negative impact on the local economy.

Council Member Townsley asked if the savings incurred from shorter travel time offsets higher ticket prices.

Mr. Boggs responded that this does not have a big impact.

#### COMMERCIAL SERVICE AIRPORT

Dick Ford, Washington Transportation Commission addressed the Council. Mr. Ford noted that the Washington Transportation Commission is responsible for preparing the State's transportation plan, of which aviation is a part. He stated that while the Council should not necessarily feel constrained by requirements of the state transportation plan in its policy deliberations, he urged the Council to provide recommendations and make the case for why deviating from current policy makes sense. The Washington Transportation Commission is starting the process of updating the Washington Transportation Plan. He suggested that it may make sense to develop a subcommittee to further explore the issue of small community air service as it would be an important issue to address in the Washington Transportation Plan update process.

The update process will begin in 2009, with the plan going to the Legislature in 2010. We need to start to thinking about the aviation part of the plan now. Input is needed so that that aviation portion of the plan is as refined as possible.

The question of whether a subsidy is appropriate is fair. We are looking at how to move economic development from congested, populated areas, to areas that need economic stimulus. If we're willing to look at investments in other areas to support this goal, a discussion about a subsidy to make those communities more viable is worthwhile. We already subsidize a lot of transportation in this state, i.e. transit, ferries, roads, etc. Perhaps aviation should be no different.

Achieving economic development in smaller communities will require adequate air service. The economic development piece needs to be part of the discussion. We cannot have discussions about moving industry to rural areas if we don't have the transportation infrastructure to support it.

It is important for the Transportation Commission to know if there will be a serious consideration given to major capital improvements at large hub airports or to building a new airport, as it can take decades for a project to move from plan to opening.

## FEDERAL REGULATIONS AND GRANT ASSURANCE OVERVIEW

Joelle Briggs, FAA, serves as Regional Compliance Manager for the Northwest Mountain Region. Ms. Briggs briefed the Council on the compliance requirements for airports receiving federal grants.

Recipients of FAA grants assume obligations through contract or through restrictive covenants in deeds. Airports face different requirements depending on the project. Only NPIAS airports are eligible for FAA grants. Grant requirements remain in effect for the useful life of the improvement, not more than 20 years. There are no time limits on land; requirements remain in effect for the life of the airport.

Council Member Townsley asked for a definition of “life of an airport.”

Ms. Briggs responded that a release from the FAA is required in order for an airport to close. The airport must show there is a benefit to civil aviation, which is a difficult case for the FAA to make. The FAA can override a local decision to close.

Airports are required to meet requirements in several areas:

- Preserving Rights and Powers – sponsor will not permit any action which would deprive it of the rights and powers necessary to perform the assurance in the grant agreement, nor will the sponsor sell, lease or transfer any part of its title or other interests in the property
- Operation and Maintenance – the sponsor will operate the airport in a safe and serviceable condition and will not permit actions that would interfere with its use for airport purposes
- Compatible Land Use - grantees are required to take appropriate action to the extent reasonable to restrict the use of land in the airport’s vicinity to uses compatible with normal aircraft operations. The FAA is clear that residential use is an incompatible use.
- Economic Non-Discrimination – sponsors are required to make the airport available for public use on reasonable terms, without unjust discrimination.
- Exclusive rights – sponsor will not permit an exclusive right to conduct any aeronautical activities at the airport
- Airport revenues – all revenues generated by the airport and any local taxes on aviation fuel must be used for airport capital and operating costs

Chair Carol Moser asked how violations are reported.

Ms. Briggs explained that violations are typically reported to the Seattle airport district office. The FAA tries to use informal means of addressing issues first. A formal process is in place, but it is expensive and time consuming to implement.

Council Member Sealock noted that zoning laws can catch an airport between a rock and a hard place. The airport is held accountable for the problem, but it cannot control it. Airports do not have zoning authority, and more importantly, cannot control exceptions that are made when permits are issued.

Ms. Briggs noted that airports can try to testify when zoning amendments are being considered to try to stop a zoning action from happening, but they are limited to what they can do to stop an amendment from moving forward.

