

AIRPORT ADVISORY COMMITTEE MINUTES
TUESDAY, APRIL 23, 2019
2:15 P.M.

PRESENT: James M. Kulisek, Chairman
James O'Donnell, John S. Vero, Dan Bloomer, Erik Denega, George Casale,
James L. Zock

ALSO

PRESENT: L. Stephen Brescia, Chairman
Katie Bonelli, Majority Leader
Leigh J. Benton, Legislator
Kevin W. Hines, Legislator
Joseph J. Minuta, Legislator
Antoinette Reed, Legislative Counsel
Stacy A. Butler, Assistant County Attorney
Edward Magryta, Director of Aviation, Orange County Airport

Mr. Kulisek opened the meeting at 2:24 p.m. and requested everyone stand for the Pledge of Allegiance to the Flag. All members were present.

On the agenda was an update on the extension of the Sewer Grant.

Mr. Magryta explained that they recently received notification that the grant extension has been granted for another two years and because they had movement on the IMA and the overall project played a significant part in getting the extension. They are currently working on an RFQ for a consultant to work on planning, design and construction of the state project. They are now fully funded with all necessary extensions and Inter-Municipal Agreements in place with the next step to pick the consultant to implement the project.

Mr. Kulisek asked about the process and time frame. Mr. Magryta replied that after consulting with Ms. Butler the goal is to have an RFQ announcement out by the end of May. It is about a two-week process for the consultants to be provided packages with selection process taking another two weeks. He anticipates having a selected consultant by the end of July to begin the process. In addition, the consultant will be a state specialist for state grants.

Mr. Kulisek asked if it would be an RFQ for one consultant to cover everything. Mr. Magryta replied yes.

Mr. Denega clarified that this is a separate process from the federal projects because they cannot include federal projects with state funded projects according to the Orange County Procurement Policy.

Mr. Kulisek asked if it would be a problem having one consultant handling different funding sources. Mr. Denega replied no.

Ms. Butler added that for some reason state projects were excluded from the federal RFQ requiring a separate RFQ be completed.

Mr. Kulisek asked if there would be an issue with the bidding process. Mr. Magryta replied that the state specialist would only deal with state projects not federal projects. They have been awarded several lucrative state projects and with bonding authority it is approximately \$6 million in grants. It is very important for them to have a state specialist due to the requirement for state projects because the DBE requirements for state projects are more stringent than their federal Disadvantaged Business Enterprise (DBE). The federal DBE is 4.03% and the state DBE is around 35% so they need people that with the correct skillset and on the aviation side they need someone with an aviation background. At this year's FAA conference there was a segment on Perfluorooctane Sulfonate (PFOS) that have leached into groundwater at some airports.

Mr. Kulisek asked when Mr. Magryta planned on bringing the request for bonding to the Physical Services and Ways and Means committees. Mr. Magryta replied that would probably be in the fall with most grants 90% state funded with a 10% county match. The only grants with an early threshold would be the water and sewer grants which have \$1.5 million in bonding authority.

Mr. Kulisek asked if they were anticipating any of the work being done by the county. Mr. Denega replied no, but assistance would be offered through their licensed engineers.

Mr. Bloomer asked if there were any firms that could handle the three projects of water, sewer and hangars. Mr. Magryta replied that they encourage anyone who is applying to partner with local firms in order to handle any issues that may arise. When the federal grants were put out for bid, they received ten responses with four qualifying, and he would anticipate a similar response with this bid.

Mr. Denega concurred as he sat on that sub-committee and they were all highly qualified to handle the work.

Mr. Bloomer asked if a bond resolution would be needed to move forward with the design. Mr. Kulisek replied yes, an RFQ will go out, a selection made and then to the Ways and Means committee for a bond resolution.

Mr. Magryta explained the process. They would enter into contract with the selected vendor then go before committee for bonding. Because there was a great deal of initial state funds that have already been accepted by the legislature, those funds are already available and therefore may not need approval for additional funding at the start of the project. Due to the two sources of funding the timeline for the request has not been defined.

On the agenda was an update on the Inter-Municipal Agreement.

Mr. Magryta explained that they have all the signed documents for the IMA with no other deliverables needed at this juncture.

On the agenda was an update from Mr. Magryta on a meeting with Medline.

