

AGENDA

THE AIRPORT ADVISORY COMMISSION REGULAR MEETING OF THE CITY OF BISBEE, COUNTY OF COCHISE, STATE OF ARIZONA, TO BE HELD ON MONDAY, AUGUST 12, 2024, AT 5:30 PM, IN THE CITY OF BISBEE COUNCIL CHAMBERS LOCATED AT 915 S. TOVREAVILLE ROAD, BISBEE, AZ 85603

MEETING CALLED TO ORDER BY Mark Gray AT 5:30 P.M.

Roll Call:

COMMITTEE MEMBERS	<u>PRESENT</u>	<u>ABSENT</u>	<u>EXCUSED</u>
Dan Callaghan	X		
Mark Gray	X		
Dina Herrington	X		
Amparo Gonzalez	X		
Cheri Chase	X		
Juanetta Hill, City Liaison		x	
Matthew Gurney, City Liaison	x		
Logan Dodd, City Liaison			x

CALL TO THE PUBLIC

“This is the time for the public to comment. Members of the Board may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. §38-431.01 (H), action taken as a result of public comment will be limited to requesting to study the matter, responding to any criticism or scheduling the matter for further consideration and decision at a later date.
No Call to the Public

REPORT OF THE PUBLIC WORKS DIRECTOR – Matthew Gurney

City Staff brought up to members that talking about the TTFA was not in their purview, and that they would need to ask permission of Council in order to to that.

APPROVAL OF ACTION AGENDA

Approval of the Minutes of the Regular Session of the Airport Advisory Commission Meeting held on May 13, 2024.

MOTION: Mark Gray SECOND: Cheri Chase
APPROVED: All Members

OLD BUSINESS

1. Discussion on the following items needing to be completed at Airport:
 - a. Windsock missing Windsock was replaced

- b. Lightning suppression still needs attention lights were replaced
 - c. c) Beacon needs fixing Staff is still working to make repairs
 - d. d) runway lighting needs to be upgraded. This was mentioned, due to lack of FAA funding the Airport only has solar runway edge lights
2. Discussion on Bisbee Municipal Airport sign needs to be replaced. Apache Signs quoted \$325 for a metal surface sign. Staff agreed a new sign would be a good thing and Cheri Chase is going to send the City staff the quote to make the purchase.
 3. Discussion on the timeline for completing the apartment/terminal at airport. Staff is hoping to have a completion around the end of September. Members also would like to review the Property Mangers contract

NEW BUSINESS

- 1, Discussion on Review the City of Bisbee's proposed budget for FY2024-25 to add necessary equipment, management staff, and matching funds that the airport sponsor must provide. Members discussed the City of Bisbee Airport Budget and noted that the Airport is not self-sustaining. The discussion went into what was rented out to the public at the Airport, shade hangers, and enclosed hangers and seen where those funds are shown in the budget. They discussed wanting to look into the land lease contract. They also want to see a sign that shows where the lobby/ office is located.
1. Discussion on identifying an FAA point of contact for TTFA contract negotiations with adjacent landowners. Members discussed and agreed they wanted to ask City Council for approval to discuss this agenda item.
2. Discussion on confirming that a working group of the Airport Advisory Commission, with input from adjacent property owners, can work directly with the FAA to achieve TTFA contracts responsive to the requirements of both the FAA and those landowners with existing access. Members discussed and agreed they wanted to ask City Council for approval to discuss this agenda item.
3. Discussion on creating a table of equipment necessary for continued safe airport operation, including estimated budget and timelines, that the airport sponsor must provide. Members discussed needing a FBO & Manger. They also want to find and review Airport Management curriculum
4. Discussion on creating a table of management roles and responsibilities necessary for. continued safe airport operation, including budget and timelines, that the airport sponsor must provide. They felt that items 3 & 4 they would want to look at them in the same manner.
5. Discussion on consulting with the FAA. to determine the feasibility, cost, and process to transfer airport sponsorship to an entity other than the City of Bisbee. Members discussed and agreed they would like to have a work session to put together a few agenda items to take to City Council in the near future.

