

Ernest A. Love Field (PRC)

**Catalyst for Airport Area and Citywide
Economic Development**

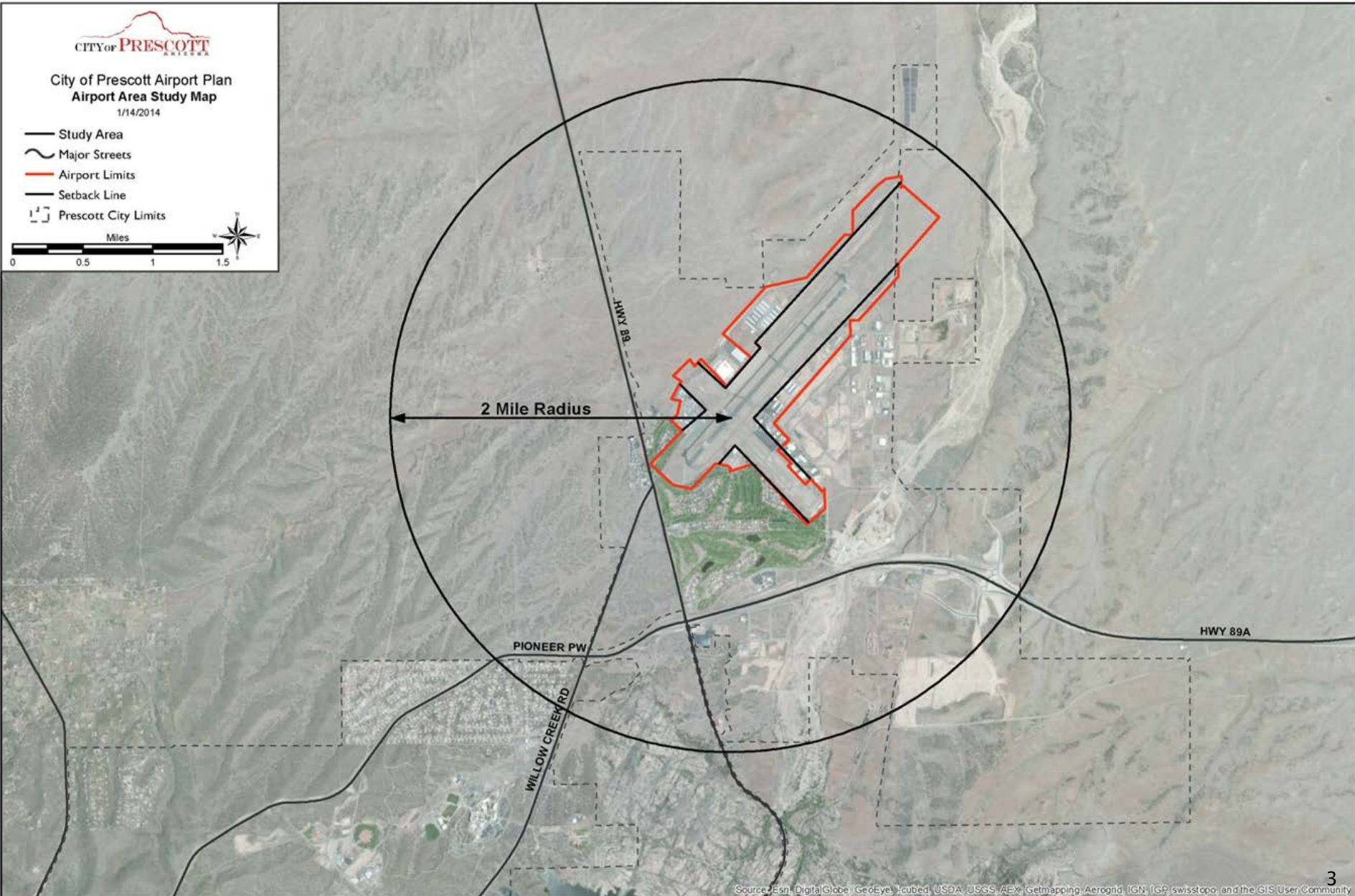
**Presentation to the Mayor and Council
City of Prescott**

