
July 14, 2016

The Board of Commissioners of the Arapahoe County Public Airport Authority, Arapahoe County, Colorado, held a regular meeting open to the public at Centennial Airport, Control Tower / Administration Complex, 7800 South Peoria St., Englewood, Colorado, located within the County, on July 14, 2016 at 3:00 p.m.

The following members were present:
Commissioner Doubek, Chairman
Commissioner Bagnato
Commissioner Doty
Commissioner Holen
Commissioner Sharpe
Commissioner Seiber
Commissioner Huffman

The following members were absent, but excused:
Commissioner Weaver

Each Commissioner was notified of the date, time and place of the meeting and the purpose to which it was called. At least three (3) days prior to the date of the meeting, Public Meeting notices were posted at the Administration Buildings of Arapahoe County, Douglas County, Greenwood Village, City of Centennial; the courthouses in Arapahoe County and Douglas County; and at least three places on the Airport. At least 24 hours prior to the meeting, an agenda was posted on the Authority's website and in the window of the door at the base of the Control Tower/Administration Complex at 7800 South Peoria Street.

Call to Order & Pledge of Allegiance

Chairman Pro-Tem Sharpe called the meeting to order at 3:01 PM and recited the Pledge of Allegiance.

Special Awards Presentation for Balchen-Post Award

Robert Olislagers presented a custom plaque and check to the staff who received the Balchen-Post Award for excellence in the performance of airport snow and ice control during the 2015-2016 season. The following staff were recognized:

- | | | |
|-------------------------------|------------------------|-----------------|
| - Mitch Aguilar | - Dylan Heberlein | - Derald Shaw |
| - Ron Charlson | - Marissa Jones-Flaget | - Lauren Wiarda |
| - TJ Dorsey | - Zach Loos | - Brian Lewis |
| - Scott Drexler (in absentia) | - Jeff Renner | - Lorie Hinton |
| - Jeremy Gunn | - Aaron Repp | - Dave Zarlengo |

Public Comment

No public comment.

Amendments to the Agenda

There was one amendment to the Agenda presented by Robert Olislagers.

- Consent Agenda Item 2 – Revised Report & Final Documents on Dais, No change to the motion EXCEPT for slight revision to document names:
 - 1) Amended and Restated Subordination, Non-Disturbance & Attornment Agreement; and
 - 2) Consent to Mortgage of Leasehold Interest.

Commissioner Holen arrived at 3:11 PM.

Next Meetings

- August 3, 2016 @ 6:30 p.m. – Noise Roundtable Meeting – Ramada Hotel and Suites
- August 11, 2016 @ 3:00 p.m. – Regular Board Meeting – Wright Brother's Room

CONSENT AGENDA

1. **Approve Minutes of June 16, 2016** **Gwen Balk**
Recommendation: Motion to approve the minutes of June 16, 2016 and to authorize the Chair to sign.

2. **Cloud 7 Aviation, LLC – Amended and Restated Subordination, Non-Disturbance and Attornment Agreement and Consent to Mortgage of Leasehold Interest** **Gwen Balk**
Recommendation: Motion to approve Amended and Restated Subordination, Non-Disturbance and Attornment Agreement and Consent to Mortgage of Leasehold Interest between Cloud 7 Aviation and the Authority and authorize the Chair and Clerk to sign.

3. **Consent to Sublease on Parcel 50A-2** **Gwen Balk**
Recommendation: Motion to approve the Consent to Sublease on Parcel 50A-2 between JC Property Management, LLC and Bertuch Consulting, LLC and authorize the Chair and Clerk to sign.
4. **Comcast License Agreement** **Michael Fronapfel**
Recommendation: Motion to conditionally approve the Comcast License Agreement and authorize the Chair to sign the agreement pending final review by staff and counsel.
5. **May 2016 Financial Reports** **Roxana Hahn**
Recommendation: Advisory
6. **Ratification of Second Quarter 2016 Expenditures** **Roxana Hahn**
Recommendation: Motion to ratify Second Quarter 2016 Expenditures in the amount of \$2,724,428.40.
7. **Approval of Consent Agenda** **Nancy Sharpe**
Action: Approval of the Consent Agenda, as amended, passed unanimously on a Motion by Commissioner Doty, seconded by Commissioner Holen.

