

VAN NUYS AIRPORT CITIZENS ADVISORY COUNCIL
Tuesday, October 6, 2009
MINUTES

A meeting of the Van Nuys Airport Citizens Advisory Council (CAC) was called to order at 7:05 p.m. by Chair Rick Flam. Members present: Ron Merkin, Wayne Williams, Gerald Silver, Harold Sullivan, James Wildman, Laurence Rabe, Rick Flam, Chris Nassif, Bob Frazier, Wendy Saunders, Ken Miller, Harold Lee, and Don Schultz.

Members Absent: Bob Jackson, Audrey Madrigal, and Dave Sotero.

The Council vacancies as of October 6, 2009 are as follows: one appointment from the Office of Councilmember Alarcon and one appointment from vacant Council District 2.

The minutes from September 1, 2009 Council meeting were unanimously approved.

1.) STAFF REPORTS

The Chairman mentioned a letter that was on the outside table from Commissioner Rothenberg regarding the new Flyaway system. The letter stated that the CAC was briefed with regards to the proposed fare increase; however, his letter makes no mention that the CAC was briefed with respect to the cashless system. The Chairman stated that he responded to Commissioner Rothenberg regarding the cashless system; however, he has not heard back. He then sent another letter reminding the Commissioner that he responded to that issue. The Chairman urged the CAC to read the last paragraph of that letter.

A. New cashless fare system for the Van Nuys FlyAway Transit System – Discussion/Action

Mr. Michael Biagi, the Division Chief from Landside Operations Division gave a presentation regarding the new cashless fare system for the Van Nuys FlyAway Transit System. He stated the problem that LAWA is trying to fix is that the FlyAway bus network is losing money and the fact that the operating costs are increasing and the ridership is either flat or declining. Mr. Biagi stated they are calling the FlyAway the “LAX FlyAway” and it branches out to various locations such as Van Nuys and Westwood. The reasons why LAWA has eliminated cash from the Flyaway are because LAWA audits have recommended this change due to possible theft of cash, because of ticket system maintenance cost and because of staff reductions. Because of this change the revenue is up significantly and less than half of one percent of passengers are not able to pay with credit cards. Mr. Biagi stated that in the future there will be a possible installation of pre-paid card machines at the FlyAway so the people who only carry cash can put their money in that machine and will receive a pre-paid credit card to purchase their tickets. Mr. Biagi also mentioned that LAWA did major promotions to alert the passengers of this change such as flyers, bright yellow banners at each FlyAway entrance, Daily News, bus shelters, billboards, LA Times along with LAWA website updates.

Mr. Miller stated that he was under the impression that the FlyAway was under the VNY Airport’s budget.

Mr. Biagi stated that it was part of the VNY budget historically but in the last year it has been moved to LAX cost center.

Mr. Miller stated that since it has been running in a deficit continually when it was under the VNY budget it will most likely benefit VNY and its performance now that the cost has been moved to LAX.

Mr. Silver asked Mr. Biagi if he has any balance sheets or spread sheets that state how much LAWA is paying for the credit card services at the FlyAway.

Mr. Biagi stated he does not have that information.

Mr. Wayne Williams pointed out that the ½ of 1% is 300 people and the CAC wants to know what group of people we are now excluding from riding the FlyAway.

Mr. Biagi stated that only about 10 to 12 people a day that come to the FlyAway do not have a credit card.

Ms. Wendy Saunders stated that those problems will be eliminated once the card machines are in place and she wants to know how soon LAWA will install them.

Mr. Biagi stated that he expects to have that information in the next 30 days.

Mr. Wildman stated that the FlyAway employees should be bonded to cover theft.

Mr. Biagi said the persons involved are very savvy and would need to be caught in order to receive bond credit. Also, he mentioned that this new system is saving the FlyAway a lot of money because there is no opportunity for leakage or theft of cash.