Mr. Magryta explained that he met with the engineering representative for Medline and R.J. Smith, R.J. Smith Realty who is handling the real estate activity related to the acquisition. They discussed the proposal for Medline and presented a drawing of the project. The initial goal of the meeting was to garner an understanding between the parties as to where it is going and possible integration. His takeaway from the meeting was that Medline was interested in the airports position

and the airport's interest in Medline's position due to the tremendous economies of scale in relation to the infrastructure of water and sewer. On the original agreements for water and sewer and to request bonding from the legislature for those projects, the understanding was that they would be running the lines about a mile and a half to the airport with every linear foot having a price. With the potential of Medline being a partner due to similar needs this scenario could free up funds to make the project less expensive on the county's end to install and to possibly accelerate their ability, if approved, to run additional lines to the southeast part of the airport and where the hangar construction would be determined under the next masterplan. Under the current masterplan there is the authority for individual private hangars to be built but also T-hangars; however, the T-hangar business is not currently lucrative. Upon approval, the new masterplan will probably be more focused on private funding for commercial hangar construction.

Mr. Kulisek asked for clarification that the work would be done by outside contractors. Mr. Magryta replied yes.

Mr. Kulisek pointed out that if they could do some of the work themselves, they could be done at anytime as long as the design is in place.

Mr. Magryta replied that preliminary ideas on how it would run have been discussed but without engineers looking at the details it is just proposals and nothing that can be submitted as final. On the sewer/water piece the detail and engineering should not be difficult with the largest component being how they coordinate with the track of Medline. However, if Medline is delayed, they may have to refer to their original track but if Medline coincides with their process then they would get the benefit of the economies of scale between both projects.

Mr. Kulisek asked about designing to Neelytown Road in the bid process and to have an alternate for that section if Medline does not come through. In addition, has Medline bought the property. Chairman Brescia replied that they closed awhile back.

Mr. Magryta added that they are currently in the environmental process and for clarification, water and sewer are on different tracks. The sewer aspect is ready to move on once they select the consultant and they should begin the design by late summer, but the water is somewhat tied to Medline's decision.

Mr. Kulisek asked if the village anticipated tying into the same waterline from the town of Montgomery as a backup. Chairman Brescia replied yes, and it would certainly help the development of the airport.

Mr. Kulisek pointed out that if the village of Montgomery was going to be part and parcel of the water main and tied into their system as a backup then some of the cost could be burdened to the village of Montgomery, and therefore, decreasing the county's cost as the village of Montgomery would also be reaping the benefits.

Chairman Brescia added that he and several legislators attended the presentation made by Medline at the Orange County Partnership dinner. He was impressed that it was a zero-debt company that takes care of its employees.

On the agenda was an update on the Orange County Airport Masterplan.

Mr. Magryta explained that they are preparing the scope of the Masterplan to the FAA for grant funding. A majority of the scoping document is standard but there is a lot of community and tenant involvement and public hearings. The process of the Masterplan will go on for approximately two years and they will get input from anyone interested or withstanding on the actual plan. The last plan was approved in 2004, and they would like them updated every ten years; however, realistically it is more like twelve to sixteen years. The current masterplan is functional but because of the changes in aviation it is in need of modification. The grant will be submitted in early June and they expect the FAA to come back to them in late July or early August with a grant offer and unless there is a government shutdown or an FAA funding issue, they are normally approved as most are predetermined.

Mr. Kulisek asked about the masterplan cost and time frame. Mr. Magryta replied that the two consulting firms selected for planning and design are an upgrade with respect to deliverables with a cost for the masterplan at approximately \$550,000.00 with 95% paid by New York State and Passenger Facility Charge (PFC) funding through the federal government.

On the agenda was a discussion on existing water conditions at restaurant/terminal.

Mr. Denega addressed the findings of a Department of Public Works engineer on the water conditions at the airport. There is currently 560 feet of an 8-inch PVC water main that runs to the administration building and to where the restaurant was located. The size of the main, water remaining stagnant for a long period of time and the time it takes water to get to the pump has resulted in water not getting there quick enough because the pipe is oversized for its use resulting in byproducts of disinfection causing water quality issues. In the past they tried to flush the line, but the hydrant is smaller based on the size of the pump. Even if they were to start the process again it would probably take several hours because of the slow process. The airport has posted notices on the water quality which in turn has not helped business. An alternative could be to put a one- or two-inch line in from the pumphouse at a cost of approximately \$40,000.00 and while the cost is not extremely high, they are considering a new water source in the near future. While the ultimate issue is water quality and not a health issue, it could affect a business.