COMMENTS BY COMMISSION MEMBERS:

FUTURE AGENDA ITEMS: Update the Fee Schedule, review the Airport Property Manger Contract

NEXT MEETING: November 13, 2024

ADJOURNMENT: 6:52 pm

MOTION MADE: Mark Gray

SECOND: Dina Herrington

Approved by all members

AGENDA

THE AIRPORT ADVISORY COMMISSION REGULAR MEETING OF THE CITY OF BISBEE, COUNTY OF COCHISE, STATE OF ARIZONA, TO BE HELD ON MONDAY, MAY 13, 2024, AT 5:30 PM, IN THE CITY OF BISBEE COUNCIL CHAMBERS LOCATED AT 915 S. TOVREAVILLE ROAD, BISBEE, AZ 85603

MEETING CALLED TO ORDER BY **Matthew Gurney** AT 5:36 P.M.

Roll Call:

COMMITTEE MEMBERS	<u>PRESENT</u>	<u>ABSENT</u>	<u>EXCUSED</u>
Dan Callaghan	<u>X</u>		
Mark Gray	<u>X</u>		
Dina Herrington-Chant	<u>X</u>		
Amparo Gonzalez		<u>X</u>	
Cheri Chase	<u>X</u>		
Juanetta Hill, City Liaison		<u>X</u>	
Matthew Gurney, City Liaison	<u>X</u>		
Logan Dodd, City Liaison			

CALL TO THE PUBLIC

- **Marylin Seibold 2145 S Arizona St**

REPORT OF THE PUBLIC WORKS DIRECTOR – Matthew Gurney

APPROVAL OF ACTION AGENDA

Approval of the Minutes of the Regular Session of the Airport Advisory Commission Meeting held on February 12, 2024.

MOTION: Dan

SECOND: Cheri

APPROVED: all approve

OLD BUSINESS

Mark accepted chair for the committee.

1. Discussion on conditions of the airport that might need to be repaired/fixe**d. The Wind T lights are out, Notams need a plan B.**
2. Discussion on the updates on the airport.
3. Discussion on airport budget and needs; line-item income & expenses.
4. Discussion on the safety protocol on the airport and airport’s safety needs.

NEW BUSINESS

1. Discussion on Through-the-Fence Access (TTFA) agreements with airport adjacent landowners; status and requirements for FAA funding. **They want to look into talking with the FAA concerning these situations. They want a special session in the next 2-3 weeks.**
2. Discussion on maintenance of the Taxiway. Why is it not being maintained? **Maintenance is being done**
3. Discussion on missing windsock along runway.
4. Discussion on pilot lighting system being disabled and other lighting that are not needed all the time at airport.
5. Discussion on Airport Master plan; has the city hired an airport consultant?
6. Discussion on hiring a fixed base operator for the airport.
7. Discussion on lightning suppression needing attention.
8. Discussion on Beacon; is it working?
9. Discussion on using airport runway for driving practice without a NOTON.
10. Discussion on State Matching Funds Program for \$150,000 being available for airports. **These items were went over, and staff is aware of the needs.**

COMMENTS BY COMMISSION MEMBERS:

FUTURE AGENDA ITEMS:

NEXT MEETING: August 12, 2024

ADJOURNMENT:

MOTION MADE: **Dan**

SECOND: **Cherie**

APPROVED: **All**

The Bisbee Municipal Airport: Observations and Suggested Priority Actions

At the most recent meeting of the City's Airport Advisory Commission on May 13, 2024, the agenda and discussion covered a long list of issues that require attention, spanning infrastructure and maintenance, safety, management, and funding.

In the course of this discussion, it became clear that far and away the most important priority for the ongoing management and operation of the Bisbee Municipal Airport is the ability to secure FAA funding. For a variety of reasons, the airport sponsor (the City of Bisbee), has not been able to secure such funding for, to the knowledge of the current Commission, the past ten years or more.

Two immediate concerns must be addressed in order to rectify this situation: one is the satisfactory negotiation of Through the Fence Access agreements (TTFAs) with adjacent property owners, which this document will cover extensively. The other is ensuring the City of Bisbee can secure the matching funds necessary in order to access FAA and state funding to support airport improvements and operations.

