

**THE WORKSESSION
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA
HELD SEPTEMBER 25, 2017 AT 6:00 P.M.
AT CITY HALL, 120 W. 6TH STREET, BENSON, ARIZONA**

CALL TO ORDER:

Mayor King called the meeting to order at 6:04 p.m. with the Pledge of Allegiance.

ROLL CALL:

Present were: Mayor Toney D. King, Sr., Vice Mayor Joe Konrad, Councilmembers Pat Boyle, Larry Dempster, David Lambert and Lori McGoffin. Absent was: Councilmember Levi Garner.

NEW BUSINESS:

1. **Presentation and discussion regarding the Benson Municipal Airport**

City Manager Bill Stephens stated this worksession is being held at the request of Vice Mayor Konrad, who asked several months ago to have it in the fall. Mr. Stephens then stated Public Works Director/Airport Manager Brad Hamilton, Airport Services Coordinator (ASC) David Thompson and he were in attendance and there may be some in the audience who may have information about the airport also. Mr. Stephens stated not only can they answer questions, but they can present some of the things done at the airport.

Mr. Hamilton asked if the Council wanted to focus on any specific area or if they wanted an overview first with Vice Mayor Konrad stating when he asked for the worksession, his intent was to get an overview, adding the Council hears about airport expansion and the original intent and he would like Mr. Hamilton to guide the Council through how it all fits together with the original plan, where the airport is going, the hangar layouts and leases so the Council can make more informed decisions about the airport.

Mr. Hamilton stated Council has seen the FAA grant for the roadway into the airport and it will be a major improvement. Mr. Hamilton then stated since the ASC has been on, there has been a lot of work done at the airport and the ASC has been a lot of help. Mr. Hamilton then spoke about maintenance at the airport, stating the taxiway and apron have been crack sealed, noting this was to be covered by an ADOT grant, but due to the state of the aviation fund, the project was kicked back to 2021, and the cracks were bad enough, the City moved forward with the project. Mr. Hamilton stated there has been some restriping, he's working on tiedown fees and boxes to put them in, and the Council approved a hangar lease for the construction of a hangar on Pad C, noting the outside party has been talking with their architects and engineers and are moving the project along, taking soil samples and getting designs done for the foundation. Mr. Hamilton then stated there was some repaving done on the runway 2 or 3 years ago, using an ADOT grant to crack seal and overlay it with rubberized asphalt, adding rubberized asphalt is more forgiving for less experienced pilots. Mr. Hamilton noted the product used is normally called quiet pavement, but it's basically ground up tires in the asphalt to rubberize it. Mr. Hamilton continued, stating the AWOS (Automated Weather Observation System) has been moved from the old FBO building to the equipment room, high speed internet has been installed and by doing so, the AWOS is now being broadcast over the internet, adding anyone can go to the website and get the weather. Mr. Hamilton then stated they are also working on wifi, adding a lot of aircraft file their flight plans and such now by wifi, so that will be a good change coming. Mr. Hamilton then talked about the phones at the airport stating he is currently working citywide to change the phones to voice over IP for savings and he now has the voice over IP phone lines at the airport and the ability to put in more voice over iP phones, noting there was only 1 phone line at the airport before with Century link and they wouldn't install more than one. Mr. Hamilton then stated the AWOS had to share the phone line with the credit card machine, was a challenge, so they worked to solve that issue. Mr. Hamilton then stated a couple of years ago, the beacon was replaced along with other navigational aids, adding when he was looking at maintenance of those items, he kept hearing the phrase "functionally obsolete," which meant they were old and the companies that provided parts no longer existed. Mr. Hamilton then stated with the changes and upgrades, there is a much nicer beacon that now tips down, so no one has to climb up to it to perform maintenance.

Mr. Hamilton then stated a second helicopter parking pad was added a few years ago, which gives the airport 2 now, adding they are heavily used. Mr. Hamilton then stated Mignonne Hollis is here from Arizona Regional Economic Development Foundation and they met last week on UASs at the airport. Mr. Hamilton then stated he worked with Northrup Grummond a couple of years ago to get flight time on their UAVs, which was a really positive experience, adding they loved our airport, because our airport is busy on the weekend, but light during the week, which was good for them. Mr. Hamilton then stated Ms. Hollis and Mr. George Scott have been working on bringing companies in, especially from North Dakota where the weather isn't always cooperative. Mr. Hamilton then stated Worldview likes the airport and they've launched several high-altitude balloons from there, adding it has been going really well. Mr. Hamilton then stated Pima County built Worldview a facility in Tucson that they are leasing, but the problem is when they want to launch, due to the controlled airspace, Tucson will only give them 15 minutes and they need 4 or 5 hours, whereas in Benson, they usually come in at 9 or 10 at night and begin setting up, and then they launch the next morning at dawn and after cleaning up, they are gone by 7:30 or 8:00 a.m. Mr. Hamilton stated this has been a very positive relationship. Mr. Hamilton then stated airport fees are being updated to bring the airport more in line for the type of facility it is.

