

VAN NUYS AIRPORT CITIZENS ADVISORY COUNCIL
Tuesday, March 1, 2011
MINUTES

A meeting of the Van Nuys Airport Citizens Advisory Council (CAC) was called to order at 7:18 p.m. by Rick Flam. Members present: Rick Flam, Don Schultz, Ken Miller, Elliot Sanders, Roger Oeland, Harold Sullivan, Bob Jackson, Wayne Williams, Gerald Silver, David Rankell, Wendy Saunders, Laurence Rabe, Harold Lee, Roger Ortiz

Members Absent: Bob Frazier, Chris Nassif, David Bernardoni, Ron Merkin

The minutes from February 1, 2011 meeting were unanimously approved.

1.) STAFF REPORTS

A. VNY Golf Course – Discussion/Action

Mr. Michael Strouse of LAWA Commercial Development updated the CAC members on the VNY Golf Course with a PowerPoint Presentation. (Presentation attached)

Mr. Miller asked if the new operator, Van Nuys Golf Management Partners (VNGMP) was aware of the current condition of the VNY Golf Course.

Mr. Strouse stated that yes they were aware of the condition and are currently prioritizing the repairs.

Mr. Schultz asked if they should wait until the April meeting for renderings.

Mr. Strouse stated that yes; the CAC will see renderings at the April meeting when a representative from VNYGMP attends the meeting.

Mr. Flam asked if there is any connection between the old operator and the new operator.

Mr. Strouse stated that there is no connection between the two and that the old operator did not submit a proposal.

Mr. Rodine asked if there will be a restaurant at the VNY Golf Course.

Mr. Strouse stated that he is unaware if there will be a restaurant.

B. City Attorney's Briefing – Discussion/Action

Mr. Tim Dazè, LAWA Deputy City Attorney, is responsible for the enforcement of the Van Nuys Airport Non-Addition Rule Curfew Ordinance (established in 2001) for the last 8 ½ years. He briefed the CAC on the current status of curfew violators as follows:

2009 – 4 violations submitted to the City Attorney

 2 – curfew violations

 2 – Non-Addition Rule violations

All the violations were closed, four fines were received.

2010 – 10 violations submitted to the City Attorney

7 – curfew violations (4 settled, 2 outstanding in litigation, 1 may not be able to get collected due to the Mexican registered aircraft, Mr. Dazè stated that he can't get jurisdiction over them to sue them. This may be a non-issue unless the aircraft comes back in.)

3 – Non-Addition Rule violations (2 settled, 1 outstanding in litigation)

The fine for a 1st offense is \$750.00, 2nd offense is \$1150.00, and a third offense is \$2500.00.

Mr. Williams asked Mr. Dazè if he feels the fines are appropriate.

Mr. Dazè stated that currently, in the last 3-4 years, the people that were fined usually don't do it intentionally. However, when he first took over the noise violations they were out of control.

Mr. Flam asked if we could restrict foreign jurisdiction aircraft from landing if they have not paid the fine.

Mr. Dazè stated that the FAA regulation states that an aircraft cannot be prevented from landing. However, if he goes through the court, and addresses the aircraft as an egregious violator (3 or more violations in one year) the court can give him an injunction to prevent the aircraft from taking off.

Mr. Rankell asked how many violators in 2010 were VNY Fixed Based Operators (FBO's).

Mr. Dazè stated he is not certain, but he believes none of them belonged to VNY FBO's. He also stated that older aircraft have left VNY unless they have been grandfathered in. Most of the violators are not local.

Mr. Silver asked how a violation that is recorded at 11:00:02 is recorded.

Mr. Dazè stated that violations are recorded in minutes, not seconds.

Mr. Williams thanked Mr. Dazè for all that he has done and continues to do.

Mr. Dazè stated that he was raised and lives in the San Fernando Valley. He is aware of the noise and its effects on people and he appreciates all that the Van Nuys Airport office staff does to assist his efforts.

Mr. Flam asked Mr. Dazè if he feels increasing the fine would help.

Mr. Dazè stated that he does not believe it would help unless we saw the egregious violators return. But there have not been repeat violators in the last five years.

Mr. Silver asked who the City Attorney goes after when there is a violation, the pilot, registered owner, or corporation.

Mr. Dazè stated primarily they go after the owner, however the lawsuit is filed against everybody. The violation goes to the aircraft because after three violations in one year the aircraft could be banned and that stops people's income stream.

