

**MINUTES OF THE SPECIAL MEETING OF THE
HAILEY CITY COUNCIL
HELD DECEMBER 8, 2011
IN THE DISTANCE LEARNING LAB AT THE
WOOD RIVER HIGH SCHOOL**

The Meeting of the Hailey City Council was called to order at 6:35 P.M. by Mayor Rick Davis. Present were Council members Carol Brown, Don Keirn, Fritz Haemmerle, and Martha Burke. Staff present included City Attorney Ned Williamson, City Administrator Heather Dawson, and City Clerk Mary Cone.

Mayor Davis opened the meeting, welcoming the public and thanking them for coming tonight. Mayor Davis turned over the floor to Rick Baird the Airport Manager.

PUBLIC HEARINGS:

PH 566 Airport Relocation Discussion – Town Hall Meeting Style

Rick Baird gave a presentation to council. Baird reviewed the two owners (sponsors) of the airport – Blaine County Friedman Memorial Airport Authority (FMAA) and the City of Hailey. The Federal Aviation Administration (FAA) is also a decision maker when it comes to the airport. Baird then reviewed what the decision makers can and cannot do. The airport cannot close for general aviation or limit the size or type of aircraft coming in and out of the airport due to the Airport Noise and Capacity Act of 1990 (ANCA). Before 1994, 1976 was the first time airport discussions mentioned the airport being possibly relocated out of the valley. Baird then discussed the 1994 master plan which established a policy; the preamble stated that the physical limits of the facility caused a need to look away from the valley cities to find a long term solution. 2004 master plan instigated the Q400 aircraft, which is flown by Horizon. Baird then discussed the major problems with the current runway. To meet the FAA standards, we must have an object free area which is currently inhabited by highway 75 on the East and airport taxi way and buildings on the West. Also during the 2004 master plan a decision was made to look for an alternative away from the valley, the FAA concurred with this plan. In 2006 3 sites were reviewed, and site 10A was selected as it met the initial criteria. Next step was the EIS process. 3 sites were studied; site 4 was eliminated due to inability to meet FAA minimums. The current EIS process was suspended by Donna Taylor FAA director. Most recently, the FAA has requested that the FMAA and the Sponsors come up with a plan to move forward with the airport.

Baird explained what has changed since 1994. Currently, an exploration of interim measures is being pursued because at this time alternatives away from the valley are not financially feasible. Baird explained what is being discussed now, everything from what size airport do we really need for future, can we improve reliability at the current site, a replacement airport is not off the table and preserving air service with the Q400.

Focus of current discussions include, improving reliability, incremental phased improvements inside the fence and installing ground equipment.

Options for the community are, do nothing – no impact to general aviation, but can expect additional operating limitations for the C-III air carrier (Q 400), could also impact federal funding. Next option, make incremental improvements at existing site, can reliability be improved at existing threshold? One concept proposes to have 7,500 feet of area, this would shift runway, acquire 185 acres, relocate tower, clear east side and remove all aircraft parking outside of the Obstacle Free Area. Another option is airport relocation but the financial aspect is large and we currently don't have a viable site (site 10A is not an option due to wildlife impact and cost).

Presently there is no estimate on cost for improvements of the current site.

Baird discussed why air service is so important to the valley. Commercial air service is valued at \$52.3 million. Commercial air service supports visitor related employment of 726 year round jobs. Hailey has a local option tax which is mostly paid for by visitors – rental cars, hotels, restaurant food and liquor by the drink. Baird then discussed the airport's economic impact – it provides 1,550 jobs. If we lost commercial air service then we might operate with a \$500,000 deficit – the airport operates in the black today. Baird discussed why air service is critical; grant funding could go away without commercial air service and critical equipment maintenance, snow removal would be expensive without the FAA's grant funding source. Baird discussed how the C-III aircraft operate at the existing site – when the Q400 comes in and goes out – the parallel runway must be sterile. The airport is having discussions with both air carriers and they are in support of the community finding a solution to future service needs. In summary, sponsors must operate the existing airport, we have been working for almost a decade for a future solution, research is being done in an attempt to retain commercial air service while providing improved reliability. A no action alternative involves significant risk to commercial service. Potential loss of Air Traffic Control Tower brings risk to General Aviation as well.

Public Comments:

Bill Rae of 3360 Berrycreek Drive spoke to council. Rae asked about the FAA's reason for suspending the EIS study, is there a way to make an appeal to the FAA to get them to change their mind? Rae thinks it's hard to believe that sage grouse caused the problem? Baird responded, can we restart the EIS, yes we can. It is pretty clear 10A will not be a potential site because of the sage grouse.

