

# CITY OF MERCED

*"Gateway to Yosemite"*



## **WELCOME TO YOUR REGIONAL AIRPORT AUTHORITY MEETING OF THE CITY OF MERCED**

### **AUTHORITY MEMBERS**

Larry Morelock-Chair, Alvin Osborn-Vice-chair, John Sundgren,  
Russ Cowperthwaite, Rodrigo Flores, Ryan Smith and Michael Bodine.

### **AGENDA**

**7:00 pm  
3<sup>rd</sup> FLOOR CONFERENCE ROOM  
678 WEST 18<sup>th</sup> STREET  
MERCED, CALIFORNIA**

**TUESDAY  
JANUARY 21, 2014**

**([www.cityofmerced.org](http://www.cityofmerced.org))**

STAFF REPORTS OR OTHER WRITTEN DOCUMENTATION RELATING TO EACH ITEM OF BUSINESS REFERRED TO ON THE AGENDA ARE ON FILE IN THE AIRPORT ADMINISTRATION OFFICE OF THE AIRPORT SUPERINTENDENT. ANY PERSON WHO HAS QUESTIONS CONCERNING ANY AGENDA ITEM MAY CALL THE AIRPORT SUPERINTENDENT AT (209) 385-6873 TO MAKE INQUIRY REGARDING THE NATURE OF THE ITEM DESCRIBED ON THE AGENDA. PRIOR TO EACH REGULAR REGIONAL AIRPORT AUTHORITY MEETING, A COMPLETE AGENDA PACKET IS AVAILABLE FOR REVIEW IN THE FOYER OUTSIDE THE COUNCIL CHAMBERS AND ON THE CITY'S WEBSITE AT [WWW.CITYOFMERCED.ORG](http://WWW.CITYOFMERCED.ORG). ANY DOCUMENTS PROVIDED TO A MAJORITY OF THE COMMITTEE MEMBERS AFTER THIS AGENDA IS POSTED WILL BE AVAILABLE FOR PUBLIC INSPECTION IN THE CITY CLERK'S OFFICE DURING NORMAL BUSINESS HOURS.

FOR CITIZEN PARTICIPATION INSTRUCTIONS, PLEASE REFER TO THE CITY'S WEBSITE AT [WWW.CITYOFMERCED.ORG](http://WWW.CITYOFMERCED.ORG). A HANDOUT IS ALSO AVAILABLE AT THE MEETING ADJACENT TO THE AGENDA. INDIVIDUAL AGENDA ITEMS MAY BE HEARD IN AN ORDER THAT IS DIFFERENT THAN THEY APPEAR ON THE AGENDA TO ACCOMMODATE MEETING PARTICIPANTS.

**INFORMATION FOR INDIVIDUALS WITH DISABILITIES:**

Accommodation for individuals with disabilities may be arranged by contacting the City Clerk's Office at 209-388-7100.

Assisted Hearing Devices Available for Hearing Impaired  
Teletypewriter (TTY) 209-385-6816

THE PUBLIC HAS THE OPPORTUNITY TO ASK QUESTIONS OR COMMENT AT THE TIME SPECIFIC AGENDA ITEMS ARE CONSIDERED. NORMALLY, EACH AGENDA ITEM WILL HAVE A STAFF PRESENTATION, FOLLOWED BY COMMENTS OR QUESTIONS BY THE AIRPORT AUTHORITY MEMBERS. IF REQUESTED BY AN AUDIENCE MEMBER, THE CHAIRPERSON WILL THEN ALLOW THE PUBLIC TO MAKE COMMENTS OR ASK QUESTIONS. AFTER ANY PUBLIC INPUT, THE AUTHORITY MAY HAVE FURTHER DISCUSSION BEFORE TAKING ACTION TO THE NEXT AGENDA ITEM.