Mr. Magryta added that if the water is over chlorinated it looks like pool water.

Mr. Kulisek asked if a water hydrant was connected to the waterline. Mr. Denega replied yes, a small hydrant, not a full-size hydrant.

Mr. Kulisek asked if the hydrant would be used in a fire. Mr. Magryta replied no, he assumes that it was put in to flush the system. A few years ago he would have a maintenance person on a weekly basis flush the pipe but because they had a tenant there was some water movement and they did not have to remove as much water as they are now. Currently, if they are using 1000 gallons a day it would be a lot.

Mr. Denega added that part of getting the grant and putting in new waterlines is for fire suppression.

Mr. Kulisek asked for clarification that to have better quality water at the restaurant they would need to flush the line on a regular basis and how often would it need to be done. Mr. Magryta replied that it would be between an hour and an hour and a half on a Monday.

Mr. Kulisek asked about the pump's water pressure. Mr. Denega replied that it would have to be tested.

Mr. Magryta added that without a steady demand water quality it is difficult to maintain.

Mr. Kulisek noted that tenancy at the restaurant would probably not be probable unless the waterline is flushed weekly.

Mr. Magryta commented that while water is an issue the biggest issue is that it is very difficult for a restaurant to be profitable. In addition, since the last meeting the restaurants in Sullivan and Poughkeepsie closed.

Mr. Casale advocated for a restaurant as it is key to the success of a general aviation airport. It does not necessarily have to be economic profit center as it would be revenue that cannot necessarily be measured. He has had conversations with two commercial tenants who are strong proponents on having a restaurant at the airport. They have requested to come before the committee and address the issue of a restaurant and while he does not want to be an advocate for the tenants, in his opinion, they should hear what they have to say.

Mr. Kulisek asked for the names of the tenants. Mr. Casale replied Phil Criscenzo, Taylor Aviation, Inc. and Rob Ripchick, Avquest Aviation Servicex, LLC.

Mr. Benton noted that the Kobelt Airport in the Hamlet of Wallkill has had a successful restaurant for years. He has to wonder is it due to the size of the facility and/or its amenities.

Mr. Magryta replied that the Nu-Cavu is successful because there are no restaurants within a three-mile radius of that area, so the restraint is there despite the airport, not because of it.

Mr. Benton agreed, however, why are they not successful as they have a successful airport. Mr. Denega replied that it could be due to the proximity of restaurants in Montgomery and other restaurant competition.

Mr. Benton disagreed, there is room for another great restaurant anywhere.

Mr. Magryta replied that he would personally like to have a restaurant at the airport, however, the last two tenants have indicated that it was nearly impossible to make money. The demand in the winter is close to nothing and because there are successful restaurants in Montgomery why would they come to the airport.

Mr. Benton asked about the amenities at the restaurant and do they need to be upgraded. Mr. Magryta replied that they are all fairly new.

Mr. Casale added that they could market it with two or three years of free rent if they feel the restaurant would be an attraction for general aviation as 90% of general aviation is recreational not transportation.

Mr. Zock agreed as he often travels to Sky Manor Airport in New Jersey, fuels up and enjoys a nice meal at their restaurant which is often busy on the weekends.

Chairman Brescia agreed with Mr. Casale and while it may not be a moneymaker, things will be different than they were five or ten years ago. He would like to hear from the tenants as the landscape will be changing over the next two or three years. He respectfully disagrees with Mr. Magryta on this issue as they could see Medline with 500 plus employees on three shifts, 180 residential units in close proximity and a great deal of additional development.

Mr. Magryta clarified that he was not resisting a restaurant at the airport, but it cannot affect his budget and he cannot subsidize something that is not successful. He has worked diligently to have a zero-subsidy budget. If the restaurant was lucrative, they would have people interested and they must be able to yield revenue year-round. Stewart Airport had over 700,000 passengers yet they do not have a restaurant because they do not have connecting flights. He would suggest a market study for feasibility of success. If there is an effort for zero rent, so be it, as long as the airport is subsidized for their costs to run maintenance and other issues, but he cannot take a loss because the airport has lost money with any restaurant tenant they have had.

Mr. Kulisek noted that Mr. Casale has previously stated that aircraft sales have decreased because pilots do not come to the airport due to the lack of a restaurant on site.