The Chairman and other members also noted that although the FlyAway may not be under VNY that they should be kept informed as part of the community and since it is on VNY property. The CAC would also like LAWA to let them know what LAX pays VNY for rent.

The Chairman stated that the last paragraph in the letter from President Rothenberg insinuates that the FlyAway cashless system is not the CAC business; however, it is our business because the members of our community need to voice their opinions and express their concerns.

The CAC thanked Mr. Biagi for his report.

B. Propeller Park update – Discussion/Action

Ms. Sanchez answered a question Mr. Silver asked at the last CAC meeting. She said that the WebTrak screen doesn't have a print option in itself; however, you can still use the web browser to print. Ms. Sanchez also stated that our annual recognition dinner will be held December 10th, 6:00 p.m. at Fire Station 114.

Ms. Sanchez stated there are not major developments with the Propeller Park. It is going through the CEQA and LAWA's concept approval process.

Mr. Miller stated that the CAC thought the lease was initially going to be ready in mid August. He would like to know were the delays in CEQA process unanticipated and why are we many months behind.

Ms. Sanchez stated that her understanding is that the process took longer than anticipated.

Mr. Argubright from the public stated the original CEQA was submitted in August and it came back with over 90 comments which he can electronically present to the CAC if they like. This process is extremely complicated and one of the people here tonight is an attorney working on it and he can explain certain things that we have to overcome and none are seen as threatening the project.

Mr. Miller asked if there is a new projected date the CAC can anticipate.

Mr. John Feldsted from the public stated that they submitted the CEQA document to LAWA and it took LAWA about five months to do the initial comments. All of the delay is because of clarifications such as the lighting being generated by the light post that is on Balboa.

Mr. Silver asked to clarify what is being done and is there going to be a negative declaration.

Mr. Feldsted stated the difference between a negative declaration and a mitigated negative declaration is that it can be very incremental. For example a mitigated negative declaration might be as subtle as simply adding dust measure practices such as watering the site twice a day and those sorts. He does not anticipate there is going to be significant mitigation in terms of permanent measures.

Mr. Silver stated the negative declaration says there will be no impact. He isn't clear on whether they are seeking a negative declaration that says no mitigations at all or are they engineering a mitigation where they end up with an impact.

Mr. Feldsted stated the preparation is submission of the study and that is a process. There are various different departments that review it and people come back with comments. It explains what our belief is as to the condition of the site. We are not submitting a negative declaration at this point; we are circulating it to different departments within LAWA for review of the draft negative declaration.

Mr. Miller stated the time frame is of significant importance; what we are seeing is more people selling their airplanes and getting out of aviation for various reasons. Mr. Miller stressed his concerns as this project drags along that it will have an impact on its ability to be successful and achieve the goal for all of us. Activity would encourage people to hang in there and we are now looking that at best the lease may be signed in December which means we are may even be looking at March. Mr. Miller stated he isn't looking for the specifics of the CEQA or the negative declaration; he is just wondering if everyone is tuned to the timing importance of this project.

Mr. Argubright stated that their efforts and investing time and money are for the success of the 30 year project. We are making sure this gets done right. Today he is more optimistic about this project than he has ever been.

Ms. Sanchez introduced Lieutenant Sansbury who is in charge of the Van Nuys Airport Police Department.

The CAC welcomed Lieutenant Sansbury.

Mr. Silver introduced Jeffrey Ebestein; a Deputy for Councilman Paul Koretz. Mr. Silver invited Mr. Ebestein to the CAC meeting because he believes it is important that he watches closely the CAC's issues and progress.

2.) REPORT FROM THE CHAIR

The Chairman stated that Ms. Selena Birk informed him that our good friend and CAC member Bob Jackson is ill. He spoke to Mr. Jackson today and the news is encouraging and he enjoyed speaking to him. Mr. Jackson conveyed his regards and he will be back to the Council as soon as he can. Ms. Sanchez will pass out a get well card for all the CAC to sign for Mr. Jackson.