**A. CALL TO ORDER**

**B. ROLL CALL**

**1. INTRODUCTION OF NEW REGIONAL AIRPORT AUTHORITY MEMBER, MR. MICHAEL BODINE.**

**C. WRITTEN PETITIONS AND COMMUNICATIONS**

**D. ORAL COMMUNICATIONS**

AT THIS TIME, ANY MEMBER OF THE AUDIENCE MAY COMMENT ON ANY MATTER NOT LISTED ON THE AGENDA. PLEASE STAND AND STATE YOUR NAME AND ADDRESS FOR THE RECORD. THE AUTHORITY WILL NOT TAKE ACTION ON THE ITEM THAT IS BROUGHT TO THEIR ATTENTION THIS EVENING. IF IT REQUIRES ACTION, IT WILL BE REFERRED TO STAFF AND/OR LISTED ON THE NEXT AUTHORITY AGENDA.

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PLEASE BE BRIEF AND TO THE POINT. AVOID REPEATING WHAT PREVIOUS SPEAKERS HAVE SAID. IF TWO OR MORE INDIVIDUALS ARE HERE AS A GROUP AND WISH TO SPEAK ON ONE SIDE OF AN ISSUE, PLEASE SELECT A SINGLE SPOKESPERSON TO PRESENT YOUR VIEWS.

**E. CONSENT CALENDAR**

**1. AIRPORT AUTHORITY MINUTES FOR NOVEMBER 19, 2013.**

Recommendation:     *Adopt a motion to approve and file.*

**F. REPORTS**

**1. FIXED BASED OPERATOR LEASE UPDATE/STATUS**

*Recommendation: For information only.*

**2. AIRPORT CAPITAL IMPROVEMENT PROGRAM (ACIP) UPDATE**

*Recommendation: For information only.*

**3. AIRPORT MANAGER'S REPORT**

*Recommendation: For information only.*

**G. AUTHORITY BUSINESS**

**1. POSSIBLE INCOMPATIBLE LAND USE ACTIVITY**

*Recommendation: Discussion as desired by Authority members.*

**2. OTHER BUSINESS FROM AUTHORITY MEMBERS**

- a. Regional Airport Authority 2014 Meeting Schedule
- b. Authority members may introduce items to be calendared for a future agenda.

*Recommendation: Discussion as desired by Authority members.*

**H. ADJOURNMENT:**

TO THE NEXT AIRPORT AUTHORITY MEETING, TUESDAY  
FEBRUARY 18, 2014 AT 7:00 PM IN THE **3<sup>rd</sup> FLOOR CONFERENCE  
ROOM**, 678 WEST 18<sup>TH</sup> STREET MERCED, CA 95340.

**CITY OF MERCED  
REGIONAL AIRPORT AUTHORITY MINUTES**

**SAM PIPES CONFERENCE ROOM  
MERCED CIVIC CENTER  
678 WEST 18<sup>TH</sup> STREET  
MERCED, CA**

**TUESDAY  
NOVEMBER 19, 2013**

**A. CALL TO ORDER**

Chair Larry Morelock called the meeting to order at 7:00 p.m.

**B. ROLL CALL**

Members present: Larry Morelock, Alvin Osborn, John Sundgren, Russ Cowperthwaite, Rodrigo Flores and Ryan Smith.

Members absent: None (one vacancy)

Staff Present: Ron Elliott and Jessica Cortright.

**C. WRITTEN PETITIONS AND COMMUNICATION**

None.

**D. ORAL COMMUNICATIONS**

None.

**E. CONSENT CALENDAR**

**1. REGIONAL AIRPORT AUTHORITY MEETING MINUTES FOR SEPTEMBER 17, 2013.**

M/S/C -Osborn/Sundgren motioned to approve and file the minutes for September 17, 2013 as submitted.

**F. REPORTS**

**1. FIXED BASED OPERATOR LEASE UPDATE/STATUS**

Ron Elliott explained that he received a response from Mr. Tom Lopes this morning, due to this reply this item will be tabled to the December meeting.

## **2. GREAT LAKES AIRLINE – NEW SCHEDULE**

Ron Elliott reviewed the new airline schedule that started on November 5, 2013. This new schedule has an originating flight in Merced, which should help with the fog season.