C. Promotions/Advertising/Publicity Expenditures at VNY – Discussion/Action

Ms. Diana Sanchez made a Powerpoint Presentation on the VNY Public & Community Relations (VNY PR) Division Summary. (Presentation attached)

Mr. Silver stated that pilots (aviation people) should be added as a stakeholder.

Mr. Romo stated that they would be added.

Mr. Silver asked if there is any way to determine what percentage of VNY PR expense is going to prop aviation.

Ms. Sanchez stated that his question may be answered during this presentation and if not they can get back to him with an answer.

Mr. Silver asked where the encouragement to propeller operators to come to VNY is.

Ms. Sanchez stated that his question may be answered during this presentation and if not they can get back to him with an answer.

Mr. Miller asked if there is Facebook and Twitter on the VNY website.

Ms. Sanchez stated yes.

Mr. Miller asked if we can get active private pilots to follow us on Twitter and Facebook and have active participation with them.

Ms. Sanchez stated that currently we have 68 people on Facebook; a majority of them are pilots.

Mr. Sanders stated that for the last six years LAWA has supported Aviation Career Day that shows the inside of the airport and promotes the airport. He stated that this helps the high school children see the opportunities at the airport.

Mr. Silver stated that he feels outreach to other piston aviation operators across the country is important.

Mr. Sanders stated that once the Prop Park is open, pilots will come to VNY.

D. Solar Energy – Discussion/Action

Mr. Romo stated that he reached out to VNY tenants regarding solar panels but none of them are interested at this time. He also stated that there are LAWA standards that need to be met regarding lead certification. This document is available online. It is a requirement for any new construction at all LAWA airports. There is not a specific requirement that they have to use solar panels but they do have to meet certain minimum lead standards as set forth in this policy that has been adopted by the BOAC.

Mr. Romo also stated there needs to be a minimum footprint at a vacant site at VNY in order to use the space for a mini solar installation. There is not a vast amount of space at VNY except for the north end at the VOR, the old Retlaw site, or some portions adjacent to the Prop Park. The use would have to compete with the primary use of an airport which is aviation. However, LAWA is looking at a solar farm at the Palmdale Airport.

E. VNY Scheduled Flights – Discussion/Action

Mr. Romo discussed an inquiry by a community member. The community member asked “where is the FAA language covering VNY scheduled and/or chartered flights and why so-called charter flights are being advertised as scheduled airline service in and out of Van Nuys. We as the public must know by what authority this is being done. We do not feel this is an unreasonable inquiry when it appears to be a service more common to full service airports across the country and unlike VNY where this is permissible.”

Mr. Romo responded to the community member with the following information, “LAWA does not keep the requested information in our records, but staff contacted the Federal Aviation Administration’s (FAA) Flight Standards District Office (FSDO), which is the regulatory agency that (among other responsibilities) handles Part 135 Certification of operators at general aviation airports. A FSDO representative has advised that the flights in question are available flights meaning offered to the public; however, said flights may no longer have seats for purchase at the time of a customer’s inquiry. In this specific instance, seats offered on 247 Private Jet Rentals’ own website are done so as “empty leg and backhaul trips”. This means the aircraft might return to Van Nuys Airport or to another, designated airport with or without passengers. Persons wishing to fly may be entitled to a discount because the aircraft would be flying anyway.”

The FAA’s FSDO is the regulatory agency responsible for the compliance of these standards and as such would be happy to clarify the differences between available flights and scheduled flights with you directly. You may reach a **FSDO Ops Duty Officer** familiar with these issues at the FAA’s local Flight Standards District Office at (818) 904-6291.

Mr. Romo stated that the community member requested this information be relayed to the CAC at the March meeting.

Mr. Flam asked how companies advertise flights to attractive locations.

Mr. Romo stated that each company makes their own decision on how they advertise flights. Airplanes are constantly being moved around in the general aviation community. Since planes need to go to a certain location they may advertise that a plane is going to this location and ask the public to call them if they are interested in buying a ticket on this plane. The plane may or may not leave at the date/time that was advertised. But these are not regularly scheduled flights in any way.

Mr. Flam asked Mr. Romo if he had an update from LAWA Management on Maguire Aviation who may be in default.

Mr. Romo stated that he is aware of Mr. Steve Martin’s briefing at the February CAC Meeting however he is not aware of an update on this issue.

Mr. Flam asked Mr. Romo to update the CAC on this issue at the April meeting.

2.) REPORT FROM CHAIR

Mr. Flam welcomed the newest CAC member, Roger Ortiz who was appointed by Councilman Alarcon.