Key Assumptions

We make four assumptions – which may be open to further discussion or debate – in attempting to resolve these issues and ensure that the Bisbee Municipal Airport is operated and valued as the community asset it is and could be:

1. The Airport Advisory Commission is in the position to provide knowledgeable insight and guidance to the City with the objective of providing a well-operated airport that serves the needs of the local community, adjacent property owners, the flying public, and others who use the airport. To this end, we further assume that the City is willing to allow representatives of the Commission to engage directly in information gathering and relevant negotiations (such as with the FAA) alongside or on behalf of the City.

2. Adjacent property owners operate in good faith and are motivated by the best interests of the airport and its future. It is evident that relationships have become fraught over the negotiation of mutually acceptable TTFAs that meet FAA requirements. It seems to us that with the involvement of the Commission, these relationships can be vastly improved and a satisfactory outcome on TTFAs can be achieved.
3. The City of Bisbee, if it is to remain the airport sponsor, is both willing and capable, with the support and involvement of this Commission, to secure the matching funds required to access FAA funding and continue to work toward the objectives of the current Airport Master Plan currently in effect.
4. The Commission is authorized by the City to explore potential alternative airport sponsorship that would still align with FAA funding guidelines in the event the City is no longer willing or able to remain airport sponsor.

Due to current budgeting timelines, we determine that action to resolve TTFAs and clarify the City's commitment to securing matching funds are matters of the utmost urgency.

Background

Small airports like ours often cost more money to run than they earn. At the same time, the FAA recognizes “the pivotal role [general aviation] airports play in our society, economy, and the aviation system.” This is a big reason why the FAA provides funding to small municipal airports like ours. The public benefit is significant, and local airport sponsors shouldn't have to shoulder all the costs on their own.

However, one of the main priorities of FAA funding for public use airports is that airport investments and improvements should generate greater income for the airport sponsors. And that means that the FAA has a very negative view of any adjacent property owners benefitting unduly from those airport improvements.

The crux of the issue is that the FAA does not want aviation businesses neighboring airports that receive FAA funding to compete unfairly with on-airport businesses that generate rents, fees, and other income for the airport sponsor. For example, if the airport sponsor sells fuel, adjacent businesses should not be able to sell fuel at a price that undercuts on-airport fuel. In short, the FAA wants to ensure that any airport sponsor has agreements in place with adjacent property owners that prevent unfair competition with on-airport businesses. This, as we'll come to shortly, is why the FAA insists on having TTFA agreements in place as a condition of funding.

Observations on Budget

Bisbee is a rarity in that we've lost out on our allocated \$150,000 in FAA funds each year for 10 years running. Why? Because we don't qualify for federal funding dollars. This budget shortfall is evident in the following chart, taken from [The City of Bisbee's Tentative 24-25 FY Budget](#).

Importantly, the provided accounting shows only those activities performed. It does not show those maintenance activities that should have been performed to preserve the existing airport infrastructure. Things like deferred maintenance and further improvement are not reflected in these numbers. Consider that *with* FAA funding, the 2024-25 FY budget would have been \$205,722, or nearly 4x what it is today.