Council Member Sealock added that a zoning change could stop progress on a well- programmed project.

Ms. Briggs stated that it would be easier for airports to control their future if they had zoning authority.

Council Member Townsley asked if there are any airports that have zoning authority.

Ms. Briggs did not have specific examples to cite, but noted that they do exist.

Council Member Field added that a County-owned airport might have zoning authority.

Dick Ford, Washington Transportation Commission noted that the purchase of avigation easements is a potential solution that should be considered where it is affordable.

John Shambaugh, Council Staff (WSDOT) responded that airports in Wisconsin have zoning authority, but it has not worked well. It is critical that the FAA and State be on the same page on land use issues.

Leonard Bauer, CTED asked for a definition of “adjacent or in immediate vicinity” (reference to PowerPoint slide 64).

Ms. Briggs responded that it typically means immediately next to, but the definition is not very clear.

Council Member Sealock noted that airports are trying to identify the airport influence areas, which is associated with noise and air traffic operations at the airport.

Ms. Briggs identified several top compliance challenges:

- Through the fence access
- Long-term leasing
- Revenue use

Dick Ford, Washington Transportation Commission asked if airports are allowed to sponsor long-term planning studies, given their interest in planning for and development of additional capacity.

Ms. Briggs responded that it might be possible, but the airport would have to demonstrate the relationship between the study and the expected impact on the airport compared to funding level provided. For example, the Port of Seattle was approached to contribute to the SR 518 expansion.

Chair Carol Moser asked the panelists to discuss what key capacity issues are facing commercial aviation.

Dick Ford, Washington Transportation Commission stated that we need to determine the importance of air transportation to smaller communities and how it fits into the state's broader goal of moving economic activity from congested areas to less congested areas. We need to think about where we will be 20 years from now – how do we give ourselves the flexibility to keep our options open to deal with future issues?

Leonard Bauer, CTED stated that the Council needs similar information on freight and other types of aviation.

Michael Cheyne, SeaTac Airport identified two issues – how to deal with economic development in small community airports and how to deal with commercial capacity in the Puget Sound area.

Council Member Field would like to know if LATS Phases I and II contained data to show the distance business travelers are willing to drive to reach an airport.

John Shambaugh, Council Staff (WSDOT) responded that the data is not broken out by business vs. leisure travel.

David Hollander, Consultant Team (SH&E) suggested that the Council consider shaping a policy to address small community air service. The Council should consider market realities when formulating policy that isolated communities of a certain size might be treated differently than a small community in closer proximity to a hub.

Mike Boggs, Mead & Hunt noted that driving time is more of a factor than distance. Congestion is a key factor.

Council Member Sealock noted that a cookie cutter approach to aviation planning will not work. In dealing with the capacity issue it is important to weigh the industry's concerns and thoughts about the future. The Council must also look at the airlines' forecasts for the future in its decision-making.

Vice Chair Paul Roberts noted that the Council is being asked to look out 25 years to determine capacity needs. The drivers affecting aviation capacity are different than in traditional planning, which is driven by demographic change. How will issues like fuel cost and climate change issues change capacity?

Mike Boggs, Mead & Hunt responded that from a small community perspective, there are no new aircraft technologies under development that would meet needs of smaller community as the airline economics do not support it. Fuel and other costs will have to be quite great before action will happen.

Michael Cheyne, SeaTac Airport noted that the airline industry still has not developed a business plan to make it all work. At some point, to remain viable, the airline industry will have to raise ticket prices, but it is unknown what impact that will have on demand.

Dick Ford, Washington Transportation Commission added that we have to take energy prices into consideration. When deciding whether or not to drive, we need to compare cost of driving per mile, parking, and other related expenses to the cost of a plane ticket. It is possible that even with higher plane ticket prices, flying will still make economic sense, especially for small communities.

Council Member Loomis asked if there are legislative or tax policy differences between states that are more or less desirable to the airlines. Is Washington at a disadvantage in any area?

Mike Boggs, Mead & Hunt responded that he does not believe there are any state regulations in place that have an impact. However, Federal regulations impact small and large carriers differently. In addition, some airports charge high rates to small aircraft.