## **3. GRANT 20, RSA STUDY – FINAL CLOSE-OUT REVIEW**

Ron Elliott reviewed the highlights in the Executive Summary from RS&H.

## **4. ACA CONFERENCE UPDATE – SEPT 11, 2013**

Ron Elliott shared the Association of California Airports (ACA) Conference agenda with board members and spoke about courses he attended. Mr. Elliott has been the Vice-President of the ACA for the past 2 years, and this year he was elected as the President. With this role he will be in charge of the Annual Aviation Awareness Day on April 23, 2014 and invited everyone to attend.

## **5. AIRPORT MANAGER’S REPORT**

Ron Elliott reviewed the written manager’s report for October 2013.

## **G. AUTHORITY BUSINESS**

### **1. POSSIBLE INCOMPATIBLE LAND USE ACTIVITY**

None.

### **2. OTHER BUSINESS FROM AUTHORITY MEMBERS**

None.

## **H. ADJOURNMENT**

Larry Morelock called the meeting adjourned at 7:21 PM until the next Regional Airport Authority meeting on Tuesday, December 17, 2013 at 7:00 pm in the Council Chambers at 678 W 18<sup>th</sup> Street, in the Civic Center.

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Larry Morelock, Chair  
Regional Airport Authority

# GATEWAY AIR CENTER, INC

44 Macready Drive  
Merced Airport  
Merced, CA 95340  
209-722-7300  
209-722-3402

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Nov. 19, 2013

Ron Elliot  
Merced Airport  
20 Macready Dr  
Merced CA 95340


RE: Gateway Lease

Dear Mr. Eliot

As per our conversation as well as past conversations, the lease presented to Gateway Air Center, Inc. has been reviewed. The lease has numerous changes that have been made to it without any prior conversation or input from our side to include deleted items, reduced land leased, restrictions and revenue sharing clauses. While I understand your position that this may be a good time to negotiate potential terms and changes, that was not the intention nor the reason why the lease rewrite came to be. The primary reason for the rewrite was to add clauses to allow for financing.

We would appreciate input from the cities side if the document is to be corrected as per the original intention or should it be the desire of the city to discuss potential changes of terms. Please let us know.

Sincerely



Tom Lopes  
President  
Gateway Air Center, Inc.

# CITY OF MERCED

"Gateway to Yosemite"



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Merced Regional Airport

Telephone 209/385-6873

Fax 209/388-8994

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November 21, 2013

Tom Lopes  
Gateway Air Center  
44 Macready Drive  
Merced, CA 95341

Subject: Gateway Air Center Lease

Dear Mr. Lopes,

We've received your letter reference the Gateway Air Center Lease. We've had numerous discussions regarding the rewrite of your lease due to the number of amendments, and restatements contained in the overall documents. In February 2013 when Janet Young and I provided you a draft of the new lease, we specifically stated the Airport's objectives in a power point presentation:

1. Clarify Lease Terms and Leased Areas
2. Clarify space rented for a competitive square foot lease charge
3. Ensure lease rate is at appropriate level so that a potential competitor who rents only a small area will not have an economic advantage in overhead cost over the current FBO
4. Ensure compliance with FAA Grant Assurances for no "exclusive use" areas
  - Transient ramps or vehicle parking
5. Negotiate agreement that provides economic viability for both FBO and Airport to ensure:
  - Both businesses are successful
  - Services are available to airport users
  - New businesses and tenants can be attracted to the airport

According to your letter dated November 19, 2013, and our recent discussions, you're not interested in a rewrite. Specifically, you would only like to add clauses to allow you to obtain financing. In order to know what you desire, please provide in writing specific clauses in your lease you would like us to rewrite, change, and/or add. We need to know exactly what you would like us to consider.