AIRPORT

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	2021-22 ACTUAL	2022-23 ACTUAL	2023-24 BUDGET	YEAR END ESTIMATE	2024-25 PROPOSED
50-34-12500	GAS REVENUE	35,986	39,062	35,000	37,678	39,000
50-36-13500	RENTS	10,589	11,235	10,800	11,000	11,000
50-36-13501	BISBEE AIRPARK-ACCESS FEES	790	720	200	720	720
50-36-13509	AIRPORT PROPERTY LEASE	0	0	0	0	0
50-38-50079	ARPA GRANT-AIRPORT SEALING	32,385	0	0	0	0
50-38-51000	USE OF FUND BALANCE	0	0	0	0	0
50-38-99010	TRANSFERS FROM GENERAL FUND	19,648	2,700	9,877	9,877	5,002
TOTAL AIRPORT REVENUE:		99,398	53,717	55,877	59,275	55,722
50-40-21000	ELECTRIC	2,911	3,994	3,100	3,037	3,400
50-40-22000	WATER	446	635	460	1,012	1,500
50-40-22550	SEWER AND GARBAGE SERV.	302	256	302	192	302
50-40-23000	GAS	933	1,095	920	1,201	950
50-40-24000	PHONES	434	309	0	0	0
50-40-34000	CONTRACT SERVICES	566	100	420	0	500
50-40-37000	PROPERTY, CASUALTY, LIABILITY	3,660	3,660	3,660	3,660	3,660
50-40-42050	NON CAP ADMIN EQUIP/FURN	90	0	0	0	0
50-40-42060	INVENTORIED TOOLS	0	410	0	0	50
50-40-43110	CREDIT CARD FEES	0	0	0	0	0
50-40-45100	DISPOSABLE EQUIP & TOOLS	0	19	100	100	50
50-40-45200	SAFETY EQUP & SUPPLIES	0	0	300	0	150
50-40-45300	CUSTODIAL SUPPLIES	0	177	150	150	200
50-40-46000	OPERATIONAL EXPENSES	14,875	3,891	4,000	4,703	4,000
50-40-46501	FUEL FOR RESALE	34,706	34,219	35,000	34,000	35,000
50-40-50100	BLDG REPAIR & MAINT	0	0	2,000	0	0
50-40-55000	EQUIPMENT REPAIR & MAINT	0	769	250	0	250
50-40-61000	VEHICLE PARTS & LABOR	0	0	0	1,225	150
50-40-62003	GASOLINE	0	0	300	0	100
50-40-99018	AIRPORT GRANT MATCH	32,285	0	0	0	0
50-40-99998	GF INTERNAL SERVICES	10,333	4,162	4,915	4,915	5,460
TOTAL AIRPORT EXPENSE:		101,540	53,695	55,877	54,195	55,722

The main takeaway from the tentative FY 24-25 budget is the very small amount of money passing through the airport compared to the \$150,000 not collected each year.

Obtaining TTFA agreements that meet FAA requirements and the satisfaction of adjacent property owners is the most important and most urgent step to unlock this funding.

The FAA makes clear that the responsibility to negotiate and establish TTFA agreements sits squarely with the airport sponsor—presently the City of Bisbee—not the adjacent property owners, nor the FAA.

What is a TTFA?

As a brief explanation, airports often allow neighboring properties direct access to the airfield. For example, small airports can have “hangar houses” where people live with an airplane in their attached hangar, which is a garage for an airplane. Similarly, a private landowner next to an

