

Tweed Airport

155 Burr Street, Administration Building
203-466-8833

Executive Director:

Tim Larson

tlarson@flytweed.com

203-466-8833

Additional Point Person:

Lori Hoffman-Soares

Airport Manager

lhoffman@flytwed.com

Positions:	GF- 0	CF- 0
General Fund Budget:	\$325,000	
Capital Fund Budget:	\$325,000 – 550,000	
Special fund Budget:	\$0	

Legal Authority: State Statutes, Charter, Code of Ordinances

The Tweed New Haven Airport Authority is an independent statutory entity, not a City department. It was created by CT General Statutes Sec. 15-120(g) et seq., as amended, known as the "Tweed Statute," which states in Sec. 3(a) as follows:

"There is created a body politic and corporate to be known as the 'Tweed-New Haven Airport Authority'. Said authority shall be a public instrumentality and political subdivision of this state and the exercise by the authority of the powers conferred by this act shall be deemed and held to be the performance of an essential public and governmental function. The Tweed-New Haven Airport Authority shall not be construed to be a department, institution or agency of the state."

Mission/Overview:

Sec. 15-120j of the Tweed Statute states: "The Authority shall maintain and improve Tweed New Haven Airport as an important economic development asset for the south central Connecticut region which is comprised of the towns and cities of Bethany, Branford, East Haven, Guilford, Hamden, Madison, Milford, New Haven, North haven, North Branford, North haven, Orange, Wallingford, West haven and Woodbridge."

Attention Required by March 31st:

- **Operating Budget allocation** (suggest pre-recession amount of \$550,000.)
- **Capital Budget allocation** (depends on capital needs for FY14-15 but not less than \$475,000.)



Budget Summary:

The Airport Authority budget is not part of the City's General Fund budget except for the lump sum annual operating subsidy. The airport is grouped for City budgetary purposes with other "development entities" including the Shubert Theatre and the New Haven Open Tennis Tournament.

The operating subsidy for Tweed started at \$1M annually for the years 1998-2003 and was gradually reduced to the current level of \$325,000. In the meantime, particularly after the terrorist attacks of 9/11, airport operating costs have risen. The effects of this steady decline in funding are discussed in more detail later in this briefing paper.

FY13-14 Tweed Budget Summary:

Revenues:	\$3,059,629
Expenses:	<u>3,059,083</u>
Net Income	\$ 546

Revenue Sources: The City provides **10.6%** of FY13-14 Tweed revenue and the State provides **49.0%** of Tweed revenue. The balance of revenue comes from on-airport concessions and fees, primarily vehicle parking, landing fees, fuel flowage fees and fees from car rental companies. Robinson Aviation, Inc., the owner of the FBO (General Aviation) company, pays the Authority \$96,300 in annual rent for its lease area.

Expense Categories: The Airport's budgeted operating expenses for FY13-14 include \$1,243,602 in Personnel, \$723,645 in Non-personnel, and \$486,000 in Management, Marketing and Legal/Audit Expenses.

The Airport Authority has no direct employees. Except for the Executive Director and the Administrative Director, all airport staff including the Airport Manager are employees of AFCO AvPORTS Management LLC, the company which operates the airport under a long-term management agreement. The Executive Director and the Administrative Director are employees of the Greater New Haven Chamber of Commerce.

A copy of the Airport's independent audit for FY11-12 is included in the financial summary documents of the Mayor's transition report.

Summary of Open Items:

The Tweed statute gives the Authority numerous powers including the power to enter into leases and agreements for goods and services, the power to apply for and receive grant funds, and the power to contract for improvements to the airport. The following items are the key projects and initiatives currently underway.

A. Obstruction Removal

Complete ongoing multi-year project to remove or trim over 1,500 trees around the airport that impinge on (“penetrate”) protected airspace, as defined by FAA. Tree removal is not eligible for FAA-funding. Over \$2M in State and local bond funds has been spent on obstruction removal since 2002. Tweed is nearing the end of the obstruction removal that can be accomplished with property owners participating on a voluntary basis. Final tree removal may require State help, using eminent domain powers.

The objective of obstruction removal is to improve the approaches from both north and south to the main runway, Runway 2-20. An FAA-funded Aeronautical Study was done in 2007 to identify the trees penetrating the protected air space. Once all trees are removed, a follow-up Aeronautical Study (also FAA-funded) will be commissioned to establish the extent of the obstruction removal. At that time, Tweed will apply to FAA for improved aircraft approaches.

Obstruction removal is also needed on the approach to the crosswind runway, Runway 14-32. Since obstruction removal is not eligible for FAA funding, funds for this purpose will be requested in the FY14-15 City Capital Budget

B. Secure Additional Scheduled Air Service

Airport staff and consultants have vigorously pursued new carriers or additional destinations since the Authority was established. Although by far the most effective way to achieve the economic development role of the airport, this effort has been frustrating due to circumstances outside the Authority’s control. Tweed staff frequently makes a sophisticated presentation to airline officials about the regional air service market, but airline commitments are corporate decisions based on many factors, not just the attractiveness of the market.

Tweed has one of the two shortest runways among all airports in the country with scheduled passenger air service. The airport has been told many times that although the New Haven market is attractive, the fleet owned by the carrier in question cannot operate on a 5,600’ runway. Lengthening the take-off distance can be accomplished within the current airport footprint and previous opposition to additional paved runway surface has significantly lessened. *This effort is the greatest single open item in order for additional air service to be secured.*

C. Construction Projects

1. Complete construction of FAA-funded projects to build a wildlife deterrent fence around the airport, improve the effectiveness of wetlands mitigation begun in 2009, and complete other items remaining from the \$36M Runway Safety Area Project including an access road to the airfield from East Haven and installing wireless communication at the Morris Creek tide gates. Completion in late 2014.
2. Complete construction of a major rehabilitation to the landside driveways and parking lot. This project is funded in part by FAA and in part by State bond funds administered by DECD. Completion date is June 1, 2014.
3. Continue other FAA-funded projects including pavement rehabilitation of three airport taxiways and installation of a new integrated airport security system.
4. Undertake an FAA-funded consultant study to follow up on the recently completed Part 150 Noise Study at the airport. The follow-up study would make recommendations for future noise mitigation measures, possibly including physical improvements (insulation or triple pane windows, for example) to neighboring residences within a defined noise contour.