Mayor King asked about state land around the airport, stating he was ready to take a group of the Council up to Phoenix and meet with people. Mr. Hamilton stated right now, state land is not the problem, adding that may change, but in 2009 the City submitted an environmental study and in 2012, the FAA gave back comments, noting it was 3 years before the comments were issued. Mr. Hamilton then stated in his discussions with the FAA, the FAA runway extensions have become a very low priority and they are not being funded, unless there is a safety need. Mr. Hamilton then stated his discussions for extensions includes being able to attract more jet aircraft that need the extension, which justifies the extension, but it's kind of which comes first, the chicken or egg. Mayor King stated he understands the environmental time with Mr. Hamilton stating the long wait period for federal comments and not passing the environmental study is the federal government's way of saying they are going to hold the project up. Mayor King stated the City shouldn't take no for an answer, adding he has contact information from someone who offered to help and a meeting should be set up. Mr. Hamilton stated the state land department may have a different attitude than in 2009, but until the FAA buys into it, the City won't get any funding for it. Mr. Hamilton then stated the next project the FAA is lobbying for is the security fence all around the airport parameter, adding when the FAA staff came down from Phoenix, a bull had pushed the fence over and was on the airport and some FAA staff asked about cow patties on the runway and told Mr. Hamilton that it was a problem. Mr. Hamilton then stated he argued that the runway was more important than a fence, but was told the fence will be their priority for the next project. Mr. Hamilton then stated he is working on the grant application, but it would probably be about 18 months until it would be funded as a grant project.

Mayor King stated if the runway could be expanded, he believed more businesses would move to the airport.

ASC David Thompson then addressed the Council stating he has talked to Vigneto, and they have chartered a Cessna 208 to bring their surveyors and engineers down to Benson, adding that aircraft is an 8-12 passenger, single-engine heavy plane, and the airport can handle it just fine, but when we move into summer with a higher-density altitude, they will either have to limit the number of people on the aircraft or will have to find a smaller aircraft, so the runway extension is becoming very important. Mr. Thompson then stated he has heard FedEx and UPS would love to move their small aircraft to Benson because they have so much trouble with Tucson, adding the problems are the distance they have to taxi, the time they have to wait to take off, and the holding pattern they have to enter before landing, which costs them a lot of fuel and time. Mr. Thompson then stated they can build a giant facility together and they are interested in doing that in Benson, adding they want to get out of Tucson. Mr. Thompson then stated, as Mr. Hamilton mentioned, Worldview has been at the airport several times, adding their flight director is frustrated with Tucson because they can't fly. Mr. Thompson then stated Worldview has gone into a system where they are building their own balloons because commercial balloons were too expensive, so they have patented a process of plastic welding and they are welding their own balloons. Mr. Thompson then stated they want to set up their new equipment in Benson and they can sell or lease their current building for what they have in it, adding they can then move to Benson and he knows they are pushing for that. Mr. Thompson then stated these are all positive things at the airport, but the runway issue is starting to bother Vigneto, because their customers will be coming in with twins and light jet aircraft and those need more room, adding technically they require 800', so if we could get a 1400' extension on one end of the runway, the airport would be in good shape and could do flight operations that wouldn't limit it.

