

SPECIAL COMMITTEE ON AIRPORT ACTIVITIES

May 24, 2000

6:30 PM

Chairman Pariseau called the meeting to order.

The Clerk called the roll.

Present: Aldermen Pariseau, Pinard, Shea, Vaillancourt, Thibault

Messrs.: Kevin Dillon, Brian O'Neill

Chairman Pariseau addressed item 3 of the agenda:

3. Communication from Alderman Vaillancourt requesting the Special Airport Committee look into the possibility of attaching a 10 percent (10%) surcharge to all parking at the Manchester Airport, the monies to go directly into the City's general fund and be used to offset the cost of provision on Police, Fire, and other services in the section of the City near the Airport; and that the City Solicitor be asked to render an opinion as to the legality of this surcharge and that his office draft the appropriating wording.

On motion of Alderman Vaillancourt, duly seconded by Alderman Vaillancourt, it was voted that item 3 be tabled.

Chairman Pariseau addressed items 4, 5, 7 & 8 next on the agenda:

Update by the Airport Director as follows:

- a) Financial

Mr. Dillon distributed a handout outlining the appropriation for FY2000 as of May 18, 2000; that they are anticipating an approximate revenue of \$980,000 this year from concessions/miscellaneous; that expenses were expected to be a little above budget due to an adjustment under the Yarger Decker implementation in salaries, wages and benefits; that net income for FY2000 is expected to show an anticipated net income of \$5,508,663.

b) Capital Program

Mr. Dillon gave a brief overview of the Manchester Airport noting it is located on 1,3000 +/- acres centrally located in New England and that is was a former WWI military installation which is owned by the City of Manchester; that there are two runways -- 17-35 (7,000 feet) and 06-24 (5,850 feet) with 161 commercial operations per day which include 126 passenger and 35 cargo with a daily average of 150 general aviation operations per day. Mr. Dillon compared the current Manchester Airport in 1999 to 1990.

1990	1999
24,000 square foot terminal	228,000 square foot terminal
480 parking spaces	8,200 parking spaces
700,000 passengers	2.8+ million passengers
7 airlines	11 airlines
11 jet departures each day	48 jet departures each day
45 million pounds of cargo	165 million pounds of cargo

Mr. Dillon stated that the passenger terminal consisted of ten B757 jet gates; five regional jet gates with covered walkways; a first-class frequent flyer lounge; food concessions consisting of McDonalds, Milltowne Grille, Pizza Hut and City Deli; three news/gift locations; six rental car companies; and the New England Information Booth. The breakdown of the origin of passengers is 41.5% from NH, 12.5% from MA, 7.0% from ME, 7.5% from VT, and 31.5% other which includes those passengers basically arriving at the Manchester Airport. The ten passenger airlines consist of the following: American Eagle (3%), A S A Delta Connection , COMAIR Delta Connection (4.6%), Continental Airlines (6.6%), Continental Express, MetroJet, Northwest Airlines (7.4%), Southwest Airlines (31.5%), United Airlines (12.1%), US Airways (34.5%), and US Airways Express. Existing Non-Stop Service is Atlanta (2 daily), Baltimore (13 daily), Chicago-Midway (2 daily), Chicago-O'Hare (4 daily), Cincinnati (5 daily), Cleveland (2 daily), Detroit (5 daily), Kansas City (1 daily), Nashville (1 daily), Newark (4 daily), New York - LaGuardia (13 daily), Orlando (1 daily, 2 Saturday only), Philadelphia (5 daily), Pittsburgh (3 daily) and Washington National (2 daily). Answers to the main question "Why Manchester" include the fact that it is centrally located in the heart of New England; has a well-established highway and roadway network; over six million people live within a two hour's drive of the Airport; shares the densely populated northern Massachusetts mark with Logan Airport; the challenges facing other New England airports; serves as a primary reliever for Logan Airport; and a strong local, state and federal support. Manchester Airport's passenger activity increases 75% in 1998 and another 45% in 1999. Also, Manchester Airport was

cited as the fastest growing airport in the country by *Airports: USA*. There are a number of cargo airlines which include Airborne Express, Emery Worldwide, FedEx, Mountain Air Cargo, Telford Aviation, United Parcel Service, and Wiggins Airways. Of all the cargo airlines activity increased almost 10% in 1998 and another 20% in 1999. As Manchester is the third largest cargo airport in New England, a substantial growth is projected over the next ten years.

