

**SPECIAL MEETING
BOARD OF MAYOR AND ALDERMEN
(PUBLIC PARTICIPATION)**

October 5, 2010

7:00 PM

Mayor Gatsas called the meeting to order.

Mayor Gatsas called for the Pledge of Allegiance. He asked Aldermen Osborne and Shea to make introductions.

Alderman Osborne stated I want to introduce two students from Henry Wilson Elementary School and Ward 5 residents, Morgan Freeman and Daniel Harmon.

Alderman Shea stated having taught at Wilson School, I'm honored to introduce from Henry Wilson Elementary School and a Ward 7 resident, Bronzen Walker in Grade 5.

A moment of silence was observed. Mayor Gatsas asked that members keep Alderman Jim Roy and his wife and former Mayor Robert Baines and his wife in our thoughts, as they have lost a mother and a mother-in-law recently.

The Clerk called the roll.

Present: Aldermen Craig, Ludwig, Long, Roy, Osborne, Corriveau, O'Neil,
Lopez, Shea, DeVries, Shaw, Greazzo, Ouellette, Arnold

Mayor Gatsas advised that the purpose of the special meeting is to give residents of Manchester the opportunity to address the Board on items of concern affecting the community; that each person will be given only one opportunity to speak; that comments shall be limited to three minutes to allow all participants the opportunity to speak and any comments must be directed to the Chair. Any resident wishing to speak should come forward to the nearest microphone, clearly state their name and address when recognized, and give their comments.

Mr. Howard McCarthy, 52 Valentine Drive, stated:

Good evening Your Honor and ladies and gentlemen. I'm very glad to be here. I'm very glad to be anywhere. I have to read this because I have so many things I want to get in here. I had about three pages so I cut it down to just one page. Why? Three minutes. I welcome you to the land of Shangri-la, where happiness and love are in the air. By the way, that's a song. Then there is the real world, the world as we know it, a far cry from Shangri-La. I am one of the wooden soldiers who parades before you to speak about things I believe are important. My subject tonight is, once more, the Senior Citizens luncheon. A month ago I asked you to consider new thoughts and ideas to save money for the lunches. You did not. Why? My guess is because you know it all. I have news for you, you don't. But neither do I. If you had more patience and consideration of the disappointment you caused the 500 or better seniors, your decision might be different. Why didn't you? You didn't give enough budget money for something that gives the senior citizens pleasure. They deserve it. If it wasn't for seniors, there would be no juniors. Let them have some fun and enjoyment. All they want is to be wanted and loved, and have reasonably good health. You made a big deal about \$7,0000, which was a nothing thing. You know it and I know it. Isn't that grandstanding? The tax rate is not affected one iota for that small amount of money. You will spend millions of dollars for buildings but not for people. You are not doing your job. Someday I'm going to be a senior citizen. I'm only 82 and I'll be 83 the day

after Christmas, if I make it. I'll be happy if I make it. I have something to tell you. There is going to be a Senior Citizen luncheon. And I will do it. If no one else will do it, I will do it myself. I've already started the ball rolling. I have a location, a venue. I have a caterer. I will be paying \$500 to a disk jockey for a few hours of music. I have a friend of mine who will probably do it for nothing, or maybe a small amount of money. So there is going to be a Senior Citizen luncheon at no cost to the City. I might ask for a few donations, but outside of that, I know I can pull it off. I will do the best I can. You're all invited.

On motion of Alderman Long, duly seconded by Alderman Roy, it was voted to take all comments under advisement and further to receive and file any written documentation presented.

Mayor Gatsas stated before the presentation by the Manchester-Boston Regional Airport, if we could do a presentation for the Ray Labelle All-Stars. It's certainly an honor and a pleasure that we have some proclamations here this evening to give these worthy youth. They won the New Hampshire finals and they won the New England title and went on to the nationals because this is most of the same group that left Manchester from North Little League and were pretty close to Williamsburg. If they would come up with their coaches, I'm not going to read every resolution, but let me just read it once. Certainly they are the same for all of the young men.