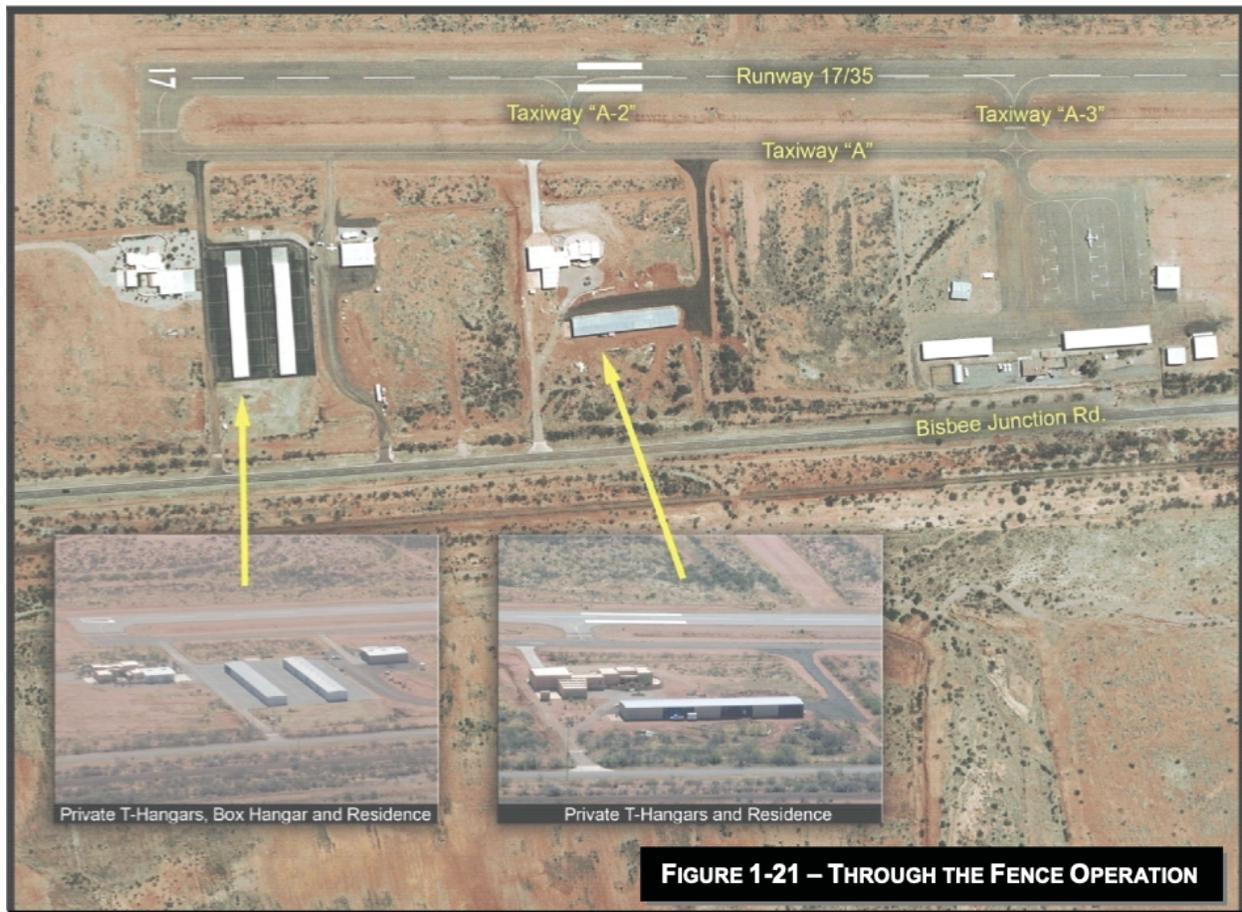
airport may also offer commercial aviation services, such as airplane storage or maintenance, that would greatly benefit from direct access to the airport.

Through-the-Fence Access (TTFA) agreements are those contracts that describe how an adjacent property owner may access an airport in exchange for a fee. Such arrangements are not exotic; if you own land, and your neighbor wants to access it for some reason, you'd want a kind of TTFA agreement too.

A Through-the-Fence Access agreement is a standard contract with three main parts: (a) what kind activities can the neighbor do on the airport property, (b) how much that access costs, and (c) what can't the neighbor do on their own property. That last one may seem strange, but if you want access to a neighbor's property, they call the shots. Remembering that the airport is an actual business with real bills to pay, consider that it doesn't want competition. And it doesn't *have to* sign TTFA with its neighbors. So if a neighboring property owner wants to do any kind of aviation related business on their property, the airport sponsor can take that into account when negotiating a TTFA agreement.

In the eyes of the FAA, all aviation related business should ideally take place on airport property. Still, where neighboring property owners have already set up aviation related businesses long ago, the FAA says that TTFA agreements can still be made. But it isn't easy; Bisbee has several property owners with historic access, and those circumstances must be reflected in each separate TTFA contract negotiation. That's a tough thing to lay onto a small city staff.

For example, [The Bisbee Municipal Master Plan](#), dated March 11, 2011, lists existing Through-the-Fence operators, and includes a map of the properties in use at that time.



It says *“In 1980, the City of Bisbee granted two permanent taxiway easements. This private development includes three 8-unit T-hangars, three box hangars and three residences.”* Importantly, these agreements existed before the FAA’s 2014 deadline for the airport sponsor to notify the FAA of such existing access conditions. Looking back further, the 1999 Master Plan provided the reasoning used by the City of Bisbee for establishing the 1980 easement. They describe a rationale for allowing an off-airport residence and aviation related business, which they described as a privately owned “airpark” off airport property.