November 12, 2014

Presentation Topics

- ▶ Private Sector ad hoc Steering Group
 - Participants
 - Purpose
 - Process
- ▶ Key Findings
- ▶ Recommendations and Implementation – Partnerships and Leverage

Airport Area



Steering Group Participants

▶ Private Sector

- Dr. Frank Ayers – Chancellor, ERAU (Prescott)
- Michael Gjede – Brig. Gen., USAF (Ret.)
- Kevin Lane – Founding Principal, Lane Brothers and Co.
- John Gorden – Real Estate Broker
- John Markham – Engineer, Cobham Aerospace Communications
- Rick Roberts – Captain, FedEx (Ret.)
- David Shingledecker – Vice President and General Manager, General Dynamics Integrated Space System Division (Ret.)
- Dr. Robin Sobotta – Chair, Business Dept., ERAU
- Alex Vakula – Attorney, The Vakula Law Firm

▶ City

- Mayor Marlin Kuykendall
- Craig McConnell, City Manager
- John Cox, Airport Manager
- Jeff Burt, Director, DEI – Facilitator

Steering Group Purpose

- Provide an independent perspective on the Airport and Airport Area
- Review and contribute to strategic planning presentations to Council (1/14, 2/25, 3/25, 4/22/2014)
- Provide feedback on Airport challenges and opportunities (FAA, facilities, and funding)
- Engage Airport Area stakeholders including existing businesses, airport tenants, realtors, developers, and key property owners
- Evaluate and recommend project priorities for both the Airport Area and Prescott Municipal Airport

▶ Process

- A group of Prescott citizens (the Steering Group) with interests, knowledge and experience in airports and economic development was convened
- The Steering Group met regularly on an ad hoc basis to address selected topics/issues related the Airport and Airport Area
- The Group met 23 times, including 8 sessions with Airport Area stakeholders
- Conducted a strategic planning SWOT (strengths, weaknesses, opportunities, threats analysis) for the Airport and Airport Area
- Reviewed findings of studies oriented to groups not directly affiliated with the City regarding airport and air passenger service perceptions
- Summarized discussions to develop Steering Group recommendations for consideration of the Mayor and Council

Key Airport Area Findings

- The Airport Area presents significant economic promise due to land availability that is under single ownership, existing and expandable City infrastructure, appropriate zoning, and location
- A live, work, and play environment in the Airport Area is the desirable outcome and achievable if these elements are aligned through integrated planning and development of compatible land uses
- Significant retail development opportunities will occur in the SR 89 and SR 89A corridors in the next 3 – 4 years due to newly approved housing developments in Prescott and Prescott Valley
- The Airport Area can be the Greater Prescott hub for new manufacturing and distribution enterprises
- The Airport Area presents an excellent opportunity for the City to be creative in its housing policies and practices with a goal of broadening the mix of types and prices

- The Airport is an underutilized City asset
- The future economic success will be defined by the City's ability to extend and strengthen the main runway
- The Airport needs updating and new capital investment to realize its economic development potential while preserving safety and protection from incompatible land uses
- Cognizance of airport improvements and how they relate to air traffic management and noise on the surrounding area must be continuous
- Airport development requires a long-term financial commitment of the City, but one that will leverage a ROI of between 8 and 10:1.
- The priorities and timing of airport improvements are heavily influenced by and dependent upon federal (FAA) and state (ADOT) policies and decisions

Recommendations and Implementation – Partnerships and Leverage

Goal – Integrate planning and development of the Airport Area to achieve a live, work, and play environment

- ▶ Action 1 – Provide stable and sustainable funding to implement recommendations
- ▶ Action 2 – Facilitate new commercial venues, particularly along SR 89 and SR 89A, while protecting the Airport from encroachment by incompatible land uses
- ▶ Action 3 – Promote the Airport Area as the City's primary location for new manufacturers
- ▶ Action 4 – Determine the feasibility of creating a Community Land Trust

Goal – Develop PRC as a Commercial Airport exceeding 10,000 Annual Enplanements (qualifying for greater FAA funding) while Planning for 50,000 Annual Enplanements Long-Term (15 to 20 years)