The Chairman stated the CAC reports from Mr. Len Krugler are in a different format and he finds them more helpful.

Mr. Len Krugler stated they broke down the reports so they can show them demographically explaining where the complaints came from. As we are doing some of the edits the system does not recognize some of the operators. In the future we will have very few unknown aircraft.

The Chairman noted he is glad to know the unknowns have been reduced by 90 %.

Mr. Len Krugler stated some of the main operator updates aren't in the reports because instead of going to the operators it goes to the owner and notifying the owner of an aircraft of our policies.

The Chairman stated it seems to him that some of these people are repeat offenders; in one case one operator; Prime Jet, LLC had ten departures in three percent of the time.

Mr. Len Krugler stated that Gulfstream goes out very heavy with fuel. It is not violating any FAA regulations and it is the pilot's judgment for safety.

The Chairman asked about the Gateway Aviation that violated the guidelines 75% of the time.

Mr. Len Krugler stated it is the same thing as the other Gulfstream, and they have talked to the operators and have been getting compliance.

The Chairman asked if LAWA has any authority besides just sending out a letter to the offenders that asks to please comply.

Mr. Krugler stated they do send out letters asking for compliance; however he himself also speaks to the operators.

The Chairman asked if there is anything that prevents the CAC from publishing their names in the newspaper as repeat offenders.

Mr. Krugler stated he does not know that information.

The Chairman asked the CAC to consider investigating the repeat violators of the voluntary program.

Mr. Krugler stated that other airports have done that but not with general aviation.

The Chairman stated that it seems to him these violators do not care.

Mr. Krugler stated he doesn't believe that is the reason; he thinks that most of the operators are trying to comply with the policies.

Mr. Silver stated he believes it is premature to publish that list because of the Part 161 Study that is moving forward. That Study addresses many of these issues and once it is available for comment we will be able to address the repeat offenders.

Mr. Miller stated that he does not know these operators and Mr. Krugler points out a justification that may substantiate the reason being that the airplanes are going a long distance and they are very heavy. That may be because of no other option and what concerns him is the value of the airport and what makes this airport valuable is that people can come here and do business. If we get to the point where we are not taking into consideration that we may be driving some of that business away and not to say that they shouldn't be aware and try to cooperate but from what he hears tonight is these operators are trying to find a better way.

The Chairman stated he is looking at the good neighbor clause and it seems that the same people are having the same problems over and over again. For whatever reasons the operators loads are so heavy and they are not able to comply 75% of the time then we need to think about whether that is their problem or our problem.

Mr. Miller stated he believes it is a joint problem.

Mr. Krugler stated that they are doing a study at this moment in conjunction with the Part 161 study and hopefully they will get their targets even lower and that is something they strive for.

Mr. Miller stated that we are not looking into this from the same direction. Mr. Krugler is saying an explanation and the Chairman is stating that there is a group of people who are continuously affected and not cared for. There are pilots flying with a heavy airplane and the nature of the loads they are carrying could put them in the position where they have no option on their take-off procedures.

The Chairman stated he understands what Mr. Miller is saying and he does not want to take action; just consider the issue and study it. The numbers from the report certainly jump out.

There was further discussion regarding the repeat offenders between Mr. Lee, The Chairman, Mr. Williams, Mr. Silver and Mr. Miller.