Vice Mayor Konrad asked about the cost for the extensions with Mr. Thompson stating the estimate for both ends was \$3.3 million, but if the FAA doesn't want to do it all at once, they could do the runway and the City could do the fence. Mr. Hamilton noted the estimate was done in 2008 or 2009 and would likely be around \$4 million now. Mr. Thompson asked about using grant money from Bisbee when they didn't use all the grant money awarded to them, then stated he knows the fence needs to be done, but the perimeter road has been done and the bull has been kept off the runway for at least 5 or 6 months now, adding he performs daily FOD (foreign object deposits) checks on the runway. Mr. Thompson then talked about profitable projects for the airport, stating the City could build an FBO building, but it is not profitable, adding the City could build shade hangars instead. Mr. Thompson then stated shade hangars are in extremely high demand and could be rented for \$100 per month, noting the rate for these in Tucson is \$145 per month. Mr. Thompson then stated these buildings are zero maintenance buildings, as they have no doors, no lights, no plumbing and are basically pole sheds to park airplanes in, adding there is already an approved area for them in the airport master plan. Mr. Thompson then stated if the City builds it, they don't need to do any soils engineering with Mr. Hamilton stating it would depend on what funding is used, adding if the City used federal money to build them, there are rules that must be followed. Mr. Thompson stated he is trying to suggest things that would be in income for the airport, adding another option would be to move to a self-fueling station, adding it is very profitable, but is expensive to set up. Mr. Thompson then stated the shade hangars could bring in \$4,000-\$5,000 a month, then that money could be used to set up a self-fueling station, adding instead of the City making \$.06 cents a gallon, they could make \$.78 a gallon. Mayor King asked about the amount of fuel sold at the airport with Mr. Thompson stating currently, the monthly sales for fuel is about 3,500 gallons a month, but if self-fueling is available 24 hours a day, as most self-fueling stations are, fuel sales triple, adding he has confirmed this with Ryan Aviation, Wickenburg, Sedona, and several others.

Councilmember Dempster asked if the runway extension was hung up by money or permission with Mr. Hamilton stating it was both; permission first and money second. Mr. Hamilton then stated that may change because during the Bush administration, runway extensions were higher priority and under the Obama administration, that reversed and a higher priority was equipment, but he doesn't know how it will be under the Trump administration and the priorities may change, adding the difference between the Bush and Obama Administrations was night and day. Councilmember Dempster asked Mr. Hamilton about the possibility of oil companies putting in fuel facilities with Mr. Hamilton stating all the companies he has spoken to would love to sell the City the fuel for City equipment, but he can't find one that would supply the equipment. Mr. Thompson then stated he just received a directory of 66 self-fueling vendors in the country and it gives a broader range to shop from. Mr. Thompson then stated in Wickenburg, they were going to spend about \$200,000 for tanks, equipment, and card readers to purchase two 10,000-gallon tanks; one for jet fuel and one for aircraft fuel. Mr. Thompson then stated Wickenburg found a vendor with used tanks, who brought the tanks in, set them up and plumbed them, but noted Wickenburg had to buy new card readers, and the cost was about \$140,000 total. Mr. Thompson then stated the vendor took a down payment around \$35,000 and then took 50% of the fuel sales profit and Wickenburg had it paid for it in 6 years. Mr. Thompson then stated a year ago, Wickenburg became the owners, and increased their fuel price from about \$.30 a gallon to about \$.80 a gallon. Mr. Thompson then stated their jet fuel sales when they started was about 600 gallons a month and when they went to self-fueling, their jet fuel sales went to 8,500 gal a month, then added they have a lot of fire helicopters, forest service controlled helicopters, some military, sheriff's departments and air ambulances that use their self-fueling station. Mr. Thompson said for the first two months of sales, they thought their fuel meters were off because they were selling so much more fuel.

Mr. Hamilton then spoke about the funding given to the City by Bisbee, stating Bisbee was not able to spend that funding in the required timeline, which is usually 4 years, adding this funding, if not spent in that time, goes back into the national pot, so in an effort to keep it in the State of Arizona, Bisbee transferred it to Benson because we were next with construction. Mr. Hamilton then stated the City will spend that money before it expires, adding it will be spent first before any new funding is spent. Mr. Hamilton then stated if the City has any new funding left over, it will be saved and used on the next project, adding it does have to be spent in 4 years, and the City could be in the same boat Bisbee was in, but the City has never had that happen, noting the City moves projects as fast as they can to avoid this. Mr. Hamilton then stated regarding the shade hangars and fuel tanks, the FAA first has to agree that the Benson airport doesn't need any more air side projects, adding they have already told him they want to see a fence and some other things out of the master plan, and the City would have to agree to give up all FAA money for 3 years, because these projects are for profit. Mr. Hamilton then stated the City would be giving

up about \$300,000 for the next 3 years. Councilmember McGoffin asked how much the City got from the Bisbee donation with Mr. Hamilton stating that funding was about \$150,000. Mr. Hamilton then continued, stating if the City pursued a for-profit endeavor such as shade hangars or a fuel station, the FAA would consider it a profit venture and would assume, at that point, the Benson airport has everything it needs and would take away 3 years of funding, adding that is why there isn't a lot of grant money funding those projects.

