

PALO ALTO AIRPORT



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County Tiedown Rates go up 7.6%, City of Palo Alto to Form Palo Alto Airport Working Group to Plan Airport's Future

Following actions by the County Airports Commission, and the Housing, Land Use and Transportation Subcommittee of the Board of Supervisors, the County Roads and Airports Division placed PAO on the Board of Supervisor's Agenda for December 12th. The agenda item called for adoption of, in a nutshell:

- a) Approve operation according to the lease until 2017.
- b) Approve termination of involvement with PAO in 2017.
- c) Limit future capital investment to that required for safety and Federal mandates.
- d) Require the City to sign off on future FAA Grant Assurances.
- e) Approve a tiedown rate increase of 7.6% and fuel flowage increase of 10 cents, to 20 cents/gal.
- f) Direct administration to pursue revenue-generating uses for available space at PAO.
- g) Terminate Levee maintenance agreement and remove levee area from the lease.

Representatives of the PAAA and the City attended the meeting. Our supervisor, Liz Kniss got agreement to vote on each item separately. Ultimately, all passed except for item b. Supervisor Kniss asked for the decision to be put off for 18 months, but agreed to 6 months as proposed by supervisor Gage. This passed 3 to 1 with supervisor McHugh against and Alvarado absent. The City and the County agreed to meet to see if some satisfactory arrangement could be worked out to allow for the County continuing operation after 2017.

The preferred County plan is to have the tiedown rates increase 7.6% at the beginning of each year, an exponential increase that would result in a 2.24 multiple over rates for 2006 by the year 2017. The tiedown that costs \$111.00 today would then be \$248.46. Figuring a 3%

It's Time To Renew Your PAAA Membership!

Once again it's the end of the year and time to renew your membership in the PAAA. Membership is on a calendar year basis so dues for 2007 are now due. Unlike most aviation-related expenses, the dues are still \$15.00; an envelope is included for your convenience. With the nature of future operation uncertain, PAAA is your voice of influence and more members make it stronger. Please put your check in the envelope and **send it today!**

inflation rate, this would be about \$180 in today's dollars. Roads & Airports current stated position is that the 7.6% is in lieu of the traditional cost of living increases. Possessory Interest taxes could go up as well, depending upon what position the Assessor's office takes.

Due to the six month "grace" period, Mayor Kleinberg and Council member Klein issued a colleagues memo to the City Council urging the formation of a Palo Alto Airport Working Group (PAAWG). After some discussion, the Council voted on December 18th to support its formation. The vote was 7-2 in favor. The memo said, in part:

"...Given the short time frame established by the County for negotiations, we recommend the creation of a Palo Alto Airport Working Group ("PAAWG") to participate in analyzing the airport operations and developing one or more business models for airport operations. The Palo Alto Airport Working Group would be appointed by the Mayor and would include a representative of the City Council, two representatives of City staff selected by the City Manager, representatives of the Palo Alto Airport Association, the Stanford Hospital, the Joint Community Relations Committee for the Palo Alto Airport, and 3-5 representatives of stakeholder groups with an interest in airport usage and operations, at least one of whom shall be a business user.

PALO ALTO AIRPORT ASSOCIATION NEWSLETTER

The PAAWG would meet as needed with representatives of the County and the public to develop its recommendations and, in keeping with the County's timeline, bring those recommendations to the City Council and City Manager for use in negotiations with the County."

The PAAWG will obviously have a lot of work to do in evaluating alternatives and trying to accommodate various competing interests in six months. Council member Larry Klein said that the City clearly has an unhappy lessee and the it needs to at least understand the sources of displeasure. There are assurances that the Supervisors will be satisfied with substantial progress, as a completely worked out program is nearly impossible in that time frame.

PAAA Position

It has been the position of the PAAA during presentations that the County will be best served by an airport system of three airports operated by the County. Fundamentally, PAO serves the public in the same way that RHV and E16 do, and even has a similar number of operations vis-a-vis RHV. While we are reasonably sure that the airport could be successfully operated as a Municipal Airport either directly by the City or by an operator contracted by the City, we do not want to see the County option removed from the table at this early date.

We feel that some of the restrictions that govern development of the airport are repressive and limit its economic viability and usefulness. This is one of the reasons that Roads and Airports want to leave at the end of the lease. We have to accept as a given that any planned improvements must not cause a negative impact on the adjacent Baylands Park and wetlands. However, there is much that can be done to improve the airport utility and financial strength within this parameter.

While we feel that the current 7.6% tiedown rate increase and fuel flowage increase at PAO (only) is discriminatory, it is certainly better than the 36% increase originally proposed. We remain concerned that if the County applies a 7.6% increase annually, and does what it can to minimize expenditures until 2017, that a number of owners and operators will leave and the City would face large costs for deferred maintenance.

It is vitally important to make sure that everyone understands the value of the airport to the community. It is important to meet public service, medical transport, critical disaster and incident transport needs. It is an economic resource with over a hundred part- and full-time

employees. It also supports the training, transportation and recreational needs of a large community of pilots. It is and can remain revenue neutral—it pays for itself. The assessed value of the aircraft based at PAO is reflected in the estimated \$1.8 million paid in property taxes each year. The community simply can't afford to ignore this resource!

We look forward to working as part of the PAAWG and strongly support The City Council's decision to form the group. We are prepared to help in any way we can.

Acknowledgement

We wish to thank Mayor Judy Kleinberg, Council member Larry Klein, District 5 Supervisor Liz Kniss and her staff member Paul Garcia, and City staff Frank Benest, Sharon Erickson, Bill Fellman, Chris Mogenson, and Edwin Young. They have all put a lot of effort into attempting to resolve this issue and have been supportive of efforts to find a solution.

Enterprise Car Rental Comes to PAO

PAAA welcomes Enterprise car rentals as a new tenant in the Terminal Building. The building has been partially remodeled to make room for Enterprise. The company has also leased several spaces in the lot in front of the terminal. As all of us who use small airports are well aware, the convenient availability of rental vehicles at these airports greatly enhances the utility of our aircraft. Palo Alto Airport has long needed this service. In addition, the lease income adds to PAO's contribution to the County Airport Enterprise Fund, reducing the justification for increased tiedown fees in the future. Enterprise's website is at www.enterprise.com.

Fly Safe and Be a Good Neighbor

This has been a bad month for GA locally. Crashes in the South County area and Concord have cost lives and resulted in undesirable publicity for GA. Let's all be careful up there. As always, quiet is good.

Contact!

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DON'T FORGET TO SEND YOUR DUES!

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**MEMBERSHIP RENEWAL TIME!
(DUES ENVELOPE ENCLOSED)**

Mail renewal to:

PAAA TREASURER
202 DIABLO AVENUE
MOUNTAIN VIEW CA 94043-4117

**PALO ALTO AIRPORT ASSOCIATION
JANUARY BOARD MEETING**

TUESDAY, JANUARY 2, 12:00 PM
ABUNDANT AIR CAFÉ AT PAO
(POOR WEATHER MOVES IT TO WVFC)

PALO ALTO AIRPORT ASSOCIATION
PO BOX 60275
PALO ALTO CA 94306

FIRST CLASS MAIL

DON'T FORGET TO SEND YOUR DUES!