3.) BOAC AGENDA ITEMS CONCERNING VNY

A. Raytheon Company Lease – Discussion/Action

Mr. Ron Domash from VNY's real estate division stated that this item proposes approval of an approximately one-year Replacement Lease (Lease) with two (2) one (1) year options with Raytheon Company (Raytheon) located at 16101 Saticoy Street at Van Nuys Airport (VNY). Raytheon provides engineering, flight testing, aircraft modification, mission planning, and flight operations and has been a tenant at VNY since 1985. This proposed lease will replace Lease No. VNA-7962, which expired on March 31, 2007. The proposed lease includes a site of approximately 8.9 acres of land and 156,756 square feet of hangar and office space commonly known as Hangar 901. The proposed building rental rate is \$3.99 per square foot per year or \$625,456 annualized. The land will remain at the BOAC-approved rate of \$26,781.46 per acre per year (adjusted by index) or \$231,190 annualized. Rental rates will be subject to periodic rate and annual adjustments in adherence with the LAWA Leasing Policy. In addition, Raytheon has agreed to pay \$403,832 in retroactive rent for the period beginning April 1, 2007 through May 31, 2009. If the retroactive amount is paid in monthly installments, a 5 percent (5%) interest per annum will be applied. In 1994, Hughes vacated Hangar 901 due to extensive structural damage during the Northridge Earthquake. Hangar 901 was

eventually repaired and retrofitted using Federal Emergency Management Agency (FEMA) funds. LAWA entered into a 3-year lease agreement with two 1-year options with Raytheon for the lease of Hangar 901. As part of the Lease requirements, Raytheon was required to invest a minimum of \$990,000 in tenant improvements. In consideration of the investment, LAWA agreed to allow Raytheon a 10-year period to amortize their investment. The ten-year amortization period will end on March 31, 2012. Raytheon exercised the lease option and the agreement terminated on March 31, 2007; the lease has been on a month-to-month basis since March 31, 2007. Negotiations for a replacement lease were delayed at Raytheon's request because Raytheon was performing an internal assessment of its overall regional facilities' requirements and could not commit to a new lease agreement until the assessment had been completed.

After a brief discussion the Chairman moved for this motion to be approved.

This motion was approved unanimously.

4.) NEW BUSINESS

A. Election of the new Chair and vice Chair for the VNYCAC– Discussion/Action

The CAC urged Chairman Rick Flam to serve as Chair for another term. The Chairman stated he appreciates the CAC; however, he is declining due to not having the important time the Chair needs to dedicate to the CAC. After a lengthy discussion a member stated that the Chairman can delegate work to the Vice Chair or a CAC member to alleviate his work load as Chair. The Chairman stated he will speak to his partner and he deferred the item until the November CAC meeting.

5.) PUBLIC COMMENT – NON-AGENDA ITEMS – Discussion

Ms. Margie Oldenkamp, the president of MPG Aviation stated that MPG Aviation is the only propeller operation at VNY Airport at this time and approved under Alternative J. She stated that she isn't at the meetings a lot but she knows many of the CAC members and they have gone through a lot together. She thanked the CAC for helping MPG in their failed attempt to get a 30 year lease. One of the reasons the 30 year lease is not going to happen is because the present LAWA management at LAX wants their airports to be self sufficient; all they care about is money. Ms. Oldenkamp said she was very upset and she has gone through nine LAWA management personnel at LAX and they are very difficult to deal with since all they want is money. LAWA management does not care about propeller aviation and they are not doing anything for VNY airport. She hopes this does not jeopardize the final dealings with VNY but they need to be aware of what is happening here.

Ms. Cindy Goodfellow from the public stated her concerns for several leaseholders at VNY Airport. She said that LAWA is making steps to raise costs and everyone else is looking for ways to stop losses. Any rent adjustment in this economy is not reasonable. What should be considered is a decrease or adjustment. There is a difference between fair market adjustment and an effort to make more money on the backs of the tenants in order to make up an alleged shortfall of LAWA. The City needs to be working with the existing tenants to help them stay in business rather than encourage the development of property that could create further challenges to the airport and the costs will be born by everyone. Now is the time for everyone to be on the same page. Ms. Goodfellow stated she wants to go on record about:

Reduced rental rates for prop land provided to other tenants at VNY that have exclusive prop areas should be consistent and certainly the same economic incentive should be given to other master leaseholders with prop areas. Unbalanced rental rates for like businesses reduce the values of the land further and also serve in destabilizing existing businesses.

Mr. Nassif asked Ms. Goodfellow to tell him what her ideal outcome would be.