Sincerely,

Ronald K. Elliott, A.A.E.  
Manager

To: Regional Airport Authority  
From: Ronald K. Elliott, Airport Manager  
Date: January 21, 2014  
Re: **FAA AIRPORT CAPITAL IMPROVEMENT PLAN 2014**

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### **Discussion**

The Merced Regional Airport is required to send a detailed list of all potentially eligible Capital Improvement Projects that require federal grant assistance to the FAA Airports District Office each year for consideration of all future Capital Improvement Projects.

This detailed list is based on recommendations from the FAA's Airport Compliance Specialists, City and FAA Engineering Departments, State of California DOT/Cal-Trans Aviation Office and Merced Regional Airport Consultants. Since last year's update, three projects have been added:

1. Pavement Maintenance Construction (last year was design only)
2. Black Outline for Runway Surface Markings...Per AC 150/5340-1L
3. Airport Terminal Renovations

Project priority is based on a number of factors to include safety, federal fund availability, needs, etc. This year Pavement Maintenance Construction and Black Outline for Runway Surface Markings will be the priority projects since we've already been funded to complete the Design portion for the Pavement Maintenance and the Black Outline for Runway Surface Markings have been directed by AC 150/5340-1L.

The ACIP does not obligate the City of Merced to perform. The ACIP provides FAA a list of potentially eligible projects that necessitate Federal Grant assistance for completion and may be altered or changed at any time by the sponsor. The benefit from having a living document means that alteration and change to the ACIP are easily accomplished, providing that changes to capital projects are based upon information and updates contained in the Airport Layout Plan. Merced's current Airport Layout Plan was approved in February 2013. All projects listed in this ACIP must be contained or added to the ALP.

Based on the updated ACIP, airport staff will complete two an FAA ACIP Grant applications for 2014. The first application will be for the Pavement Maintenance



Construction and Black Outline for Runway Surface Markings. Funding for the second application, Airport Terminal Renovations will be dependent on FAA “discretionary” funding available.

**Costs and Funding:** Funding for capital projects comes from matching City funds, capped at 5% for each FAA grant issued. Total costs for both the Pavement Maintenance and Black Outline for Runway Markings will not be known until bids are received.

**SUMMARY/RECOMMENDATION:**

Airport staff requests the Regional Airport Authority make a motion to recommending the Merced City Council approve the Airport Capital Improvement Plan for FY 2014-2024 and both FAA ACIP Grant applications; one application for the Pavement Maintenance Construction and Black Outline for Runway Surface Markings, and a second application for the Airport Terminal Renovations.

Attachment:

Airport Capital Improvement Plan 2014-2024

**Merced Regional Airport (MCE)  
Airport Capital Improvement Plan  
Future Projects Overview  
(FAA Grant-funded Projects Only)  
Fiscal Year 2014-2024**