BUSINESS AGENDA

8. **Items Moved to the Business Agenda** **Nancy Sharpe**
None
9. **Establish Jurisdiction to Proceed with Public Hearing** **Brian Magoon**
Recommendation: Advisory

Mr. Magoon advised that notice of the public hearing relating to an Application Under Standards for Commercial Aeronautical Activities by HCRC, LLC d/b/a DetailXperts was published in the *Villager Newspaper* and the *Douglas County News-Press* on June 30, 2016; and that the Board had jurisdiction to proceed with the public hearing.

10. **Public Hearing on Application from HCRC, LLC d/b/a DetailXperts to conduct Mobile Aircraft Support Service (Aircraft Cleaning and Detailing) activities under Part 3 (11) of Centennial Airport's Minimum Standards for Commercial Aeronautical Activities** **Luke Skaflen**
Recommendation: Motion to approve the HCRC, LLC d/b/a DetailXperts application and authorize the Chair and Clerk to sign the associated 10 year Agreement Under Standards.

Mr. Skaflen presented details about DetailXperts as noted in the Application for Commercial Aeronautical Activities. Owner, Steve Hickman, was present to answer questions. Mr. Skaflen noted that DetailXperts uses a steam cleaning process, rather than the typical chemical process, to detail aircraft. Commissioner Sharpe inquired how many detailing companies are present on the airport to which Gwen Balk responded 5 or 6. Commissioner Sharpe followed up with a question on how many aircraft could be expected to be cleaned per month. Mr. Hickman responded by saying his company will be targeting single engine and dual engine aircraft as opposed to the larger jets as many other companies do. He continued to explain that his company could clean around 3 aircraft a day with their methods and staff. Commissioner Huffman asked if this was a proprietary process, to which Mr. Hickman responded yes and that he purchased the franchise last year.

As there were no questions or comments from the public, Commissioner Sharpe closed the public hearing.

Commissioner Bagnato motioned to approve the application for HCRC, LLC d/b/a DetailXperts, Commissioner Holen seconded, and the motion carried.

11. **Board Consideration of the Centennial Airport Community Noise Roundtable Memorandum of Understanding formally establishing CACNR as a Standing Committee, and Associated Financing Proposal Documents** **Brad Pierce/Robert Olislagers/Brian Magoon**
Recommendation: No Recommendation

Brad Pierce of the CACNR began the presentation by explaining the background of the creation of CACNR and stating that the group respectfully submits the Memorandum of Understanding (MOU) and Financial Proposal to the Airport Board. Mr.

Pierce explained the changes to Article 7 of the MOU that had been made since the last presentation in December 2015 including the two ways CACNR could be dissolved; one by initiation from CACNR and one by initiation of the Arapahoe County Public Airport Authority.

Commissioner Sharpe asked about the wording in Article 1, Section 3. She noted that CACNR claims they will not be making policy as an advisory committee; however, this section is worded in a way that could be construed as the opposite. Mr. Pierce responded that CACNR would be open to revising that section.

Commissioner Doubek arrived at 3:25 PM.

Commissioner Bagnato noted the use of the word "body" to describe CACNR, as opposed to "committee". He asked Brian Magoon for the legal interpretation of the two and the implication of the names. Mr. Magoon responded that a body would refer more to the composition of the Airport Authority, while the Roundtable would be a committee. Commissioner Bagnato also asked about the dissolution and whether the FAA has the de facto control over that process. Mr. Magoon read a portion of an email from Linda Bruce of the FAA dated 11/6/2015:

"(The) FAA's approval of the establishment of the roundtable committee only means that it would not be in conflict with Part 150 requirements. This approval didn't empower the roundtable committee with any type of authority or oversight responsibilities."

Mr. Magoon further explained that the roundtable would not exist without approval from the Authority.

Commissioner Sharpe relinquished the Chair back to Commissioner Doubek.

Katy Brown of CACNR stated it would be a mistake to dissolve the roundtable and noted the following points in her presentation:

- 1) These documents have been in the works for 1.5 years, it is time to end it one way or another.
- 2) There has been a lot of compromise on both sides and the difficulty comes down to one question: how the roundtable could be dissolved.
- 3) CACNR is a group of community leaders who volunteer their time to come together to work with Centennial Airport to address noise issues in the communities.
- 4) Without the MOU, there is no formal document establishing the roundtable, so it really does not exist.
- 5) CACNR requires commitment from the Board.
- 6) CACNR is concerned it is too easy for the Board to make decisions based on staff recommendation.
- 7) If there are a few changes to wording to be made, that is okay; but they will not wordsmith the document again.