Chair Carol Moser asked Joelle Briggs what the FAA is doing to work with states to address the land use compatibility issue.

Joelle Briggs, FAA responded that the FAA does work with airports to plan for the future and assessing land needs to accommodate future growth. Ms. Briggs noted that she typically gets involved only at the point when the encroachment has already happened. At this point, the FAA tries to work with the airport to educate the community about how the encroachment will result in loss of federal grant money to the airport. In addition, each airport district office has planners that work with the state.

Chair Carol Moser asked if FAA planners are working with CTED.

Leonard Bauer, CTED responded that the FAA works more directly with WSDOT Aviation. Cities and counties face similar financial drivers and the pressure to look for economic development opportunities. Being near an airport presents an economic development opportunity. The challenge is to understand how to work together to find mutually beneficial solutions, instead of working in a confrontational manner. A key challenge is to figure out how to align goals of different levels of government and determine the economic benefit of an airport.

John Shambaugh, Council Staff (WSDOT) added that land use compatibility is always a big issue. The FAA is developing an Advisory Circular to be released in the near future. In addition, WSDOT Aviation participates on the national level with FAA, AOPA, NASA and through research with Transportation Research Board.

Council Member Sealock suggested that we may already have the appropriate tools to address the land use compatibility issue through the RCW that classifies airports as essential public facilities and through the Growth Management Act. It is up to the state to enforce existing laws and regulations. Guidance from others only goes so far.

Council Member Townsley asked for methods other than by purchasing navigational rights that might be used to address the issue of incompatible land uses, particularly when trying to deal with the issue reactively.

Dick Ford, Washington Transportation Commission responded that we need to talk about buying rights. We have done this with farmlands. Zoning does not provide enough power over time. Because of the property rights issue, it is too easy to make the case that value of property is such that it has to be developed in an incompatible way. We need to think about how we secure the resources to buy rights as airports cannot afford it. The Council may wish to consider a grant program to fund purchase of aviation easements.

Vice Chair Paul Roberts asked if we have some common understanding of what we are trying to protect. Are we protecting a flight path, aviation easement, or the airport itself?

Joelle Briggs, FAA added that by the time issues reach the FAA, the problem has already happened. Further, the FAA's arm does not reach that far. The response is typically to tell the airport not to let it happen again, and do not let further incompatible growth occur.

John Shambaugh, Council Staff (WSDOT) added that the definition of an influence area around an airport varies by airport. We have found that zoning can be effective, but other tools are also needed including rethinking of how to promote compatibility through utility infrastructure and economic incentives that promote a compatible land uses such as industry around airports.

Leonard Bauer, CTED noted that local planners do not fully understand the issues around airport planning and what is need to protect the land around airports. Education is needed at the local level. Mr. Bauer suggested exploring the applicability of transfer of development rights as a potential tool.

Michael Cheyne, SeaTac Airport stated that protection of airports is a critical issue. When developing the next commercial airport, long term land use needs should be factored into project planning.

## **State Airport Assessment**

John Shambaugh, Council Staff (WSDOT) introduced Paul Wolf, WSDOT Construction Project Manager. Mr. Wolf oversees the 17 state-managed airports. Mr. Wolf provided information to the Council on the State-Managed Airport Study.

Paul Wolf, WSDOT explained that the State-Managed Airport Study is being conducted as part of LATS. The State-Managed Airport Assessment, Phase I of the study was released at the same time as LATS Phases I and II, and is now available on the WSDOT website.

The purpose of the study is to:

- Define the purpose and role of the state airports
- Conduct a detailed assessment of existing facilities

- Identify existing standards and operating procedures
- Modernize and standardize operating agreements
- Integrate with the LATS effort
- Provide Policy recommendations to the Council

WSDOT manages 17 airports in Washington State for purposes of providing emergency landing locations in remote areas such as the Cascade Mountains. Six of the airports were constructed by WSDOT from 1940-1960. Eleven airports were constructed by organization such as the Bureau of Land Management, US Forest Service and others as private-use facilities. WSDOT assumed ownership of these airports when the original owner/sponsor became unable to continue operating the facility.