Mr. Ortiz stated that he is the Vice President of the Lake Balboa Neighborhood Council, a Deputy Probation Officer, and resides in Lake Balboa.

Mr. Silver pointed out that a Councilman outside the VNY area appointed an area resident to the CAC.

3.) BOAC AGENDA ITEMS CONCERNING VNY

A. Aviation Plaza (Van Nuys Airport Admin Office) Lease

Mr. Ron Domash, LAWA Property Manager, stated that the Aviation Plaza Lease will be presented to the BOAC on March 7, 2011. The lease will be a two year lease with three-1 year options and lessee is Aviation Plaza LLC and LAWA is the lessor. He stated that this is about a 30% reduction from 12,600 sq. ft. to 8208 sq. ft. due to the shift of employees to LAX, about an \$88,500 reduction in the annual rent expense. The previous lease expired in December 2009.

Mr. Rankell asked how many parking spaces are allocated in this lease.

Mr. Domash stated in the previous lease there were 41 spaces and in the new lease there are 28 spaces.

Mr. Rankell asked how many maximum airport staff works in the building.

Mr. Romo stated there is 53 full time equivalent staff at VNY working different shifts.

Mr. Domash stated there are 39 employees including shift employees (Police and Operations employees) that park in the Aviation Plaza parking lot.

Mr. Rankell asked how many visitor spaces will be available.

Mr. Romo stated that he does not know the number but he does not believe any visitor spaces were lost.

Mr. Schultz asked what kind of company Aviation Plaza Partners LLC is.

Mr. Domash stated that they are a management company.

4.) PUBLIC COMMENT

Mr. Kevin Steinberg, President of the Encino Chamber of Commerce, stated his support for both the CAC and LAWA.

Mr. Kenny Ortega, Van Nuys area resident, stated that the new Area Captain for Van Nuys area is Paul Snell and that he started his career as an LAX Police Officer.

5.) NEW BUSINESS

No items were discussed.

6.) OLD BUSINESS

A. Committee Reports – Discussion/Action

1. Status of Prop Park Development – Discussion/Action

Mr. Steve Argubright of the Van Nuys Prop Park Project was present at the meeting to update the CAC on the status of the Prop Park. He stated that the negative declaration was adopted and he also got FAA approval for the buildings, taxiways, etc. However, LAWA decided to engage an outside law firm to review the lease documents.

Mr. Flam asked if LAWA is moving forward with anything.

Mr. Argubright stated that approvals with the building department, DWP, and Cultural Affairs have all gone well but the final approval for the lease is in LAWA's hands.

Mr. Flam stated that at last months meeting the lease terms were not a problem but then the financing changed and that is where the delay occurred.

Mr. Argubright stated that the rent and terms were never the problem; the negotiation has been who the lender is. He stated that since this process has taken so long they have gone through three building codes during this process. He stated that LAWA must deal with whoever will be financing this project. He also added that the large part of the permit process needs to go through LAWA.

Mr. Silver asked Mr. Argubright if there is anything he would like to see VNY Public Relations do to advertise the Prop Park.

Mr. Argubright stated that just building this place will be an event in itself and attract customers because there is not a facility like it in the USA.

Mr. Flam stated that at last months meeting he got the impression that LAWA got the message and Mr. Martin said his group would stay on this and make it there number 1 priority, but Mr. Flam does not feel this is the case.

Board of Airports Commissioner Joseph Aredas stated that he was at last months meeting and did not hear what Mr. Flam heard. He stated that Mr. Martin said he would get the CEQA through and get legal on it as soon as possible. Mr. Martin also stated that this deal is difficult and unlike any other and that they are working on it. Commissioner Aredas stated that the lease provisions are standard in all of LAWA's contracts and recommended by the City of Los Angeles.

Mr. Flam stated that this project is over three years in planning and there is still no lease.

Mr. Romo stated that with his experience in Commercial Development if it has not changed, under Standard Terms and Conditions, Article 2, part of all leases applies to LAX and ONT only. If there is something that doesn't apply, there is something that stays, like this at VNY.

Mr. Flam stated that this project is over three years old and LAWA is the last approval for the Prop Park.

Commissioner Aredas stated that the slowest process in any project is the CEQA approval and we have approved it.

Mr. Silver asked Mr. Argubright if he has any complaints he wants to share with the CAC for them to try to resolve.

Mr. Argubright stated that he really wants this lease and did not voice a complaint.