Mr. Olislagers agreed that it would be a mistake to dissolve the roundtable and explained he is not concerned about how CACNR would be dissolved, he is concerned about the legal implications.

Mr. Magoon advised on the legal implications of the MOU. He stated that the FAA makes it very clear it will always be involved in this airport. Also, that if you are going to request the FAA weigh in on the dissolution of CACNR, you must first approach them with the document and give them a place to sign the agreement. Mr. Magoon read more of the email from Linda Bruce:

"Further, the FAA's approval was based on the condition that the committee's establishment and composition would be at the discretion of the airport authority (see Page 9, Section 3 – *Program Management Elements*, #4. *Establish Follow-up Roundtable/Committee* (Page G.27)). To do otherwise would limit the airport sponsor's ability to comply with Federal grant assurances that require the airport sponsor to maintain rights and powers necessary to operate and maintain the airport in accordance with Federal requirements (see AIP Grant Assurances No. 5, *Preserving Rights and Powers*).

Mr. Magoon expressed that in the early 90's when the issue of scheduled passenger service came up, it was ruled that inherent in the power to appoint, is the power to dismiss, giving the County Commissioners the ability to abolish the noise roundtable if they so choose. He further explained that in the matter of grant assurances, only the FAA has the power to decide if Centennial Airport is in violation and since the FAA has the power to give the money, they also have the power to make the airport return the money. He continued that since Arapahoe County signs the grant assurance agreements, if it came to returning the money to the FAA, once the Airport has been liquidated, the county would be required to pay back the rest of the difference to the tune of millions.

Mr. Magoon stated that it is the recommendation of the ACPAA Board's legal counsel to send the MOU agreement to Linda Bruce and ask if the FAA has any comments or concerns. He further commented, that the FAA rarely gets involved in these matters and there is little likelihood it would get involved now.

Commissioner Doty made a motion to send the MOU document to the FAA for comment.

Ms. Brown commented and also said CACNR would be willing to strike the FAA involvement from the document. Commissioner Doty and Mr. Magoon discussed if this changes the issue, to which Mr. Magoon still held the stance that the FAA should be involved since this could affect grant assurances.

Commissioner Sharpe seconded the motion by Commissioner Doty and noted she would like to see very specific questions and answers on the matter. Also, that she would like to see "body" changed to "committee" and the language in the policy section to be changed.

Ms. Brown responded that all of the affected CACNR communities will also have to sign this agreement and her community of Cherry Hills will not be willing to sign the document if the process takes another year, as they would create their own committee by that time. Commissioners Bagnato and Holen made remarks on the dissolution of the roundtable being highly unlikely and their concerns on the matter. Brad Pierce stepped up and offered to remove the language about the FAA and on a question from Commissioner Huffman on the funding after dissolution, offered to rework the language there, as well.

Mr. Olislagers commented that since there was a motion on the table, 1) Would this MOU be acceptable to the FAA, and if not what would be? and, 2) If the FAA could give guidance on what is acceptable as an MOU, would that be acceptable to the parties here? More discussion occurred. Mr. Olislagers recommended leaving the dissolution part, Section 7, out completely to which Commissioner Sharpe inquired if removing this whole section would solve the FAA problem. Mr. Magoon replied that he could not make assurances and suggested the Board agree with what they want in the document and still present it to Ms. Bruce for comment, specifically, regarding the grant assurances since she had chimed in on this matter before in her November email. He also recommended setting a termination date for any conditional approval. All parties agreed to remove Section 7, reword Article 3, Section A on setting policy, change the body to committee wording and give a 60 day conditional approval pending changes and FAA comment.

Gwen Balk presented a motion to conditionally approve the MOU subject to removal of Article VII, to clarification of Article I subparagraph 3 on objective, to changing the term "body" to "committee", and to request FAA review and comments on grant assurance compliance within 60 days. Commissioner Doty removed her prior motion then moved to approve the new motion as stated. Commissioner Sharpe seconded the motion. Motion passed unanimously.