FAA FY	Project	Project Description / Justification	FAA Grant	PFC Revenues	City Share	Total
2013	Wildlife assessment - in progress	Conduct, per FAA Part 139 requirements, wildlife hazard assessment.	\$109,079		\$5,741	\$114,820
2013	Pavement Maintenance - Design Only - in progress	Per the 2011 Airport Pavement Management System Update (APMS) for MCE, pavement areas as identified in the report will need to be maintained.	\$68,513		\$3,606	\$72,119
			\$177,592		\$9,347	\$186,939
2014	Pavement Maintenance - Construction	Per the 2011 Airport Pavement Management System Update (APMS) for MCE, pavement areas as identified in the report will need to be maintained.	\$256,500		\$13,500	\$270,000
2014	Black outline for runway surface markings	Per AC 150/5340-1L - Virtually all runway markings to have black borders by 9/27/15	\$38,000		\$2,000	\$40,000
2014	Airport Terminal Renovations	1947 airport terminal needs renovation. Renovation will cover ADA issues and increase operational size to accommodate TSA equipment and passenger needs.	\$95,000		\$5,000	\$100,000
			\$389,500		\$20,500	\$410,000
2015	Fuel farm tank replacement	The fuel farm underground storage tank is old and outdated and will need to be replaced.	\$475,000		\$25,000	\$500,000
2016	Engineering and any needed environmental for new passenger terminal area	Per FAA guidance in AC 5050.4A and Executive Order 1050.1, the work performed in this project will serve to ensure no environmental issues are present prior to commencement of construction. Further work will consist of pre-engineering for the construction of 562,000 square feet of paved ramp and connecting taxiway surface.	\$631,000		\$143,000	\$774,000
2017	Construct new Passenger Terminal Apron and Taxiway to Taxiway A	A new apron area and taxiway is needed for aircraft utilizing the new passenger terminal. The approximate area is 15,000 square yards.	\$3,018,000		\$217,000	\$3,235,000
2018	Acquire avigation easements	Runway extension requires the acquisition of additional easements, as identified in the 2007 Master Plan and current Airport Layout Plan. This is necessary at the same time or before the runway extension project.	\$1,045,950		\$55,050	\$1,101,000
2019	Engineering and environmental for relocation of Taxiway A	Per FAA guidance contained in AC 5050.4A and Executive Order 1050.1, the work performed in this project will serve to ensure that no environmental issues are present prior to commencement of construction. Further work will consist of pre-engineering for the construction of the runway extension project in 2010.	\$150,000		\$7,895	\$157,895
2020	Extend Runway to 6,450 feet, extend Taxiway A at 400-foot separation, relocate glide slope, PAPI, MALSR, and underground power lines along Dickenson Ferry Road	Increasing capacity demands, coupled with a growing number of large cabin class turbine aircraft utilizing the Merced Airport, support the addition of additional paved surface that will adequately meet published accelerate stop distance requirements, at a total runway length of 6,450 feet. Most turbojet aircraft have published accelerate stop distance requirements that exceed Merced's current published runway length. This project will greatly enhance the Airport's operational safety, while allowing larger aircraft to operate from Merced Regional Airport, without being penalized in their operational safety requirements.	\$5,740,000		\$309,150	\$6,049,150
2021	Relocate taxiway A for 400-foot separation		\$5,347,200		\$267,300	\$5,614,500
2022	ARFF Support	Adequate equipment is essential to provide for safety and effective operation of fire crews. Strengthened ARFF support systems are needed to increase safety at Merced Regional Airport. Fire hydrant distribution is necessary to adequate firefighting.	\$399,000		\$21,000	\$420,000
2023	Overlay of GA Parking Area, New Passenger Apron, Ramp, and Freight Ramp	The service life of the GA ramp is approaching its maximum ability to support continuous traffic. With the anticipated increases in GA and corporate traffic into the Airport, coupled with the significant increased FBO activity in and around the service and storage hangars, repaving this area will be of prime importance to continued safe operations. The project also accommodates the relocation of the main airline terminal, to an area that is compliant with the Airport Master Plan. The relocation of the terminal building and ramp areas are necessary for the projected passenger growth within the projected ten year period.	\$1,363,300		\$72,000	\$1,435,300
2024	Apron lighting enhancements		\$855,000		\$45,000	\$900,000
2024	ARFF Support		\$25,000		\$1,250	\$26,250
<b>Total*</b>						

\* Actual cost will be determined by bids. FY projects subject to change - based on need.

**Related plans:**

1. Merced Municipal Airport Master Plan, 2007: project listings are consistent; some costs have been revised.



# Merced Regional Airport

Manager's Report December 2013

## **OPERATIONS**

Great Lakes Airlines enplaned 293 total passengers for the month of November. Airline revenue enplanements were up 35 percent from November. In comparison to December 2012, enplanements were up just over 71%. December ended up being our best enplanement month of 2013. There were thirteen cancellations this month out of the 58 scheduled departures. Of the 13 cancelled flights, 11 were cancelled for lack of crew availability. The Federal Aviation Administration (FAA) instituted a new rule requiring First Officers to have a minimum of 1,500 flight hours to fly for a commercial airline. Since this new rule has gone into effect Great Lakes Airlines has lost roughly 25 percent of their pilots. To alleviate customer dissatisfaction, Great Lakes Airlines is cancelling flights at least 3-5 days out so passengers can reschedule or make other arrangements.