Chair Carol Moser asked for clarification on how the State-Managed Airports Study relates to the Council's work.

John Shambaugh, Council Staff (WSDOT) responded that the assessment was designed to help WSDOT understand the role of the state managed airports, to understand their original purpose and what their role is now. The assessment showed that the airports were now being used for a variety of purposes including support of firefighting efforts, emergency medical operations access to remote communities, search and rescue support and recreation. The state has put very little money into the system over past several decades. However, it would cost millions of dollars to replace the airports. The study determined that these airports do provide a value to the State, and therefore should be maintained according to their use in the overall air transportation system. The classification system developed in Phase II of LATS for other public use airports would be used to support the airports and determine maintenance needs.

Chair Carol Moser asked if the state-managed airports should be treated differently than other airports in the state.

John Shambaugh, Council Staff (WSDOT) responded that they should be treated the same as other airports in the statewide system. Most of the 17 airports are classified as recreational/remote airports.

Council Member Loomis stated that while the airports serve an important role in emergency response and firefighting efforts, we cannot underestimate the contribution these airports provide to local recreation, tourism industries and economic development benefits.

John Shambaugh, Council Staff (WSDOT) responded that we are looking for the Council to provide policy on state airports to address questions of whether the state should maintain them, and to underscore their benefit to the system.

Council Member Field asked if there has there been thought given to treating local service airports differently.

John Shambaugh, Council Staff (WSDOT) responded that we do not have policy at WSDOT Aviation to guide transfer of state-owned airports to public or private sponsors. This might be a policy for the Council should consider drafting.

Chair Carol Moser noted that the question of whether it is appropriate for the state to own transportation assets is an issue in Washington Transportation Plan process as well.

## **Looking Forward**

David Hollander, Consultant Team (SH&E) provided a preview of the upcoming alternatives analysis phase, with information on:

- Where we've been (LATS Phases I, II, and III)
- Information on constrained airports
- Suggestions for potential evaluation criteria

It is expected that nine commercial/regional service airports will exceed 100% capacity by the year 2030. In addition, 15 general aviation airports will exceed their aircraft storage capacity by the year 2030.

Council Member Townsley asked how the aircraft storage shortage was determined.

David Hollander, Consultant Team (SH&E) responded that the team looked to see if all available land was converted to hangar use, would it be enough to meet storage capacity needs.

A key role of the Council will be to help identify strategies and state policies to ensure that Washington's aviation needs can be satisfied.

There are a number of strategies that could be employed to address capacity constraints and shortfalls. The least intensive option is to utilize existing facilities, such as employing demand management strategies, new technology, and using existing airports to absorb excess demand. A more intensive option is to expand existing facilities, through new runway development or construction of additional storage facilities or passenger terminals. The most intense strategy would be to construct a new airport.

In examining the potential for surrounding airports to absorb excess demand, issues to consider include:

- Are surrounding airports in close enough proximity to the constrained airport?
- Do the alternative airports have the necessary infrastructure to accommodate demand (runway length, storage capacity, etc)
- Is there sufficient capacity to accommodate shift and meet future forecasted demand?

The Council should consider these issues in discussing airport expansion:

- When will the airport reach capacity limits?
- What is the critical capacity constraint (airfield capacity, terminal capacity, hangar capacity)?
- What is the feasibility of adding capacity at the constrained airport?

- What are potential obstacles?

The ability to shift demand to surrounding airports may depend on regional conditions is another key factor. While a region as a whole may be below maximum capacity, constrained airports may be concentrated in a specific geographic area, which can limit the ability to shift activity among airports.

Council Member Townsley asked if demand analysis considers the idea that capacity is not always about runways and asphalt, as Michael Cheyne noted in his presentation earlier in the day.

David Hollander, Consultant Team (SH&E) responded that SeaTac is a unique situation.

Council Member Sealock noted that if we were to relieve the air cargo footprint to free up passenger space, you would create more capacity for passengers. But the issue is that you run up against government regulation – how constrained should the Council’s thinking be in terms of coming up with policy recommendations?