Mr. Olislagers recognized and thanked Harold Anderson, who was present, for his 6 years serving on CACNR as he stepped down as Chair and Lone Tree representative at the last roundtable meeting.

REPORTS

12. Fuel and Operations Report for April 2016

Marissa Jones-Flaget

Recommendation: Advisory

Ms. Jones-Flaget presented:

- YTD Operations: Up 11.3% from 2015 at 167,477
- YTD Fuel Totals: Up 2.6% from 2015 at 6,523,794
- Monthly Fuel Totals June: Down 3.3% from 2015 at 1,121,983
- Monthly Jet Fuel Sales June: Down 3.7% from 2015 at 1,062,313
- Monthly AvGas Sales June: Up 5% from 2015 at 59,670
- Monthly Market Share for AvGas and Jet Fuel Combined June: DjC: 37.9%; TAC Air: 31.9%; Signature: 21.44%; X-Jet: 8.6%; Heliplax: .1%

13. Noise Update

Aaron Repp

Recommendation: Advisory

Mr. Repp presented statistics on the June 2016 noise complaints. He stated the following:

- There were 1075 complaints from 64 households in June.

- With the top household removed, there were 417 complaints in June.
- Year-to-Date there are 5300 complaints from 146 households.
- With the top household removed, there were 1168 year-to-date complaints.
- There were 979 June daytime complaints.
- There were 96 June nighttime complaints.
- The Top 5 households comprise 86% of complaints.
- There is a potential that 17 complaints will be removed from the data pending the response from the service provider on a potential system issue.
- There were more complaints for jet traffic and continue to be more complaints on departures (with top household removed).
- The quarterly Radar Track Map was updated showing an increase in training traffic over Chatfield Reservoir, which is expected in the summer months.

There were no questions from the Board, however, Commissioner Doubek noted that the reports look much more manageable with the top household removed.

14. Second Quarter of 2016 Land Use Referrals

Aaron Repp

Recommendation: Advisory

Mr. Repp reported the following:

- There was a record of 35 land use referrals
- 14 had a residential component
- 2 were not recommended
 - o The first was part of the Cottonwood Highlands Filing, adjacent to the restricted development zone.
 - o The second was the Trails Edge site plan proposed through the City of Centennial, within the buffer zone of Runway 10/28. Mr. Repp also noted they met with the developer this morning who advised this project was initially proposed through Arapahoe County, but was annexed to Centennial since they allow this sort of development.

15. Centennial Airport Community Noise Roundtable Update

Brad Pierce

Recommendation: Advisory

Mr. Pierce ceded his time due to the lengthy discussion regarding the CACNR Memorandum of Understanding.

16. Legislative Report

Robert Olislagers

Recommendation: Advisory

Mr. Olislagers said the House and Senate voted to approve a relatively “clean” 14.5 month extension to carry through to the end of fiscal year 2017. He noted there were a few amendments relating to security since the Brussels Airport attacks; however, ATO privatization did not make it in. Mr. Olislagers also reported on the meeting of the Design team for Metroplex that he attended which held heavy discussion on the arrivals to Centennial Airport (departures were noted to stay mostly the same as under RNAV). He noted the arrival consisted of aircraft being vectored up near Fort Collins, then west and south down the VFR corridor just east of the foothills before turning into Centennial. During discussions, he said part of the route had been changed, however, the route still follows the same track that many VFR aircraft use, which also brings the jet aircraft lower around communities that have not seen this sort of traffic before. Mr. Olislagers will contact the communities affected to respond to the Environmental Assessment.

Public Comment

Larry Ulrich of Denver Jet Center commented that as the largest rent payer on Centennial Airport and one who has been around since the scheduled service fiasco, he urges the Board to never again do anything that would jeopardize federal funding. He said this could put so many out of business and if Southeast Denver ever loses this airport, they would come to regret it as it is a major economic engine. He also asked if the Roundtable recognizes how few of the 4,000 airports have a committee dedicated to noise as so many others realize airports make noise, but are good for the economy.

Comments from Board or Staff

None

Adjournment

The meeting was adjourned at 4:51 PM.

Robert Doubek

Execution of Documents

Gwen Balk

Approved:


Robert Doubek, Chairman