City of Manchester; A Resolution:

Be it known that the Office of the Mayor extends its congratulations to (the player's name) in recognition of your accomplishments as a member of the Manchester Babe Ruth Ray Labelle All-Star team. Be it further known that the Office of the Mayor extends its best wishes for continued success, and

that this resolution be signed by the Mayor of Manchester, Theodore Gatsas.

Mayor Gatsas stated it is certainly an honor, and certainly, Coach, let me give you the microphone because maybe you have a few things to say and you can give out these proclamations.

Coach Tony Doucet stated basically, I just want to repeat it again, especially with a lot of our fans here, and thank a lot of the parents. It takes the talent of the kids and hard work to get there, but a big part of the success that this team had was the fans and the parents who traveled, whether it was to Plymouth for the states or to Burlington, Vermont, for the regionals, or even to Texas. I think we had every player on the team represented by at least one family member, and that's a credit to you guys because I know the costs were pretty exorbitant. We raised some money, but that didn't do everything. That's a credit to you guys. Without your support, these guys wouldn't have gotten where they did. So, I want to say thank you to the fans, the parents, and the players, because this was an opportunity for me as well.

Mayor Gatsas stated thank you. I'm going to give each one of you the opportunity to introduce yourselves to the people who are watching and also the people who are here. Tell them the position that you played.

The players introduced themselves: Jason Bourgeois, center field; Matt Fitzgerald, second and third base; Tim Tetrault, catcher; Matt Silver, pitcher and outfield; Patrick Barry, first base; Brian Shea, pitcher and right field; Tom Ford, left field; Matt Butkus, third base; and Dario Vitaliano, pitcher and infield.

Mayor Gatsas stated thank you very much, guys, and I'll give these proclamations to your coach and he can hand them to you in the back of the room. Thank you very much and congratulations.

7. Presentation by the Manchester-Boston Regional Airport Planning Team on the Airport Master Plan

Mr. Mark Brewer, Airport Director, stated thank you, Mr. Mayor, and members of the Board. I appreciate the opportunity to come before you tonight to give you an overview of the Master Plan update for the Manchester-Boston Regional Airport, an effort that we've been working on diligently for the past 17 months. Let me introduce my colleagues. On my far right I have Richard Fixler, who is the Assistant Airport Director for Planning, Engineering & Environment. Mr. Fixler was the project manager on this Master Plan effort from the Airport perspective. To my immediate right is Mr. Michael Steer, who is the senior project manager for the consultant team that helped us through this process. He has been a godsend and a great help to us going through this very elaborate process. The product that you're going to see before you tonight is a culmination of not just the consultant team working with the Airport administration but it's the culmination of a lot of effort by a group that we call the Study Advisory Committee. It is 26 individuals representing federal, state, and local government, as well as environmental specialists, and most importantly, the public. In addition to all of the hours that they spent reading through documentation, statistics and so on, they spent several hours in meetings with us, giving us feedback. In addition to the Study Advisory Committee feedback, we have held three separate public information workshops, two in Manchester and one in Londonderry. Again, we advertised in the newspaper with the intent to receive as much public feedback as we could. Periodically, throughout the process of the Master Plan, we also went before this

Board's Special Committee on Airport Affairs, chaired by Alderman DeVries, and gave them thorough and updated progress reports as we met key milestones through the master planning process. The reason we're here before you tonight is this: As you all know, the FAA oversees the master planning process. We are obligated to submit our draft Master Plan to the FAA for review and ultimately acceptance. We want to give this Board an overview, an executive summary, as it were, in the next fifteen minutes to give you a sense of the process that we followed, as well as the key recommendations on the master planning process. So, with time being limited, let me turn it over to Michael Steer, who will do the rest of the presentation.