Mr. Flam asked Mr. Argubright to call him next week to discuss this issue further.

B. Air Operations Report by Aircraft type – Discussion/Action

This item was deferred to the April meeting.

C. Analysis of Financial Performance of VNY – Discussion/Action

Mr. Flam stated that he asked Mr. Rodine to take on this project (presentation attached) because for more than a year this economic downturn has affected VNY, operations, rent, and staffing levels. He also stated that in prior years, VNY was not meeting its financial responsibilities and LAWA has been forced to use other funds to supplement VNY. He asked Mr. Rodine to set the groundwork for discussion on this issue and how VNY is not producing the revenue they need to sustain the kinds of levels of operations that it has or would like to have. Mr. Flam thanked Mr. Rodine for all the time he spent compiling the information into this report.

Mr. Rodine discussed the business that VNY is running on a deficit. He stated that LAX commercial tenants are objecting to the fact their subsidizing business aviation operations at VNY. The commercial airlines want to convert to a user fee and the business aviation community wanted to remain on a gasoline tax perhaps with an increase that has already been established to fund the FAA. Van Nuys is a reliever airport for LAX and the most significant thing is that if you took all the operations from VNY to LAX that would slow things down significantly at LAX.

In paragraph eight he discusses a drop in concession revenues from FY 2006 to FY 2007 and he thinks that the reality is that is a function of a change in accounting for the FlyAway. He will research more into that fiscal year to find out the reason for the drop.

Mr. Rodine based his analysis of VNY in terms of Teterboro Airport a General Aviation Airport in New Jersey because this comparison is often made. Teterboro is much smaller in terms of piston operations but very comparable in terms of turbine operations. Teterboro is 840 acres and VNY is 730 acres, and when Teterboro had 30 employees we had 99 employees. Mr. Rodine thought the budget could be balanced just by getting rid of 60 employees. However, some of VNY's use constraint measures are more people intensive than what they have at Teterboro and VNY requires more human observation that raises expense. Mr. Rodine still believes that the budget could be balanced very easily.

Mr. Silver, Mr. Romo, and Mr. Rodine discussed how LAFD pays rent to the airport for use of their space.

Mr. Romo stated that amount that LAWA collects in rent from GSD for the LAPD and LAFD is nowhere near what is charged to us for the fire services because we can only charge them fair market rent for that land.

Mr. Rodine stated that this is not uncharacteristic for the Fire Department in the City.

Mr. Rodine discussed paragraph eleven regarding the VNY Budget the Expense line "Allocated Administrative Charges." He is aware of the rate now but does not know how real that is relative to the actual expenses. He stated that a number of very expensive LAWA people attend this meeting and this must be identified and he will identify if there is anything that supports those charges.

Mr. Flam stated that the assistance and level of service he currently gets from VNY staff is as good if not better than he did before and these are very good people.

Mr. Romo stated that VNY incurs a 15% Administrative fee which is based on the amount of our budget. It pays for engineering support, payroll support, and environmental support. Based on our Admin fee Mr. Romo feels we are getting our money's worth.

Mr. Rodine discussed paragraph thirteen regarding Interagency Transfer in the P&L starting in FY 2007, are clearly the product of an attempt by LAWA to draw losses out of VNY in response to concerns raised by certain LAX users who saw increases in their LAX fees as a portion of a subsidy of VNY. He stated this item needs to be researched further and there needs to be answers to regarding this issue.

Mr. Flam stated that this subject needs to be discussed at future meetings and the information needs to be understood by the CAC in order to make a contribution to the community.

7.) EMERGENCY ITEMS SINCE POSTING OF AGENDA – Discussion/Action

No items were discussed.

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

Mr. Williams requested the following item be added to the April CAC Meeting Agenda:

The Van Nuys Airport Citizens Advisory Council wishes to go on record supporting the Congressional Bill H.R. 842 (The Valley Wide Noise Relief Act of 2011) introduced by Congressman Howard Berman, Adam Schiff, and Brad Sherman, that would impose a curfew on jet operations from Bob Hope and Van Nuys airports from 10:00 p.m. to 7:00 a.m., with exceptions for emergency, military or weather related flights.

Mr. Silver asked about the status of the helicopter test.

Mr. Flam stated that he received a phone number and name of the person at the FAA from Mr. Romo. He stated that he will make an effort to reach out to this person.

Mr. Romo stated that he and his staff continue to press the same individual at the FAA regarding this request.

9) ADJOURNMENT:

9:32 p.m.