Mr. Thompson then stated that makes the runway the most important project.

Mayor King then asked about private money being used for the airport and if it would affect grant funding with Mr. Hamilton stating it would not affect grant funding. Mr. Hamilton then stated private and individual donations have their own rules; a lot less than federal funding, which has its own requirements.

Mr. Stephens asked if there were any further questions with Councilmember Lambert asking if the money granted from Bisbee could be used for any profitable endeavors. Mr. Hamilton stated the funding from Bisbee will be used for the first payment on the roadway extension to ensure that money is spent. Mr. Hamilton then stated the next money will be new money, then stated had there been another airport ready for construction, the funding would've been given to it, but the idea was to keep that funding in the state of Arizona.

Councilmember Boyle asked about the quality of voice over ip, adding it used to be sketchy with Mr. Hamilton stating the Council took a call on the conference phone that was very clear and it was the voice over ip phone. Mr. Hamilton then stated the voice over ip phones at City Hall are very clear with great call quality. Councilmember Boyle then asked about the launched balloons disintegrating with Mr. Thompson stating the balloons are launched in Benson, they then go over to Alamogordo, NM at about 80,000 ft. carrying a 1,600-lb. payload, which is equivalent to a capsule, adding eventually they will take 6 people up to 85,000 ft. which is subspace, adding from that height, the curvature of the earth can be seen, the sky is black and all the stars can be seen. Mr. Thompson then stated they will go to NM and back, adding when they drop in altitude from 85,000 ft. back to 64,000 ft., the winds reverse and it brings the people back to Benson. Mr. Thompson then stated they then cut the capsule lose and it paraglides in. Mr. Thompson then stated when they did the chicken launch, the balloon was to stay up for 6 days, but it had a pinhole, so it only stayed up about 30 hours. Mr. Thompson then stated in bringing the balloon back, they actually rip the balloon remotely, which splits the balloon, so it doesn't drift, then a parachute opens and it comes back. Mr. Thompson then noted they have a chase vehicle to retrieve it.

Mayor King stated there have been balloons at the airport before and he was able to get involved, go up and do a chase a couple of times. Mr. Thompson then stated they have 3 chase vehicles, 1 in NM, 1 he believes in Silver City, NM and 1 in Benson. Mr. Thompson then stated the chase vehicles are not used unless there's something wrong, adding if the balloon is leaking or something, the closest chase vehicle then handles the problem, noting the last time there was a problem, the lowered the balloon and brought it down between here and Willcox and the vehicle retrieved it.

Mr. Hamilton stating the technology for these balloons is amazing, adding the City did do some earth work to accommodate larger balloons. Mr. Thompson then stated the next balloon they want to launch is 400 ft. high, adding it tethers at about 1,000 ft and is amazing. Mr. Thompson then stated when the balloon gets to 88,000, it is 350 ft. in diameter.

Mayor King asked if Mignonne Hollis and George Scott could address the Council and talk about what they are doing with airport projects. Ms. Hollis, Executive Director for the Arizona Regional Economic Development Foundation, which is also the founder of Aerospace Arizona, stated she has been working with the City, setting up a UAS test site, and they had a very productive meeting last week. Ms. Hollis stated they have several clients ready to go, which prompted the urgency of a quick meeting last week, adding she had a client that needed to test that very day. Ms. Hollis then stated they needed to make sure everyone was on the same page to get the client in and ready. Ms. Hollis then stated they are working with some clients from North Dakota, adding ND was awarded one of the test sites through the FAA, but this client is unable to test, not only due to the weather, but because some of the air space issues with military and where they're located. Ms. Hollis then stated due to these issues not being worked out, they need to do testing and have indicated they want to be here to do that. Ms. Hollis then stated the projects she can speak freely about are partnerships with the U of A Tech Parks and the ASU Research Division called Assure. Ms. Hollis stated ASU was forming an indoor test range, but they needed

a counterpart outdoor test range and she is working with them on how to make that happen for innovators within ASU who have designed UAS and first wanted to test them indoors and the next step is testing outdoors. Ms. Hollis then stated with the Tech Park, many of the tenants there need to test their UAS systems in one way or another, whether payload or sensors, so they need to be able to do that and Benson is a quick trip, adding Mr. Scott uses the phrase, "it's less than 30 minutes front door to front door," adding Benson works perfectly for those tenants. Ms. Hollis then stated those are the two entities they are excited about and can freely talk about. Ms. Hollis then stated she wanted to thank the City Manager and the Staff at the airport for all their help, adding it's great to be able to call, and ask how to make something work and see willingness on the other end. Ms. Hollis then stated she also has Aerospace Arizona cards for the Council if they would like to see who they are and what they do. Mayor King asked Ms. Hollis to give the cards to the City Clerk, who could distribute them.