Mr. Casale commented that two of the commercial tenants would place a for sale sign on an aircraft and place it on the ramp so that any incoming air traffic would see it. Unfortunately, while Orange County has full hangars the traffic is local, and they are not given the opportunity to engage in sales and is one of the issues they would like to bring before the committee.

Mr. Kulisek asked if Mr. Criscenzo runs a repair shop at the airport. Mr. Casale replied yes, along with sales and because the Instrument Landing System (ILS) is down due to the runway realignment they are not seeing jet traffic which has affected his revenue.

Mr. Magryta explained that the airport does not own the Instrument Landing System (ILS) as it is a function of the Stewart Technical Operations; however, the rest of the runway is open. He disagreed with Mr. Casale as they do get traffic with a lot of the ILS traffic being practice traffic. They recently had a helicopter come in and the crew from the helicopter took the airports crew car into the village for food. He is not saying that a restaurant is not helpful, but at what cost.

Mr. Casale reiterated that he does not want to speak for Mr. Criscenzo but in the past if he had jet traffic come in, he would send them in a golf cart to the restaurant while he serviced their aircraft; however, that is not happening, and it is actually inconvenient to be sending them into the village in a crew car.

Mr. Magryta responded that crew cars are very common at FBO's as they have crew cars as many airports do not have a restaurant. Crew cars are standard, and he has been trying to get them at the airport because if they are offered as an alternative, they can bring in some higher-level traffic.

Mr. Casale commented that over the years they may have brought in the wrong tenant. He practiced law for forty years and on occasion represented restaurant purchases and anyone purchasing a restaurant knows that they will be taking a loss for about three years before becoming competitive and successful. In his opinion, the issue should be revisited.

Mr. Zock agreed with Mr. Casale on the tenant selection because they did have a successful restaurant at the airport at one time and a restaurant does attract people.

Mr. Vero noted that when they went to Oxford Airport, they were told that things took off when they got water and sewer with the restaurant being a main ingredient. The restaurant doesn't necessarily have to make money or pay a lot of rent but to at least accommodate the people coming to the airport. The tenant is probably losing sales by not having that flow of traffic because if they don't come in, they can't see that a plane is for sale. They may not have to start with a high-end tenant but something to at least accommodate air traffic.

Mr. Denega asked if seating in the restaurant was adequate as the location is relatively small. Mr. Denega replied that they had 4 booths, 8 tables and a few doubles about 50-60 capacity.

Mr. Kulisek noted that the last tenant was more in tune with the catering side of the business than the restaurant.

Mr. Kulisek emphasized that the water issue needs to be addressed first then they can look into a tenant.

Mr. Kulisek asked if they could run a smaller line to the restaurant. Mr. Denega replied that it was feasible with a one- or two-inch line at an approximate cost of \$40,000.00.

Mr. O'Donnell emphasized that he is a big supporter of a restaurant.

Chairman Brescia asked about the status of the airport sign. Mr. Magryta replied that it is ready to be sent to the fabricator for a quote.

Mr. Zock commented that on Saturday, June 1, 2019 between 9:00 a.m. and 2:00 p.m. the airport will be having an event sponsored by Experimental Aircraft Association (EAA). They are expecting six to eight airplanes that will provide adult flying and rides for children from 5 to 18 years of age as part of the Young Eagles program. They will receive a certificate and private pilot lessons from www.sportys.com. In addition, the Civil Air Patrol will be in attendance with their cadets and the Orange County Pilots Association will be providing a pancake breakfast between 9:00 a.m. and 11:00 a.m. and from noon until 2:00 p.m. hamburgers and hot dogs will be served.

Mr. Kulisek emphasized that it would be a great day for people to come and see the activity at the airport.

On the agenda was a discussion on the meeting schedule.

Mr. Kulisek stated that after speaking to Chairman Brescia and Mr. Magryta he would recommend the committee meet every other month and/or quarterly for now; however, if anything comes up a meeting would be scheduled. Until things begin to progress with water and/or sewer.

Mr. Bloomer suggested they receive a one-page update on water and sewer monthly.

Mr. Kulisek agreed that a bulletin could go out monthly from Mr. Magryta as opposed to a regular agenda. In his opinion, a quarterly meeting would be appropriate at the present time with

the next meeting scheduled for July. If anyone would like something discussed at the meeting forward it to him or the Legislative Office.

Mr. Casale asked if the tenants would be at the next meeting. Mr. Kulisek replied yes.

The meeting adjourned at 3:26 p.m.