Ms. Goodfellow stated that Van Nuys Management needs to run VNY Airport because they are here everyday and they know the tenants and what is going on. If LAX didn't run VNY; it would be a different world because a lot of the tenants here have a good working relationship with VNY Staff.

Mr. Miller stated that all of the aviation tenants are facing significant challenges. The reality is when Alternative J came into place the intentions were to make this airport serve a diverse segment of general aviation and that accommodated the airplanes that fly out but also the neighbors. Mr. Miller stated he worked for a company that understood the culture of the business they were in, then they got acquired by a company that manufactured television sets and they did not understand the culture of the business we were in and consequently the method they tried to employ was not affective and it had a negative impact. Mr. Miller stated what he is hearing from both Ms. Oldenkamp and Ms. Goodfellow is that we are being affected by people who do not understand the culture of our business. Even though we are in the same industry to some degree our needs are significantly different.

The Chairman stated that this is public comment and not open for debate.

Mr. Bill Mouzis from the public stated he would like to comment on the letter he receives from the Regional Administrator from the FAA Mr. William Withycomb. The letter was to him personally and it said that the FAA rejected the CAC's helicopter motion to LAWA. Mr. Mouzis wrote them shortly after that motion was passed by the CAC, he expressed his views and urged them to take the motion seriously. Their response was outrageous and he cannot believe the FAA can make a decision without public hearing. This is the regional office making the decision and has nothing do to with the local FAA office. These recommendations were based on legitimate resident concerns that include flight violations, noise, public safety, the environment and the invasion of privacy. This decision by Mr. Withycomb was made by the regional FAA office as talks were continuing between LAWA and the FAA locally. This is an absolute disgrace and he cannot believe that the FAA can simply brush aside the public concerns and recommendations. Mr. Mouzis stated he intends to write Congressman Brad Sherman about this incident and he wants it known the FAA is accountable to the Department of Transportation. Finally, he wants the CAC to make a motion to appeal this decision as soon as possible.

6.) UNFINISHED BUSINESS

A. Subcommittee Reports

1. Helicopter Committee:

Progress made by LAWA and the FAA in re-evaluating Helicopter routes per the Committee's motion and Roundtable – Discussion/Action

Mr. Williams thanked Mr. Mouzis for his efforts. Mr. Williams stated they took a full year to go through this process doing what the CAC has the best ability to do which is to look at a problem in an open and honest matter and try to come up with viable solutions. The FAA agreed that they were viable and adjustable, even the pilots got on board with this issue and that is why the letter from Mr. Withycomb is so disturbing. This letter is a slap in the face to everyone who sits on this Council and to everyone who works at this airport. Mr. Williams said this letter is dated September 24th, 2009 to Mr. William Mouzis and it states:

Thank you for your correspondence of August 13, 2009, regarding helicopter activity over your community. You state this has dramatically increased over the past ten years, resulting in increased noise, safety and environmental problems. You are requesting that the Federal Aviation Administration (FAA) follow the recommendations made by the Van Nuys Citizens Advisory Council (CAC) and reevaluate the use of the Bull Creek Wash helicopter route.

After receipt of your correspondence, a meeting was scheduled between the FAA and the airport operator to discuss your concerns and the recommendations of the Van Nuys Airport CAC. Elimination of the Bull Creek Wash helicopter route was discussed; however, it was determined that this was not possible because of the complexity of the airspace in the area. The airspace over the Los Angeles Basin is comprised of complex intertwined blocks of airspace, making any changes to existing routes extremely difficult.

Even if a helicopter route were eliminated, helicopters would not be required to fly other designated routes. The National Airspace system is made up of various types of airspace, including controlled and uncontrolled airspace. At lower altitudes, controlled airspace is normally established in limited areas around the busiest terminal areas and routes and requires communication with the air traffic control. Low altitude flight within much of the Los Angeles basin does not require communication with air traffic control. Law enforcement and emergency services helicopter routinely fly within community boundaries to accomplish their mission of ensuring the public's safety.