“During the preparation of this Airport Master Plan, the City of Bisbee negotiated an agreement with an adjacent property owner (Bill Seibold) who planned to construct an Airpark, including hangars and an access taxiway which would connect to the existing public-use taxiways and runway 17-35.”

In 1979, the City of Bisbee had sold three adjoining lots to private entities for commercial development. The three lots total 20 acres. The airport property was originally deeded to the City of Bisbee by the Phelps Dodge Corporation. No FAA funds were used for land acquisition, and the land that was sold was not in airport use.

In order to provide future access to the runway from the lots, the City had also granted two “Private Taxiway” easements. This was accomplished on February 6, 1980 by the City Council, at the request of the adjoining property owners.

The adjacent property to be developed included only one of the original three lots. The initial development includes construction of an 8-unit “T” hangar structure as well as paved access taxiways. Future plans include additional hangars and taxiways.

In order to ensure orderly and equitable development by both the City and the adjacent land owners, and to ensure compliance with FAA grant assurances and regulations, the City Council on June 6, 2000 as Resolution 00-09. The Ordinance adopting the Code (No. 0-00-11) is included in Appendix B of this report.

Construction of the initial development phase of the Siebold property was completed during the completion of the Final Master Plan documents, and was added to the Airport Layout Plan.”

The easement referenced in the Master Plan, signed by the City Clerk and Mayor, makes clear that the City did grant permanent access to the airport property. Granting such rights to private property owners is not unusual, but these rights must be researched and reflected in TTFA negotiations.

EASEMENT

As agreed to by the City of Bisbee Common Council at the regular meeting of February 6, 1980 the City of Bisbee hereby grants two permanent taxiway easements from the City of Bisbee Municipal Airport Runway 17/35 parallel taxiway to that certain 20 acre parcel more fully described as follows:

The surface only to be a depth of 40.00 feet beneath the surface of the following described Parcel located in Section 2 and 3, Township 24 South, Range 24 East of the Gila and Salt River Base and Meridian, Cochise County, Arizona, and being more particularly described as follows:

COMMENCING, for a tie at the West quarter corner of Section 11, Township 24 East of the Gila and Salt River Base and Meridian, Cochise County,

thence West along the South line of the Northeast quarter of Section 10, a distance of 669.03 feet to the Easterly right-of-way of an existing County Road.

thence North 5 degrees 08 minutes East along the said Easterly right-of-way line 5,570.16 feet to the North line of the old City of Bisbee Airport property and the Point of Beginning.

thence continuing North 5 degrees 08 minutes East along the Easterly right-of-way line of said County Road, 1,625.00 feet;

thence South 84 degrees 52 minutes East 536.12 feet;

thence South 5 degrees 08 minutes West 1,625.00 feet;

thence North 84 degrees 52 minutes West 536.12 feet to the Point of Beginning.

A total of Twenty (20) acres.

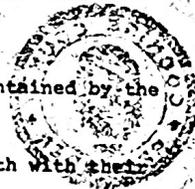
Said taxiways are to be constructed and maintained by the owners of said parcel.

Said taxiways are to be each 40 feet in width with their respective centerlines approximately 487.5 feet and approximately 1,218.75 feet from the City of Bisbee Municipal Airport North Boundary Line and parallel to said North Boundary Line.

ATTEST:


JEFFREY RUDENBERG
City Clerk
City of Bisbee


J. MICHAEL LYNN
Mayor
City of Bisbee



DN 1455 PAGE 354

Looking at the situation more broadly, all property owners depicted on the official airport map are in the position to assert their rights to access on the basis of open and continuous use for decades,

as those are grounds for a prescriptive easement. The fact that hangars have been built with taxiways connecting them to the airport is enough to assert presumptive airport access rights.

This is an important consideration for the City of Bisbee, which has considered blocking access to those neighboring properties as a last resort remedy to their unwillingness to sign TTFA contracts provided to them. But any such unilateral action at this stage by the airport sponsor would almost certainly result in legal challenges that the City would lose, including attorney's fees, fence removal costs, and court assessed damages.