David Hollander, Consultant Team (SH&E) responded that the volume of air cargo flights tends to be a small share of total overall flights. Even if you took air cargo away, it is unlikely that it would free up a lot of capacity for passenger flights. Air cargo is easier to shift than passenger flights.

Mr. Hollander continued by suggesting potential evaluation criteria:

- Accessibility/proximity to users
- Compatibility with surrounding land use
- Environmental impacts
- Community acceptance
- Cost
- Net capacity benefits

Leonard Bauer, CTED noted that we have been focused on capacity issues at constrained airports and asked how other non-capacity factors such as economic development and climate change should be factored into decision making.

John Shambaugh, Council Staff (WSDOT) responded that the legislation requires that we look statewide, regionally, locally. Safety applies to all airports, going forward and capacity is also an issue. However, there are many other issues to consider in looking at the entire airport system in the state and the dynamics of the system. The analysis in Phases I and II also included a review of safety, access, population, and trends.

Council Member Field noted that it seems as though aircraft storage was used as a proxy for available land. It would be useful to know if land is the most significant constraint.

John Shambaugh, Council Staff (WSDOT) responded that we will have information on this topic at the next meeting .

Council Member Sealock noted that one solution to address the hangar capacity issue would be to ensure that existing facilities are actually being used for aviation purposes. Many hangars are used for other storage purposes.

### **Aviation Policy Framework**

John Shambaugh, Council Staff (WSDOT) provided a brief recap of the purpose and content of the white paper, reminding the Council that the white paper provided a summary of previous policy efforts such as AIRTRAC and the Washington State Aviation Policy and information on the status of policy implementation.

Rita Brogan, Council Staff (PRR) stated that Council staff reviewed notes from previous meetings, and prepared a handout summarizing the issues that the Council had identified to date.

Council Member Townsley stated that this morning's speakers spoke about the economic importance of connecting communities and the role that aviation plays in it. This issue is not reflected in this list and should be added. The issue of diverting economic development to less congestion areas should be included on the issue list.

Council Member Townsley asked what the link is between scheduled or non-scheduled passenger or cargo to small communities and economic vitality.

David Hollander, Consultant Team (SH&E) responded that it is difficult to demonstrate this link. Businesses often say that accessibility to good scheduled air service is important, but it is difficult to quantify.

Vice Chair Paul Roberts stated that today's discussion helped build an understanding of the importance and distinction between small communities and their airports and the relationship of SeaTac to large cities.

Council Member Field asked for clarification on what the list of issues means to the Council's work, and if the issues were listed in order of priority.

John Shambaugh, Council Staff (WSDOT) responded that the list of issues will help the Council identify the aviation system plan policies and facilitate development of alternatives. The list of issues is not in order of priority.

Chair Carol Moser stated that it all comes down to whether or not the state should set a level of service standard for the state, and what it should be for different areas.

Jill Satran, Governor's Office stated that we need to understand what the role of aviation is in the state's transportation system, and how it relates to other transportation modes.

Vice Chair Paul Roberts stated that we need to decide which issues to emphasize, noting that Council Members Field and Moser have asked the important questions. We need to figure out what our next steps are.

Jill Satran, Governor's Office noted that we also need to understand the other stakeholders' roles, including local communities, the state and various aviation partners.

Council Member Sealock stressed the need to define what measure(s) of success.

Leonard Bauer, CTED stated that in addition to expansion and siting, we should look at how airports are operated.

Vice Chair Paul Roberts agrees with Bauer, and noted that noise, air, water, and transportation are other key issues.

### **Proposed Subcommittee Structure**

Chair Carol Moser introduced the proposed subcommittee structure, noting that most policy development work will be done in subcommittees. Most of the issues the Council have discussed to date fall into one of the following subcommittee headings:

- Land Use and Environment
- Capacity and Technology
- Implementation and Legislation

John Shambaugh, Council Staff (WSDOT) noted that the work program calls for policy development to happen from now to the June Council workshop and implementation and legislation would occur during review of system alternatives. He further suggested that the Implementation/legislation subcommittee be initiated during the third and fourth stages of the work program if possible.