## **CAPITAL PROJECTS AND CONSTRUCTION**

Airport staff has been working with RS&H Consulting on the FAA Airport Capital Improvement Program (ACIP) Grant for 2011 – Grant 19. This grant provides funding for a new commercial airline terminal study. The study will include site design and a needs assessment for the location and layout of a new airline terminal, aircraft parking apron, additional access roads, and vehicle parking needs. The study is complete. The FAA has approved moving forward with closing out the grant and all the final paperwork has been submitted. We are currently waiting for FAA notification the grant has been finalized and closed.

Additionally, Airport staff has been working on the FAA ACIP grant for 2012, Grant 20. On June 27, 2012, the FAA approved the Runway Safety Area (RSA) study to determine the best and most advantageous option for clearing the Airport's RSA. The Study determined the best course of action is to change the Airport Reference Code from a C-III to a B-II. The change has been made and a new and updated Airport Layout Plan (ALP) has been approved and accepted. The FAA has approved moving forward with closing out the grant, and the final paperwork has been submitted. We are currently waiting for FAA notification the grant has been finalized and closed.

Grant 21, Wildlife Hazard Assessment Study has been approved and funded by the FAA. A "kick-off" meeting was held in September to start the yearlong Wildlife Hazard Assessment.

The FAA has approved Grant 22 for pavement rehab to the west side of the FBO maintenance hangar. However, since only discretionary funds were available, the FAA approved only the design portion of the grant. Total funding available for design was \$87K. Actual construction, using entitlement funds, will occur in 2014. Another grant application will be required in first quarter 2014 to request this additional funding for actual construction. The "design" scope of work has been approved and RS&H is currently working on the project.

## **OTHER**

Legal and Airport staff are working with Gateway Air Center on consolidating numerous lease amendments into one lease. The Airport Manager, Ron Elliott, and Past Regional Airport Authority Chairperson, Janet Young, met with the President of Gateway Air Center, Tom Lopes, on February 26, 2013, to review and discuss the new lease. In November, Mr. Lopes has submitted a letter requesting the lease not be renegotiated, but has requested changes be made so he can obtain financing against the lease. Airport Staff has requested Mr. Lopes identify (in writing) these desired changes. This item has been added to the January Regional Airport Authority monthly meeting agenda.

To: Regional Airport Authority  
From: Ronald K. Elliott, Airport Manager  
Date: January 21, 2014  
**Re: Possible Incompatible Land Use Activity**

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No activity this month.

To: Regional Airport Authority  
From: Ronald K. Elliott, Airport Manager  
Date: January 21, 2014  
**Re: Other Business from the Authority**

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- a. Regional Airport Authority 2014 Meeting Schedule
- b. Authority members may introduce items to be calendared for a future agenda.

**2014 REGIONAL AIRPORT AUTHORITY MEETING SCHEDULE**  
 (MEETS THIRD TUESDAY OF EACH MONTH AT 7:00 P.M.)  
 (LISTED ON CITY COUNCIL CONSENT CALENDAR-INFORMATION ONLY)  
**Jessica Cortright**

	Minutes Presented To Council	Date Presented
January 21, 2014*	<input type="checkbox"/>	_____
February 18, 2014 *	<input type="checkbox"/>	_____
March 18, 2014	<input type="checkbox"/>	_____
April 15, 2014	<input type="checkbox"/>	_____
May 20, 2014	<input type="checkbox"/>	_____
June 17, 2014	<input type="checkbox"/>	_____
July 15, 2014	<input type="checkbox"/>	_____
August 19, 2014	<input type="checkbox"/>	_____
September 16, 2014	<input type="checkbox"/>	_____
October 21, 2014	<input type="checkbox"/>	_____
November 18, 2014	<input type="checkbox"/>	_____
December 16, 2014	<input type="checkbox"/>	_____

*\*January and February meetings will be held in the 3<sup>rd</sup> Floor Conference Room.*