- ▶ Action 1a. – Lengthen Runway 3R-21L, structurally strengthen the runway and taxiways, and realign Taxiway Charlie to accommodate larger aircraft (commercial passenger, cargo and others such as U.S. Forest Service), and construct other facilities required for Airport safety facilities and security (\$45 million including \$3 million local)
- ▶ Action 1b. – Replace the existing Airport Terminal at a location to be determined by a detailed site assessment (\$5 million including \$2 million local, plus the cost of street access, which is site-dependent)
- ▶ Action 2. – Achieve long-term tenancy for the U.S. Forest Service at PRC as the aerial fire fighting base of choice for Northern Arizona

Airport Capital Improvements

- Granite Dells Ranch 35.22 Acres
- Arizona Eco Development 36.31 Acres
- A & K Railroad Materials 2.59 Acres
- Runway Extension 1385 Ft
- Terminal Siting Options
- USFS Project Area



Recommendations Matrix

Steering Group Key Economic Development Recommendations for the Airport Area

	Recommendation	Justification	Estimated Cost
Goal	Integrate planning of the Airport Area to achieve a live, work, and play environment.	The Airport Area has all the elements to be a "master-planned community" where new jobs are created, new homes are delivered, and lifestyle amenities and services are attracted to create an integrated living environment. These elements include vacant and appropriately zoned lands, engaged property owners, infrastructure, and location.	Service delivery models for the provision of public utilities have been prepared for pieces of what now constitutes the Airport Area, however, additional analysis is needed to better calculate the costs for the actual newly annexed acreage.
Sequence			
1	Provide stable and sustainable funding source(s) to implement the Airport and Airport Area recommendations.	The Airport Area is important to the economic future of Prescott. Annual investments must be made if it is to realize its economic potential in the form of new jobs, new purchasing power, and new retail taxable sales.	To be determined. Sourcing of funds is likely to include regular department budgets and Economic Development Agreements with the private sector.
2	Facilitate new commercial shopping venues along SR 89 and SR 89A by working closely with private sector developers, property owners, and investors.	SR 89 and SR 89A will see significant Airport Area development over the next three to five years including the new YRMC complex, Granite Dells Estates (200 homes in Phase 1), and Glassford Heights (3,500 SF homes in Prescott Valley) that will drive the demand for new commercial developments and retail services. - Hotel development firms are showing interest in the Airport Area.	Infrastructure costs are to be determined on a project by project basis. Several roadway improvements are needed to support employment growth and enhance area traffic circulation, especially if there is a decision to move the terminal to the southeast side of the Airport. To draw new tenants to the Airport and attract new businesses to the Airport Area additional area amenities are needed such as hotels, restaurants, grocery stores, and other retail services.
3	Promote the Airport Area as the City's primary center for new and expanding manufacturing operations and provide the necessary infrastructure to support this effort.	The Airport Area has a ready supply of vacant industrially-zoned land that is central to the economic future of Prescott. The Airport Area can become the manufacturing employment center of the Prescott Region and N. Arizona. - The area already contains 1,500+ manufacturing jobs, the largest concentration in the Prescott Region. - Retail jobs will continue to be created throughout the city.	Marketing of the Airport Area will be an ongoing activity of DEI and its Economic Development Division's annual budget. Overall marketing and advertising budget for FY 15 is \$18,000. - The City needs to update its incentive policy as part of this economic development effort. The policy was last updated in 2004.
4	Determine the feasibility of creating a Community Land Trust to help broaden the mix of housing types and prices in the City of Prescott and actively pursue associated opportunities.	Market forces over the last decade suggest Prescott's housing mix will stay within a fairly narrow product range that is unaffordable and ill-suited to many young families and first-time homebuyers. Prescott's workforce, employers, and economic vitality will benefit from a housing mix that appeals to a broader cross-section of homeowners.	No cost during research phase. If implemented, may require some specialized legal work.
Engagement			
Item	Work closely with Greater Prescott Regional Economic Partnership (GPREP) and Arizona Commerce Authority (ACA) regarding Airport Area activities and opportunities.	Extend the marketing reach of Prescott through out-of-state marketing programs undertaken by GPREP and ACA.	City of Prescott FY 15 membership fee for GPREP is \$40,000.