Mr. Michael Steer, URS Senior Project Manager, stated thank you, Mark. Mayor Gatsas and members of the Board, I understand that you have a handout of this material. In the time allowed, trying to be efficient, I will highlight some of the top aspects of it and be available to answer questions. We were asked to update the Master Plan, so we had to set some goals. We had to develop some guidelines to develop and operate the Airport in the future. We want this to be a dynamic management tool, not something set in stone, but responsive to the marketplace, and to provide this in a way that is demand-driven. These are the elements that we study on a master plan, starting with what we know now. We have an inventory of all facilities and operations and the staffing. We look to see what the next few years might bring the Airport in terms of activity. We do our forecast; we do our best estimate of passenger and cargo levels, general aviation and operations. We translate those forecasts into facility requirements we may need in the future. We look at how they all fit together, with various alternatives. We do an environmental analysis, we do a financial analysis, and we do a noise analysis as well. We will come back with recommendations and a report. Mr. Brewer mentioned the exposure that the study got in the community. These are members, including several members of the City of Manchester, who sat with us at various

meetings to hear our progress and receive comments and questions about the Master Plan study. Beyond that, Mark also mentioned a series of meetings for the stakeholders. These are special meetings that we have held throughout the process. I mentioned that forecasts are an important part of looking ahead, to have a handle on the growth. What we see on the left are historic passenger levels from 1996 to the present. What we see on the right side are forecasts of how we look out there at the aviation industry and look at the model of aviations and airlines in New England, looking at the changing of the economy, and what we're seeing is that we are coming up from the downturn now. We are experiencing our recovery, a slower recovery through the planning period, and it's on these forecasts that we base these analyses. This second graph shows a similar trend, but it has to do with operations, the number of flights, as opposed to the original one on passengers. I'm going to talk about three sections of the Airport: the land side, the terminal on the air side, and how those are pieced together. This one slide tells you a lot about the roadway or the land side. Through the Master Plan, after we were able to effect, dealing with the New Hampshire DOT, some changes to the new access road, which is coming across the river and becomes the new access road into the tunnel. We see two roundabouts, which have replaced originally proposed intersections, which will provide a much higher, more efficient level of service for access to the Airport. Looking at this also, I would tell you that the rest of the roadways on site and the future property demands have the capacity to handle future levels. I would want to mention that the Airport was also conscious of looking ahead and making sure there was a connectivity of efforts in the region for rail transit. The New Hampshire Rail Transit Authority was looking at bringing that into New Hampshire. On this particular map, with the Airport in the upper right corner, across the river is an intermodal center which might be part of the initiative that this produces, and it makes good sense to provide a connection like this from the rail corridor into the Airport, and it gives passengers another option and a way to get there. What this map shows is a graphic of the airfield. We've

got two intersecting runways. The airfield is in pretty good shape as a result of the staff implementing its last Master Plan which had a lot of focus on the airside, the airfield. In this view, the dots there tell you that we looked at safety areas; we looked at criteria from the Federal Aviation Administration to see if the Airport was in compliance, and it generally was. There were certain standards that had to be met. We're showing some of those in the improvements down the road. As you know, cargo is also an important element of air service and the operation of the Airport and for the region. We have a cargo operation there on the south side. When we talked to the cargo carriers, they expect recovery in this area as well. We have expansion capability in that area, especially now with the new access road which you see coming along the bottom of the graphic. The new access road should enhance the air cargo operation as they move on the ground. On the eastern side of the Airport, we have general aviation activity. Our fixed space operator, Wiggins, provides services to the general aviation users in the region. We have an area that we want to retain because of the importance of having airfield access. We want to retain that for the general aviation community. I'm going to show that capability and capacity on the east side of the Airport. We talked about the land side. I'll just mention briefly about the air side; it comes together in the terminal focus. With the facilities we have now, we were handling those higher levels in 2005, but we did begin to notice some pinch points in the areas where capacity problems were evident. Now, as we've done the Master Plan, we've noticed that the levels are down, but we're looking at a period of recovery, so the terminal focus in this Master Plan really looked at efficiencies. How could we optimize the traveling public's trips through the terminal? Could we be more customer friendly? Could we use space a little better? This, with the idea that, given the recovery in the economy, we're going to be prepared to handle future increases as well. So this was looking in the short term; let's see if we can do this more efficiently but not lose track of that slow growth recovery, and if things kick in a little bit sooner than that line, we would be ready to handle that.

When you look at the terminal...you have all been through the Airport, I'm sure. You've come up to the curbside and you've checked your bags, and you've gone through ticketing and screening, and used the concessions and gone on to the hold room; and on the return flight you do the same. So, we looked at the existing capacity, everywhere from the curbside and how you arrive and how to make that arrival process a little more efficient, all the way through to how the rental cars are used and might possibly be relocated in the garage. I have three slides. On the first you can see the garage at the top. You have the pedestrian walkway into the terminal, and what we're showing here as a site plan is a proposal to consolidate the rental operation in the garage. It's a split operation now. That will make it more efficient. It frees up some space on the lower level, and we are going to try to make some curbside enhancements to make the curbside utilization a lot more efficient. If you go to the next slide, there is that level one floor plan. In the upper right corner is really the bag claim area. It's where the rental cars are now. We need to expand that bag claim area in the future. We're going to add some more concession space. Concessions are so important as a revenue source, as well as a comfort and convenience to our passengers. We're focusing on that on the first floor. The second floor is where we go up to get to our gates, and we have a central screening point, as you know. That was a focus of our study in the short term in trying to consolidate and make it a more efficient operation for TSA screening. That will take place, but it will not eliminate any access to the observation area, which is important to a lot of our users. So we put all of these pieces together and we came up with a future land use plan for the Airport, from the airfield and all of the various uses that I've just described, all pieced together. You will see, beyond the contiguous Airport property, there are some other properties that the Airport owns. The interest there is to find the highest and best use of these other properties as a revenue source for the Airport. One of the most exciting examples of development opportunities is right at the Airport's front door. It involves the Highlander property, which was acquired near the end of July, and

the Master Plan will apply certain constraints to part of the property which is in the runway protection zone, which we have to protect. Otherwise we are looking at the redevelopment potential for the property which reflects its highest and best use as well. This study did include an update of the noise exposure generated by operations at the Airport. We used the FAA model; that's the standard model. We apply a certain operational input on the number of operations and where they fly and when they fly. That develops an index of noise exposure. The next two slides...let me simply say this: the darker yellow in the middle represents the noise generated by operations in 2009 at this Airport. The broader, lighter yellow which extends further than the darker interior yellow represents the noise exposure from 2003 operations. This was used as the basis of the Airport's residential sound insulation program. So since then, due to a reduction in operations, as you saw in the graph, and due to a quieter fleet mix, the noise exposure has reduced over time. The next slide shows the condition another nine or ten years out of the planning period that we studied. The condition is still less than what was used a long time ago in residential soundproofing. One of the things that the Master Plan allowed the Airport to do was to act in a coordination role in looking at the connectivity of bike paths and formatting a bike path around the Airport. We looked at the Manchester Master Plan coming out of town on the abandoned rail corridor, coming to the Airport with a proposal to go around the Airport. We know there is a dedicated bike path coming across the access road, at least up to Pettingill Road. In Londonderry we expect there might be a bike connection that follows that route, again, around the Airport coming out from Londonderry and hooking up on Harvey Road. So the Airport has played a coordinating role.

Mayor Gatsas stated let me just hold you for one second because we have to start the BMA meeting at 7:30, and then we'll bring you back on to complete.

On motion of Alderman Shea, duly seconded by Alderman DeVries, it was voted to recess the Special Meeting.

Mayor Gatsas reconvened the Special Meeting.

Mr. Steer stated we were concluding this particular slide which showed the Airport to be in a place to serve in a coordinating role to help tie future bike paths around this community resource known as an airport. So they are in a coordinating role as that goes through. The next three slides will give you a framing of how these improvements that we've identified in our study might be undertaken in the next 20 years, how much those improvements may cost with a note to say that this development and these recommendations are undergoing financial feasibility review to see that they are in fact financially feasible in terms of ability for funding. This particular zero to five year timeframe shows things we would like to do immediately, like the work on the Highlander site; improving the Glycol management system in the Airport; relocating some terminal curbside airline signs; moving the rental car counters to the garage; enhancing the curbside that we talked about for the arrival experience; and relocating a snow removal equipment storage facility. These are proposed to occur in these first five years. The cost of these are shown here, combined with the Airport's current capital improvement program, their CIP program now, which is in place. All of the projects have different sources of funding, which I'm going to touch on in a minute. If we look further ahead, from six to ten years, and again, we're anticipating the slow recovery of passengers and operations and cargo to the Airport so that this graphic has a lot of information for you to review at your convenience, it shows things like looking at an approach-light system enhancement, consolidating the security checkpoint on the second floor, doing some upgrades on our outbound baggage system, and looking at the terminal loop road and some future initiatives to handle international service as needed. The last

planning period is a little further out there, so we combined the ten years, the eleven to twenty-year period. These are things that we would look to do in the longer term: payment rehabilitation to maintain the investments that we've made in our facilities on the pavement, expanding our baggage claim, and our hold room expansion out in the terminal where the gates are. We have opportunities at each end to probably do that, based on demand. Also, finalizing the screening operation for TSA, improving passenger flow-through at the terminal to the baggage claim area, and redoing some parking. So, these generally fall into the category of airfield projects, whether it's life cycle pavement or to address FAA standards. In the terminal we're looking initially at the customer service-type improvements and optimization of things, and then a phased capacity enhancement for gates and baggage claims, those kinds of things. The other things fall into the category of parking. It's important to note that as we develop facilities we are also looking at a parallel process so that we understand that these projects are financially feasible. We're not going forward with something we can't afford or won't be able to maintain. We're looking at maximizing pay-as-you-go contribution. That is, we want to limit our reliance on borrowing. We want to match the various funding sources, which is on the next slide, with these development priorities, but we have to maintain. We have to keep our costs in check because we are in a competitive mode with other airports in the region and we have to keep our costs down. These are the sources of funding that are available to implement this program, and the first point on the slide is important, that the Airport is entirely self-sustaining and receives no City funding. When you look at the funding that it does receive, and you look at the pie chart, almost two-thirds of this comes from FAA's airport improvement program grants, through the federal participation that is funded through airline ticket taxes. The second larger piece is passenger facility charges, which are airline charges on all tickets which come back to the Airport from approved capital programs. We also have customer facility charges from rental car users that come back to the Airport for rental car-

related improvements, which you will recall from the first terminal slide, is part of that first year program. These are supplemented by Airport revenues from tenants and from concessions, and the State of New Hampshire grants which supplement the FAA funding. So these sources are being matched up to the projects which the study is recommending in the various timeframes. We're going to see if some of those are feasible. If one is not feasible in the timeframe, maybe we do it sooner or maybe we do it later, depending on the ability to finance it. We are about to submit this final package to the FAA for their review. They will publish a notice in the federal register for the noise portion only. Their acceptance...over the next several months of review...we hope that they accept your Master Plan report with your airport layout plan set. This then becomes the new guideline for the Airport's operation and development and the basis for eligibility for future funding, which is extremely important. Thank you for your attention. I tried to be as efficient as possible. If you have questions about the material that you have, please let us know.

Alderman O'Neil stated go to the page that has the pie chart regarding the financing. I thought I understood what you said on the first, the AIP grants, and then I'm just trying to figure out the difference between the AIP grants and how that is funded versus the passenger facility charges. Are they both taxes to the airlines? Did I understand that correctly?

Mr. Steer responded the AIP is based on airline ticket taxes, yes. The passenger facility charge is a more recent revenue source, but it is \$4.50 per passenger ticket which comes back directly to the airport where those passengers were enplaned. They are two taxes.

Alderman O'Neil stated just so that I understand, the first one goes into the FAA nationally, into their pot of money, and that's how the grants come back, based on some formula. The PFC stays specifically in Manchester?

Mr. Steer responded yes. It's airport specific and project specific.

Alderman O'Neil asked besides rental cars, what are other types? Are vendor leases a customer facility charge?

Mr. Steer responded no. That goes into our general fund. These are concession agreements. They help make up the airport portion.

Alderman O'Neil asked Mark, are there other types of customer facility charges or is it pretty much rental cars?

Mr. Brewer responded customer facility charges are exclusively rental cars and can only be used for rental car-related infrastructure improvements and operating costs.

Alderman DeVries asked could you give a little more detail on the two comparisons of flight operation forecasts that were included with the presentation? We just went through them very quickly. I think that's very important for people to understand. We had peak flight operations back in about 1999 and 2000 where the peak occurred. Actually, I'm looking at two different ones. Is the enplaned passengers graph the better of the two comparisons?

Mr. Steer responded for noise purposes, I think the second chart is better, because it is operations.

Alderman DeVries asked the flight operations? So, the peak there occurred back in 1999?

Mr. Steer responded these are historic data so you are correct.

Alderman DeVries asked and is your guesstimation of the high forecast that the Airport might see that level again in what year? It looks like 2030 to me that we're not even up there at the same level of operation.

Mr. Steer responded yes, that is correct.

Alderman DeVries stated it's just that it's a real important piece of information for the City to understand, that we don't expect the number of flights in and out of the Airport in the next 20 years to be at the level it was back in 1999.

Mr. Brewer stated and the other component is not only the number of operations but also the fleet mix, as aircraft become quieter. The fewer number of flights and the quieter aircraft is why you saw such a dramatic decrease in the size of the noise contours.

Mayor Gatsas stated I think with the wonderful things that are happening in Manchester, we may change your assumptions for 2030.

Alderman O'Neil stated I have just one final question. I'm on a roll here and I want to make sure I get it. Regarding the first item, the airport improvement program, Manchester Airport has no control over what that charge is. It's either set as a rule by the FAA or legislation by Congress. Is that correct?

Mr. Steer responded that is correct. That is part of your ticket price.

Alderman O'Neil asked but you have no say over that?

Mr. Steer responded that's correct; that's federal.

Alderman O'Neil asked am I guessing then that you do have say over the passenger facility charges and that's the challenge, to stay competitive?

Mr. Steer responded it's part of the challenge to stay competitive. Passenger facility charges are \$4.50 per enplaned passenger.

Alderman O'Neil asked in Manchester or anywhere?

Mr. Steer responded that is typical everywhere. Again, in terms of what is funded by passenger facility charges, they have to be AIP eligible. They have to meet those same federal standards. And they have to go through a review process by the FAA and of the airlines. The airlines end up collecting that and passing it through to the airports for specific projects.

Alderman O'Neil asked what is an item that can give an airport an edge? If O'Neil airlines is looking to come to New England, and I'm looking at Portland, Manchester, and Providence, is there a charge that you have some flexibility on?

Mr. Steer responded yes. Those are the landing fees and the terminal rents, and that's where we work hard to keep our operating costs as low as possible. That's why the focus of this Master Plan is not to grow but to become more efficient in how we operate.

Alderman O'Neil stated so those are the items that can make you competitive or non-competitive.

Mr. Steer stated yes, sir.

Alderman Greazzo asked Mr. Brewer, what is your anticipated increase in passenger use if you had a rail connection to northern Massachusetts?

Mr. Brewer responded I don't know if we have a specific increase that I can identify that has any study behind it. What I can tell you is that for an average airport, between 3% and 5% of their passengers will come by rail if that access is available.

Alderman Greazzo stated so you might still have the same level of passengers; they would opt to...

Mr. Brewer interjected I think a couple of things. It gives existing customers who live in northern Massachusetts or in the Boston area another opportunity to get to the Manchester-Boston Regional Airport. It gives passengers flying into Manchester the opportunity to go, not only by private automobile but by rail to their final destination. I think it also gives us a leg up as we are talking to international carriers. As you know, international travelers look for rail connections. I think that gives us an advantage over other airports as well.

*There being no further business, on motion of **Alderman O'Neil**, duly seconded by **Alderman Shea**, it was voted to adjourn.*

A True Record. Attest.

City Clerk