It is a continuing challenge for the FAA to provide the necessary support to the nation's airspace system and ensure the consideration of noise impacts. However, any initiatives to address local noise concerns are enacted, regulated, and enforced through the offices of the local airport proprietor. The Van Nuys Airport does have a noise management program in place to encourage pilots to operate their aircraft in compliance with local noise ordinances. Information about this program is available online at <http://lawa.org/welcomeVNY.aspx?id=1034>. If you would like to file a noise complaint, you may want to contact the airport's community response line at (800) 560-0010.

Thank you for this opportunity to answer your inquiry. If you need further help, please contact me at (310) 725-3550.

Signed, William C. Withycombe, Regional Administrator (FAA)

Mr. Williams stated that this letter is telling us to get lost and not to waste our time because the FAA will do whatever they want anyway. The letter is stating that LAWA and VNY can do whatever they want; which means they can shut down Bull Creek Wash if they choose. Mr. Williams stated he is insulted after all the hard work everyone went through and that this letter didn't even come to the CAC. Mr. Williams suggested that the Mayor needs to get involved immediately; he needs to pull the plug on Bull Creek and establish a new route such as Balboa.

Ms. Sanchez noted that the VNY Staff didn't receive the letter either and the Tower was just as surprised as we were. Also Ms. Sanchez mentioned that the FAA is considering updating their letters of agreement with the helicopter operators.

Mr. Silver stated his recollection of the CAC helicopter motion is that the FAA reassesses the routes based upon safety issues. We did not make any statements about any particular route; therefore we need a follow up letter.

Mr. Miller stated that letter sounds to him as a bureaucratic way of blowing off a person from the public.

The Chairman stated we needed to write a letter to BOAC and the Mayor specifically asking to close the Bull Creek route and have other routes be supplemented.

After a very long discussion between the CAC members, Mr. Williams and The Chairman made a motion and it states:

Whereas;

1. The CAC has received a copy of a written communication from the FAA Regional Administrator, Mr. William C. Withycombe, dated September 24, 2009 to community member William P. Mouzis, stating that changes to helicopter flight paths surrounding VNY affecting entry and/or exit from VNY, are within the discretion and under the control of local airport operators which the CAC understands to mean the City of Los Angeles and the Board of Airport Commissioners;
2. The CAC has received a recommendation from its subcommittee on Helicopter Safety and related issues that the Bull Creek flight path for helicopters transiting to and from VNY be eliminated, and that helicopter traffic that previously used the Bull Creek flight path should be directed to the adjacent Balboa Blvd. Flight path;
3. The CAC finds that the recommendation by its Helicopter Safety subcommittee for elimination of the Bull Creek flight path was based on the careful review of the existing helicopter flight paths, and after receiving and considering the input from the community, helicopter industry representatives, helicopter pilots, representatives of the FAA, Los Angeles Office, and LAWA staff, during committee hearings and a CAC sponsored Helicopter Roundtable convened to review safety, noise, and environmental issues associated with helicopter flight paths; and,
4. The CAC has considered the recommendation of its Helicopter Safety Committee and it has unanimously approved the recommendation that the Bull Creek helicopter flight path be eliminated forthwith.

Be it resolved, that the VNY CAC requests that the Mayor's Office and the Board of Airport Commissioners for Los Angeles World Airways, eliminate the Bull Creek flight path for helicopter traffic approaching and/or exiting VNY except in cases of emergency, and that appropriate notices be distributed informing helicopter pilots and operators that helicopter traffic approaching or exiting VNY should use the Balboa Blvd. flight path.

This motion was approved by eight yes votes and two no votes. The motion passed.

7) EMERGENCY ITEMS SINCE POSTING OF AGENDA – Discussion

None

8) ADVISORY COUNCIL MEMBERS' COMMENTS - NON-AGENDA ITEMS

None

9) ADJOURNMENT:

9:02 p.m.