Clearly, a better funded airport is a boon to neighboring properties. So why might they delay signing a TTFA contract? Considering that a TTFA is a bilateral agreement with performance requirements on both sides, it is reasonable for a property owner may consider how well the airport has been managed and operated, and how well the airport sponsor might perform those duties moving forward. Has the airport sponsor demonstrated consistently good stewardship of the airport property in terms of operation, safety, infrastructure, growth, and fiscal responsibility? A reasonable property owner might ask this question before signing a TTFA. In that sense, failed negotiations are a referendum on the airport sponsor's past performance.

Some property owners have flagged problematic language in the TTFA contracts offered to them. A review of the FAA's dedicated [TTFA webpage](#) gives guidance to airport sponsors to resolve those areas of misunderstandings.

One question is whether property owners with existing access are treated differently than those seeking new access. The answer is yes. It suggests that the FAA will waive certain requirements in those cases. In a memorandum dated July 21, 2021, the FAA issued a Compliance Guidance Letter 2021-03 – FAA Review of Existing and Proposed Residential Through-the-Fence Access Agreements. In it, they clarified their position on TTFA agreements.

“The FAA interprets the inclusion of specific terms and conditions as Congress’ intent for the FAA to enforce section 136 of P.L. 112-95 and its amendment in section 185 in P.L. 115-254 accordingly. In its implementation, the FAA will ask airport sponsors to demonstrate their compliance with the law. Airport sponsors with existing access had to provide evidence of compliance no later than October 1, 2014. Airport sponsors of general aviation airports proposing to establish new access agreements must provide evidence of compliance before establishing an access point. The FAA acknowledges that its approach to sponsors with existing access will be different than the posture taken with sponsors of general aviation airports proposing to establish new agreements. This is because airport sponsors with

existing agreements may have ceded important rights and powers through the execution of these existing agreements, and their ability to comply with the terms and conditions of the law may be severely hampered. The FAA intends to address such situations on a case-by-case basis consistent with section 136 of P.L. 112-95 and its amendment in section 185 of P.L. 115-254. General aviation airports proposing to establish new agreements must comply with the terms and conditions contained in section 136 of P.L. 115-254. The FAA will not waive these terms and conditions for new agreements.”

Another question is how multi-use (commercial and residential) facilities are treated with respect to TTFA agreements. In those cases, two agreements are needed.

“Existing Mixed-Use Properties: The FAA is aware of some existing residential through-the-fence agreements that permit the co-location of homes and aeronautical businesses (mixed-use properties). In these cases, the FAA will require airport sponsors to execute two separate agreements with the homeowner. One agreement must address the duration, rights, and limitations of the homeowner’s residential through-the-fence access. The second agreement must be consistent with FAA’s current policies on commercial through-the-fence activities and ensure the off-airport business does not result in unjust economic discrimination for on-airport aeronautical service providers. The FAA encourages sponsors with mixed-use properties to adopt long-term plans to relocate the off-airport commercial aeronautical activity onto the airport when feasible and practicable. Going forward, airport sponsors proposing to establish a residential through-the-fence arrangement must meet the statutory terms and conditions, including the prohibition on using the residential property for commercial aeronautical services by the residential through-the-fence users or any third parties that might compete with on-airport aeronautical service providers, even if those services currently are not provided. New agreements proposing to co-locate or mix residential and commercial aeronautical activities will not be consistent with the law.”

Perhaps the root of the City’s TTFA contract negotiation difficulties lies in the FAA’s rather lengthy boilerplate TTFA agreement, which the City adopted in whole. It asserts, rather vaguely, that commercial services are not allowed on airport adjacent land. But this broad prohibition does not apply to Bisbee, given that the zoning on adjacent parcels is Heavy Industrial (HI). Landowners might understandably be hesitant to sign anything inhibiting their approved land use; meanwhile, the City of Bisbee might understandably be hesitant to modify the language of the FAA’s own template document. Happily, the FAA says:

“In implementing this provision, the FAA will limit the scope of this condition to commercial aeronautical activities only. The FAA will not concern itself with unrelated commercial activities that may be permitted by local regulation.”

In short, the FAA's TTFA boilerplate contract is an exemplary document, and should be modified to match Bisbee's circumstances. Indeed, multiple versions will be needed to support the variety of circumstances and existing access rights among adjacent properties.

Exploring Alternative Options

Given that the City of Bisbee has not been effective at removing the barriers to federal funding necessary to maintain the airport facility for about a decade, and in consideration of those funding-related material defects in the airport, and those safety and operational concerns that are related to management, we arrive at a crossroads with respect to the airport's sponsorship moving forward. Clearly, we need to change how the airport is managed. Either the City must dramatically alter its approach to airport sponsorship by investing into the airport property and implement a new management system, or it must allow another entity to take up sponsorship and insist that the new entity do the same.

A change of sponsorship can also be a strategic decision to preserve municipal capital and allow the airport to operate without city support. The airport would remain an asset in service of the City of Bisbee and broader region regardless of the sponsorship model.

The FAA maintains a privatization program, now called the [Airport Investment Partnership Program](#). Privatization can attract additional investment into the airport infrastructure allowing for modernization, expansion, and improved facilities. This injection of capital can help upgrade aging infrastructure, enhance safety measures, and attract commercial development, advertising, and retail concessions. These diversified revenue streams can supplement fuel sales to make the airport financially independent.

Airport sponsorship means more than simply establishing a means for FAA funding; it is an ongoing participation in the airport's safe and financially sustainable operation. Airports are businesses, and airport sponsorship is largely a form of commercial property management; it involves repurposing existing facilities, collecting rents, attracting new tenants, and encouraging new revenue streams. Airport sponsorship is not a passive activity that can be performed by city staff doing part-time roles, as has been the case for Bisbee.

To be clear, any potential sponsor that cannot commit to providing 2.5% matching funds (to ensure that the FAA and the ADOT can provide the other 97.5%) is unacceptable. Whether the City remains the sponsor organization for the airport, or another sponsor is found, the minimum qualification for that role is committing to providing matching dollars for any and all grant projects the FAA and state are willing to fund. We anticipate that adjacent property owners would be far more inclined to sign TTFA agreements with a sponsor willing to guarantee grant matching assurances in the contract itself.

Conclusion

The Airport Advisory Commission serves as advocate for the airport property, its operation, and management. In that capacity, it has become clear that the City's tenure as sponsor of the Bisbee Municipal Airport, in its present embodiment, has proven an insufficient sponsor. We measure the shortcoming principally on financial grounds; in terms of missing out on federal funding. But beyond that, the airport suffers from minimal revenues, inadequate leases, and insufficient use of facilities. It should be appreciated that the airport is very much in use, and that every parking space and hangar at the airport is occupied. Yet there is no FBO, nor onsite manager despite a residence for that purpose. It may be that the economics of the relationship between the airport and the city are misunderstood. In fact, several people derive their main income from the airport. And many businesses in town, whether they know it or not, are profitably hosting pilots. The airport is an important resource to the City of Bisbee, and it will continue to bring revenue into the city of Bisbee regardless of the entity operating it. Improving airport management would likely increase tax revenues collected and brings more direct business to Bisbee. Whether it is a privately run business or a publicly run business is largely irrelevant in terms of its real value to the City.

And finally, it should be appreciated that a new negotiation campaign with the adjacent property owners would most efficiently result in secured TTFA agreements, whether achieved by mutual consent or by decree.

Action

Working with the Mayor or Councilmembers directly, the Airport Advisory Commission should prepare and place an item in the City Council's agenda for a formal vote on the future of airport sponsorship. The Council will be asked to choose from among three possible options:

1. Leave airport management in the hands of the city manager, and continue to let the airport fall into disrepair without recourse to federal funding;
2. Place the necessary authority directly with the Airport Advisory Commission, a panel of subject matter experts, to work with adjacent property owners to resolve the TTFA's, restore federal funding, and to make all safety, financial, and operational decisions moving henceforth;
3. Privatize the airport, remove all liability and costs from the City, and allow it to exist as a private business entity with FAA oversight.