D. Pave a portion of the Runway Safety Areas (RSAs)

Paving a portion of the RSAs (currently grass) would provide longer take-off distance, accommodating additional aircraft types. The Airport Authority has received many indications that longer paved take-off distance is an essential component in attracting new or increased air service.

The next step in this effort is preparation of an environmental assessment. FAA staff in the Northeast Regional Office have conclusively indicated that no discretionary or entitlement FAA funding is available until at least FY2016 for consultant services to perform the required environmental assessment. The environmental assessment will cost approximately \$400,000. Design and construction of the paved RSAs will cost approximately \$5.8M. Options to secure this funding include a direct appeal to FAA headquarters in Washington, D.C., a Congressional earmark, or waiting till 2015-16.

A hybrid possibility the Authority is considering is borrowing the funding for the environmental assessment and subsequently seeking FAA discretionary money or a Congressional earmark for design and construction. This option has the strong advantage of keeping the RSA paving project moving.

One preliminary step to adding additional take-off length is repealing the one-sentence amendment to the Tweed statute passed by the General Assembly in 2009 which limits the paved length of Runway 2-20 to 5,600'. The Authority believes this can and should be done in the 2014 Legislative Session.

Major Projects: See above.

Key Systems/Processes:

The Airport Authority is not a City department and does not use City systems such as computer networks, employee benefits and payroll, or City bank accounts. The City and the Authority do have several agreements and specific responsibilities. Among the relationships between the Airport Authority and the City are the following:

- 1. Statutory appointments to the Authority.** The Mayor of New Haven has nine (9) appointments to the Authority's 15-person Board of Directors. These are governed by the Tweed statute, not by the City Charter, so there is no residency requirement and no permanent aldermanic slot. Appointments are made for 4 year terms, effective July 1st, and directors may serve two full terms. Terms are staggered so the terms of no more than four directors expire in any given year. The Mayor of New Haven will have two appointments on July 1, 2014.
- 2. Capital Budget Allocation.** As noted on page 1 of this report, the City provides bond funds to Tweed via the Capital Budget each year. Bond funds pay for all capital costs not eligible for FAA funding including airfield crack sealing and maintenance, security equipment, terminal improvements and repairs, HVAC equipment, obstruction removal, equipment for snow removal and other rolling stock, and the local share (2.5%) of FAA grants. This amount varies from year to year but is approximately \$475,000/year.
- 3. Tide Gate Agreement.** The Airport Authority paid for and reconstructed the Tide Gates on Morris Creek in 2008 as part of the wetlands mitigation connected to construction of the RSAs. The Authority operates the Tide Gates and pays for electrical service and mechanical repairs. The City's role is to clear obstructions (e.g., tree trunks, leaves, debris) from the Tide Gates on a regular basis so the flushing action into and out of the wetlands can function properly. This City responsibility should be made a regular Public Works maintenance activity.
- 4. Mutual Aid Agreements.** Both the Police Department and Fire Department (along with the same departments in East Haven) respond to emergencies at the airport, in support of the Airport's Air Rescue and Fire Fighting (ARFF) vehicle.

In addition, the Police Department has formally agreed, with written approval by the Transportation Safety Administration, to be on site at the airport within five (5) minutes in the event of a security incident.

- 5. Electricity Rate Agreement.** Electrical service to Tweed is bundled into the City's master rate agreement for electricity. The electricity provider bills the City and the City bills the Authority. This allows for an optimal rate since the City's overall electricity usage is substantially higher than the airport's usage.

System Deficiencies/Attention Required:

Tweed Airport is seriously underfunded in both operating support and local capital funds. Each of the last three years has shown a substantial operating deficit. As the Chair of the Authority's Audit and Finance Committee says, "Everyone wants an airport but no one wants to pay for it."

There has been a misconception since the creation of the Airport Authority that the airport can be self-sustaining. That goal, while desirable, is not realistic for the foreseeable future. Additional governmental support is essential to allow the airport to operate on a break-even basis. Without this support, the Authority will manage the airport to protect the public's safety and security but cannot pay its bills on time and will continue to operate at a deficit. The need for additional governmental support is a matter of extensive discussion and consensus among the Authority directors.

The 2009 New Haven/East Haven agreement, endorsed by five State legislators from the region, called for \$2M/year in State operating support, which has never been forthcoming. *This should be a priority of the 2014 legislative program.*

In terms of capital improvements, available funding is applied to public safety and security and to maintaining the airport's FAA certification to handle commercial air traffic. Passenger amenities have suffered in recent years, such as not refurbishing the restrooms and not carpeting the passenger terminal. In addition, maintenance equipment, some pre-dating the creation of the Authority, must be replaced in order to plow snow and maintain the airfield. Reducing the amount allocated to the airport in the City's capital budget to levels that prevent replacement of essential equipment is untenable for prudent operation of the airport.

Tweed management has historically worked closely with City staff to develop strategies including market studies, economic impact studies and visual presentations to engage State and Federal agencies in supporting and fostering the long term growth of Tweed New Haven Airport. The Authority fully expects this cordial cooperative arrangement to continue.