Mr. Dillon stated that the overall Capital Improvements Program from 1992 to 2005 totals approximately \$320 million. The Runway Reconstruction Project will reconstruct and lengthening of Runway 17/35 from 7,000 feet to 9,000 feet; the reconstruction and lengthening of Runway 6/24 from 5,850 feet to 7,000 feet; construct a taxiway bridge reconnecting Taxiway Echo to Runway 6/24; and the improvements to national aids - CAT III. The 70,000 square foot addition to the Passenger Terminal includes: three jet gates with associated passenger holding areas; Concourse C - a five gate regional terminal with covered walkways, passenger holding areas and a food concession; ninety feet of additional ticket counter space; and new food and news/gift concessions on Concourse A. The Parking Garage is a six-level facility with 4,800 parking spaces (4,000 public and 800 rental car spaces); an elevated pedestrian walkway, complete with moving sidewalks connecting the parking garage to the passenger terminal with a total of 1,440,000 square feet of parking area making it the largest single parking structure in New England.

c) Access Improvements

Mr. Dillon stated plans include the widening of the remaining segments of Brown Avenue to four lanes with a new multi-lane roadway being planned for Airport Road to improve the traffic flow and that the NHDOT Project will create a four-lane, limited access highway from Route 3 known as the Airport Access Road.

d) Resident Sound Insulation Program

Mr. Dillon stated that this program which was begun in 1993 has received over \$12 million in federal money for the program which includes approximately 800 eligible homes; to date, 333 homes have received sound insulation modifications worth between \$25,000 to \$30,000 which include acoustical window units, solid core exterior doors, ceiling and wall modifications, and central air conditioning.

e) Home Acquisition Programs

Mr. Dillon stated there are a total of 104 eligible homes in the Runway Protection Zone (RPZ) Home Acquisition Program; that to date, 78 homes have been purchased by the Airport and negotiations continue with another eight. Twenty-two homeowners decided not to participate in the voluntary program.

Mr. Dillon stated other Airport-related projects include a 160 foot FAA air traffic control tower, an ARFF maintenance facility and additional cargo facilities. The Manchester Airport has proven it is an important economic engine for the region outlined its impact on the local economy as follows:

	<u>Direct Contribution</u>	<u>Total Contribution</u>
1994	\$104 million	\$170 million
1998	\$303 million	\$505 million
2010	\$629 million	\$1.1 billion

Expenditures by out-of-state passengers equate to:

<u>Type</u>	<u>1994</u>	<u>1998</u>	<u>2010</u>
Lodging	\$18 M	\$62 M	
Food & Beverage	\$15 M	\$47 M	
Retail Purchases	\$ 9 M	\$24 M	
Entertainment/Other	\$12 M	\$26 M	
Total	\$54 M	\$159 M	\$379 M

Employment, payroll and expenditures were outlined as follows:

	<u>1994</u>	<u>1998</u>	<u>2010</u>
Total on-airport employees	985	1,338	2,852
Total on-airport payroll	\$21 M	\$32 M	\$62 M
Total on-airport expenditures	\$50 M	\$148 M	\$250 M

Mr. Dillon summed up his presentation by stating that over the next decade the passenger terminal will have 23 jet gates; there will be additional new airlines with new non-stop destinations; an additional 70 to 80 jet departures each day for an approximate five to seven million passengers annually; limited access highway leading directly to the Airport; a 9,000 foot runway with CAT III ILS; and a five-start hotel complex with conference facilities.

6. Air Traffic Control Tower:

- a) Communication from Raytheon Systems Company advising of their intent to construct a new Airport Traffic Control Tower and adjoining base building at the Manchester Airport and requesting a confirmation of no adverse affect or comments to be returned to Mr. Jeffrey MacManus, Raytheon Support Services Company.

On motion of Alderman Pinard, duly seconded by Alderman Shea, it was voted that the Airport Director be authorized to forward a communication to Jeffrey MacManus, Raytheon Support Service Company, confirming no adverse effect with the FAA's intent to construct a new Airport Traffic Control Tower and adjoining base building at the Manchester Airport; subject to the review and approval of the City Solicitor.

Chairman Pariseau expressed the gratitude of the Committee to Mr. Dillon for a superb presentation noting that these meetings seem to be helping everyone understand more clearly exactly what is occurring at the Airport.

There being no further business to come before the Committee, on motion of Alderman Pinard, duly seconded by Alderman Shea, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee