

## Rebman, Kevin

---

**From:** DVStarr@aol.com  
**Sent:** Tuesday, October 16, 2007 9:13 PM  
**To:** DVStarr@aol.com  
**Subject:** MAC Commission 15 Oct. 2007

MAC Commission 15 Oct. 2007

Of primary importance to Reliever Airport tenants was the proposal for MAC to adopt the revised Rates and Charges ordinance to be known as MAC Ordinance 107.

The proposal had generated considerable discussion during the Management & Operations Committee meeting on Oct. 4. However, the committee had finally voted unanimously to send the proposal to the Full Commission. This unanimous vote automatically placed this item on the “consent agenda” to be passed without further discussion. Hence, it was a surprise when Chair Lanners “pulled down” the proposal for additional discussion by the Full Committee. M&O Committee Chair Landy said that Reliever Airport Advisory Council Glenn Weibel had asked to address the Commission regarding the proposed ordinance. Glenn had been unable to attend the M&O meeting. Glenn said that although he disagreed with the proposal, he appreciated the thorough 18 month study of Relievers that had been led by Chair Lanners who had been M&O chair at the time. Glen went on to say that the full cost benefit of Relievers to MSP had not been factored into the proposed ordinance. He also said that \$300,000 per year contribution from MSP to the entire Reliever system was insufficient.

Tim Anderson, MAC Deputy Executive Director for Management & Operations, replied that \$300,000 (indexed to increase annually by 3%) is not a very large amount, but staff will work to get federal and state funds for airport improvements. MAC will also rely heavily on non-aviation revenue to support the Relievers.

Chair Lanners commented that there were no changes to rates and charges projected through 2020 in the model.

Commissioner Mars moved adoption of the ordinance: seconded by Commissioner Stenerson. Commissioner Nelson opened the discussion by asking about availability of grants. Jeff Hamiel, MAC Executive Director, responded that MAC has the ability to apply to the FAA for Reliever Airport grants, but the federal government has very limited resources for Reliever Airports. MAC will have to compete with other Reliever airports throughout the country for the funds.

Susan Warner-Dooley, MAC Deputy Executive Director for Finance, added that all projected Reliever capital improvement projects are built into the 2020 model.

Commissioner Nelson asked about the \$10 per MSP operation benefit that was part of the Reliever Task Force study. Ms. Warner-Dooley replied that MAC is crediting the Relievers with \$7.2 Million in depreciation and imputed interest generated prior to 2006. This benefit declines over time in the financial model.

Commissioner Westerberg said he had concerns with Reliever tenants underwriting 60% of the Reliever budget.

Commissioner Landy said that he was supporting the proposed ordinance although there was “no perfect plan.” He noted that MAC had created a business plan for non-aeronautical revenue. He acknowledged that Relievers provide a definite benefit to MSP. He also said that MAC must monitor the plan because if tenants leave the Relievers, the system will be undermined.

Chair Lanners said that the proposed ordinance serves to stabilize rates & charges while providing for infrastructure improvements.

Commissioner Lisa Lebedoff Peilen added that she, too, was concerned about monitoring.

Mr. Hamiel responded that staff would report on an annual basis.

Commissioner Rehkamp expressed concern that rates and charges increases adopted as Ordinance 101 in 2005 were indexed for inflation whereas taxi cab increases had to go to the Full Commission each time.

Mr. Hamiel responded that MAC made the change after several decades of virtually no Reliever rate increases.

Gary Schmidt, Director of Reliever Airports, told the Commissioners that the Reliever System is more than breaking even on operational expenses. It is capital improvements that present a problem. He noted the concern that had been expressed by tenants about a surcharge and reiterated that any surcharge would have to be approved by the Commissioners.

Commissioner Stenerson, who was Chair of the Hearing Officers' Committee for Ordinance 107, said that this was a well thought out ordinance and thanked staff and members of the Task Force.

Commissioner Nelson said that he would vote for the proposal. He added that he was concerned that very light jets were coming and the Relievers needed to be ready to handle them.

Commissioner Landy responded that very light jets were the very best thing that could happen to the Relievers.

Gary Schmidt assured the Commissioners that the annual Reliever Airport report to the Commission will include monitoring of the model.

Ordinance 107 passed by unanimous vote.

Additional Reliever news is that Commissioner Westerberg has been appointed to represent MAC on the Joint Powers Board with Anoka County, and the developer (LLC). This group oversees the Northwest Building Area. Commissioner Stenerson will act as alternate.

Commissioner Westerberg will also represent MAC on the Anoka County Zoning Board with Commissioner Stenerson as alternate.

St. Paul also has a zoning board, and Commissioner Nelson will represent MAC with Commissioner Foley as alternate.

Vivian Starr

---

See what's new at [AOL.com](http://AOL.com) and [Make AOL Your Homepage](#).