Vice Chair Paul Roberts explained the evolution of the proposed subcommittee structure and stressed that the capacity issue is central to what the legislature has asked for us to do. We need to clearly identify how capacity is central to everything.

In response to public comment at the beginning of the meeting, Roberts agreed that the Council should not feel constrained by the existing structure of the state's policy goals. However, the Council does need to be mindful of them as we proceed in our work.

Council Member Loomis asked which subcommittee would discuss the impact of business climate on airports.

Chair Carol Moser responded that this is an important issue, and that this is a proposal for the subcommittee structure. Moser asked if the Council agreed if these were the right issues to be discussing and the right subcommittees to be discussing them.

Vice Chair Paul Roberts added that he sees economic development as part of the capacity discussion.

Leonard Bauer, CTED noted that there appears to be consensus that the list of issues is fairly inclusive and pointed out that not all issues need to be addressed to a subcommittee. Some issues may be address by the Council as a whole. The question to address is how the subcommittees will work, and how the Council moves forward with its work.

David Hollander, Consultant Team (SH&E) asked Council Member Loomis to clarify her point about economic development. Is it a question of what is the role of aviation in economic development, or a question of how does aviation drive economic development?

Council Member Loomis responded that we need to encourage a healthy aviation industry. Washington is the aerospace state. That is wonderful for the large manufacturing facilities in the state that deal with aircraft production. However, the majority of operations are in general aviation airports and airplanes. We need to encourage policies that support the health and prosperity of these businesses. Aviation fuel is charged sales tax, which is a huge costs that neighboring states do not charge.

John Shambaugh, Council Staff (WSDOT) noted that there are a lot of communities in the state that rely on aviation.

Council Member Sealock stated that the issue statements are a good starting point, but we need to clearly define the deliverables for each subcommittee and determine how the Council will act on the subcommittee recommendations.

Vice Chair Paul Roberts stated that the list of issues is an accurate depiction of issues discussed to date. However, it is not necessarily what the subcommittees should be charged with. Work needs to be done to add issues to the list such as land use.

Council Member Field asked for clarification on what policies need to be drafted by the June meeting.

John Shambaugh, Council Staff (WSDOT) reviewed the Council's work plan and the major project stages.

Vice Chair Paul Roberts reminded the Council that there is a substantial public involvement component of this project and noted that policies will be drafted for discussion purposes, to be vetted by the public.

John Shambaugh, Council Staff (WSDOT) agreed, and noted that the policies will be vetted by the public during the electronic town halls and regional public meetings in July and October. Consideration of public input would occur throughout the process as recognized in the Council's Public Participation and Outreach Plan.

Council Member Townsley stated the issues list is a collection of general and some specific issues noted that further staff work on the list may be necessary. For example, workforce development may be a bigger issue than we have given credence to date.

Chair Carol Moser stated that we have proposed a subcommittee structure and we have identified land use and environment, capacity and technology as important issues. We also need to discuss economic development, business climate, and funding.

Chair Carol Moser asked Council Members to sign up for a subcommittee and noted that staff will work to draft a framework for the subcommittee work.

Rita Brogan, Council Staff (PRR) added that council staff will work with the Chair and Vice Chair to determine a process.

Council members signed up for subcommittees as follows:

- Capacity and New Technology: Sealock, Field, Loomis
- Land Use and Environment: Townsley, Roberts

Staff would contact Council members that were not present for this workshop to determine which subcommittees they were interested in.

### **Work Program Update and Next Steps**

John Shambaugh, Council Staff (WSDOT) reported that general aviation will be addressed at the May meeting. Speakers will also address issues of air cargo, environment, noise and global warming.

The Council agreed to a 9 a.m. meeting start time.

Council Member Sealock stated his concern that was too many topics for the amount of time available.

Rita Brogan, Council Staff (PRR) responded that staff will review the work plan and restructure it as needed.

Chair Carol Moser stated that the Chair and staff will come back to the Council with a proposal for next steps. One suggestion is to devote a portion of the agenda to subcommittee work.

Chair Carol Moser closed the meeting at 3:05 p.m.