Geoffrey Moore of 1250 Woodside Blvd. – is confused because he thought relocation was not possible. If we relocate, we are talking a bond how much would it cost per \$100,000 valuation. Everyone in the north valley will fight a bond. Can we sell the 100 acres that Hailey owns at the current airport site to raise money? Moore wants to know about the new State law that allows elected officials to obtain debt without an election. Burke answered, Moore question, airports and hospitals can borrow money and pay it back with their income, a different situation than what we have. Baird responded to Moore's first question. Baird confirmed that there is a large shortfall; the FAA has stated that they would only pay 50% of the 2/3 amount needed for the

replacement airport, they have not stated that they have this money. Moore restates his question to council, worst case scenario, what if we lose commercial air service, and we have to support the airport financially, what do we do? Burke responds to Moore's question by asking for the community input – because we are all in the same boat. Baird addressed Moore's last question, sell the airport, give the FAA their money back (\$39 million) and we go on our way. The FAA is in the business of operating airports not eliminating airports.

Steve Fairbrother 950 Buckhorn Drive – Fairbrother asked how did the sage grouse get on the endangered list? Baird commented that we don't know a lot about the EIS because the documents are not public record and the study is suspended. The FAA does not want to be in the flashlight for a project which could list the sage grouse on the endangered species list. Fairbrother is concerned and asks if this is an issue about public grazing, did public grazing contribute to the sage grouse decline? Baird comments

Tony Evans of 12 E Spruce Street and with the Idaho Mountain Express newspaper asks a question about reliability of the airport. Evans asked if there is a technology fix available which would improve reliability. Baird answered, we are looking at all options, Required Navigation Procedures equipment (RNP) may increase reliability, it gives aircraft greater operating ability in a smaller area. This is not a cure-all. Horizon has RNP equipment, Skywest does not. GE issued a press release recently, widely published in this valley, they have ideas to increase reliability in this valley. Is there other technology?, yes ground equipment (antenna would require expanding outside the fence). However, since the replacement airport is not a near term solution, can we acquire enough property to buy this antennae, Baird stated, they are pursuing this possibility. GPS equipment may help increase reliability, with a better missed approach.

Peter Lobb of 403 E. Carbonate feels there may be a few issues? Is the FAA a reliable partner? Can we move the airport? If so, try it. We need to answer this first? Brown answers, sure we can find a replacement if we can pay for it. Burke feels the best option is a relocation site. Haemmerle asks a question to Rick Baird. What will it take to unsuspend the EIS process? Baird responds, when the community makes a decision – this will open the EIS process. The FAA wants us to pick a direction. Haemmerle asked if the FAA has given a dollar amount that they will give to the project – no they have not answered Baird.

Haemmerle asks a final question, he has heard frustration from the public on this topic. The first question is reliability – if it cannot be improved then look for another site. If it can be improved, then do we improve current site, and continue looking for a replacement site. Baird is hoping that they will have a proposal by the February 2012 FMAA board meeting. The FAA will review the proposal, they must approve of it first. If air service cannot be improved then commercial air service may be at risk. Enplanements are down from 10 years ago, this is a concern added Baird.

John Finnell of 710 East Bullion spoke to council on 2 issues, money and dirt. What are we doing to find a viable site and the necessary money? Clearly this is a long difficult process. Baird, responded once we gather information, a recommendation could request the EIS to proceed.

Jim White, the problem with the 10 A site is the sage grouse, so find some additional land that is farmland without sage grouse. We need to find another property because the current airport is too difficult to fly into and is not a good long term solution.

Jim Perkins 541 River Trail Hailey spoke to council. Perkins is also a pilot. Perkins disagrees with White's comments that FMA is not a scary airport to fly into. The modifications we've been operating on since the Q400, Perkins asks Baird how many accidents have occurred. Baird does not want to discuss the accident record because it has not been studied. Can additional aircraft be considered? Burke, we don't know the answer unless a risk assessment is conducted. Perkins stated that we've not had a lot of problems.

Sue Martin of 213 Broadford Highlands, thanks council for this process, it is very informative. Martin is a Hailey business owner. Our quality of life is impacted, airport here means revenue to her and Sun Valley.

Sheila White of 113 Quarter Horse Drive Bellevue – how much money do we need to increase the reliability of our existing airport? From what White has heard in these meetings, it sounds very expensive, possibly more than relocating and building a new airport. Baird responded, existing site expansions have not been extensively researched and priced.

John Straus of 102 Water Hole mid valley asked council to look back at the sponsor definition – you are the driving force. The FAA is the partner. Reliability, the FAA cannot lower minimums, Baird and team must tell FAA what we can do and can they (the FAA) make concessions to the minimums.

Geoffrey Moore asked if money an issue with the FAA? Baird feels that money is a concern everywhere. There is rumor that the AIP program will be less funded this year than in past years.

Baird responds to Straus's question. The FMAA authorized Baird to send the FAA a letter asking if regional jets can fly into FMA. The board is taking a risk of the way we do business today by asking this question. The SMS study will give you the answer, can another aircraft be added to the runway. The unintended consequences of the SMS study could be huge.

Mayor Davis thanked everyone for attending. Rick Baird thanked the council. At 8:40 P.M. the meeting was adjourned.

Rick Davis, Mayor

Mary Cone, City Clerk