Mayor King stated he appreciated them looking at Benson, adding he knows there has been a lot of communication between all parties and he considers it a privilege and honor to have the city looked at. Mayor King then stated one of his dreams is to see the airport grow to the point where it takes care of itself with Ms. Hollis stating she thinks he's about to see that dream come true. Ms. Hollis then stated she was very excited in the association, adding they are taking field trips, have looked at Falcon Field and will be going later to Watts, adding all that networking is very important. Ms. Hollis then stated they have a UAS summit, in which last year, they had collateral from the City of Benson to show the airport. Ms. Hollis then stated they have been working on things for years, that they have now been moving forward on in the last month. Ms. Hollis then stated she also works very closely with the Governor's office and if she knows what the Council's message is, she can carry that message, adding she took some notes on the runway extension, how many feet it is and approximate costs. Ms. Hollis then stated she wants them to hear the same message from her organization as well as from the City, adding she wants to make sure the priorities are the same, noting she wouldn't want to ask for a fence when the Council wants a runway extension.

Mr. Stephens then stated there was one last issue he wanted to address, stating Mr. Thompson, in his comments at the Call to the Public, talked about the funding the Council approved for SAEDG (Southeast Arizona Economic Development Group) to put on an event at the airport. Mr. Stephens then stated that hasn't happened yet, due to circumstances surrounding that, such as airport clean up and some other things to prepare, but he met with Mr. Scott and they have discussed an air event. Mr. Stephens then stated Mr. Scott has contacts that would be beneficial for this type of event, and between Mr. Scott, Mr. Thompson and Ms. Hollis, they will be able to put on a really good event, which will offer an opportunity for local people to go out and see what is going on at the airport in addition to providing an opportunity for those who come in to see our airport, recruit and think about operations off our airport. Mr. Stephens then stated the event is still on and they are looking at potential times, adding they would like to hold it in the spring, but they want to be sure the winds won't be a problem. Mr. Stephens then stated he wanted to give the Council an update.

Mayor King stated it was important to do anything we can to get people interested in the airport, adding a lot of people don't think about the airport, but it's important to highlight the airport and do what can be done to make it bigger and better.

Councilmember Dempster stated he has heard from Mike Ingram how important the runway extension is, adding Mr. Ingram has offered his considerable influence and the City should use that influence to get the runway extension. Mr. Stephens then stated he was asked by Mr. Ingram and Mr. Reinbold if Mr. Stephens would mind if they contacted the City's airport consultant, Armstrong Consultants and Mr. Stephens welcomed their comments. Mr. Stephens then stated he knows they met with Armstrong and talked about that issue, so some of the dominos are starting to lay into effect and hopefully they will move forward. Mr. Stephens then stated he also knows Congresswoman Martha McSally and Senator John McCain were at least interested in hearing about the issue and seeing if they can support us with that in Washington.

Mr. Scott, with SAEDG stated he wanted to bring up what Ms. Hollis didn't mention, adding one of the reasons there is so much interest in the Benson airport rather than the Sierra Vista airport is that they can't do the testing they want to do at the Sierra Vista airport. Mr. Scott then stated that is why Benson is so important and it's so important to get this project up and going. Mr. Scott then stated he would like to thank Mr. Stephens, Mr. Hamilton and Mr. Thompson for their cooperation in getting this done. Mr. Scott then stated the Council did approve funding for an event, but at that time, the airport wasn't really presentable for an event, and it was

suggested that it wait until the paving was done and it was cleaned up, adding a lot of that is getting done and a lot of thanks was owed to Mr. Thompson's efforts, but the Council should still consider allocating funding to clean up the entryway and put signs up. Mr. Scott then reiterated that they would like to hold the event this spring, and that they will be sitting down the Mr. Thompson and everyone to plan it out.

DEPARTMENT REPORTS: No comments from Council.

ADJOURNMENT:

Councilmember McGoffin moved to adjourn at 6:50 p.m. Seconded by Councilmember Boyle. Motion passed 6-0.

Toney D. King, Sr., Mayor

ATTEST:

Vicki L. Vivian, CMC, City Clerk