Steering Group Key Economic Development Recommendations for the Airport

	Recommendation	Justification	Estimated Cost - M=Million
Goal	Develop PRC as a Commercial Airport (Non-Hub Primary Commercial Service Airport)	The goal is to enhance the operational platform of PRC over the next 15 to 20 years in order to maximize its economic impact, support the creation of new jobs at the Airport and in the Airport Area, and prepare the airport to compete for improved air passenger service by regional carriers in the future.	\$50M (FAA/ADOT), \$5M (Local) = \$55M total - <i>Note: depending upon the project and FAA priorities, the local investment is likely to occur over 15 to 18 years</i>
Sequence			
1a.	Lengthen Runway 3R-21L a minimum of 2,000 feet and strengthened the entire runway to support 150,000 #s (a weight consistent with USFS planning on their new aircraft loading pads at the Prescott Fire Center). This action will also require land acquisition of a minimum of 70 acres up to 160 acres to protect the viability of the runway into the future.	The Airport should be able to accommodate 90% of existing corporate aircraft fleet and the next generation of USFS aircraft (without the use of waivers) as well as attract new regional carriers and accommodate their aircraft fleet. - Overcome density altitude issues of PRC - The City owns sufficient acreage to extend Runway 3R-21L - Plans for an upgraded runway helps efforts to retain EAS - EAS agreement expires in April 2015	\$42M (FAA/ADOT), \$3M (Local). Associated with the runway improvements, additional infrastructure is necessary for safety compliance: - EIS, land acquisition, grading, lighting, etc., \$5M; - ATCT relocation, \$7M; - ARFF/Operations facility relocation, \$5M; - Parallel Taxiway (Charlie) relocation, \$8M; - Lengthen primary runway 2,000' and strengthen entire runway length to 150,000 lbs., \$20M. <i>*Note: Due to cost, the City will investigate creative ways to acquire the acreage in consultation with property owners and FAA.</i>
1b.	Replace the existing airport terminal. <i>(Note: Construction of a new terminal may also require the construction of a new access road depending on a final terminal location.)</i>	FAA indicates that Taxiway Charlie must be moved 75' to the north to meet guidelines for separation from 3R-21L. - The taxiway re-alignment is incompatible with the location of the existing terminal. - The cost of repair, upgrading, and routine maintenance of the current terminal is becoming prohibitive. - An extended runway hastens the need for a new terminal.	\$3M (FAA/ADOT), \$2M (Local). Initial phase is for design and construction of 10-12,000 SF facility. Estimate does not include infrastructure (streets, parking, utilities, sidewalks, etc). FAA guidelines suggest it is more appropriate to plan for cost sharing on a new terminal at 60% Federal/40% (Local). - A Terminal Siting Assessment is needed to provide a definitive cost estimate for a new terminal (\$41,000) - A new terminal will also help strengthen EAS service which is strategically important to PRC's positioning for grant dollars.
2	Work closely with USFS/Prescott Fire Center to achieve long-term tenancy, make facility improvements, and establish PRC as the aerial fire fighting base of choice for N. Arizona	The USFS provides an essential public safety service during fire season. The Prescott Fire Center has taken on additional regional fire management functions in the past two years. USFS is planning other projects that will enhance the Center's fire fighting capacity.	Total funding for FY 15 is \$2.6 million \$1.44 million (ADOT) \$1,000,000 (USFS) \$160,000 (Local) A new 20-year USFS lease is being negotiated at PRC.
Engagement			
Item	Enlist the support of Arizona's congressional delegation to successfully compete for FAA Discretionary funding (in support of various airport infrastructure needs for existing and future airport tenant operations).	The FAA Airport Improvement Program (AIP) has limited funds, and it will be difficult to justify this amount of funding through the normal AIP program channels. Legislative and Congressional support will be critical in obtaining funding for necessary airport infrastructure needs.	Select projects for congressional support: e.g. \$7M Air Traffic Control tower (ATCT) relocation and construction; \$7M Aircraft Rescue & Firefighting (ARFF) facility relocation and construction; various additional federal grant awards through the FAA Discretionary Fund program.

Next Steps

- ▶ Council consideration of a resolution adopting the Airport and Airport Area recommendations
- ▶ Approval of a contract for Airport terminal siting assessment (north and south alternatives)