



Peat Marwick

in association with

FOLEY & LARDNER

and

The GERALD SCHWERM Company

Final Report

**Milwaukee Airport Authority
Feasibility Study**

Prepared for

Wisconsin Department of Transportation
Madison, Wisconsin

September 1, 1992

Executive Summary

EXECUTIVE SUMMARY

BACKGROUND

General Mitchell International Airport (Mitchell) and Lawrence J. Timmerman Airport (Timmerman)—together, the Airports—are owned and operated by Milwaukee County. Mitchell is a growing medium-hub airport serving Milwaukee and a large part of Wisconsin. Its regional importance is highlighted by the fact that approximately 78% of the passengers enplaning at Mitchell reside outside Milwaukee County. Timmerman is a general aviation reliever airport for Mitchell. The Airports operate as a financially self-sufficient enterprise, and require no tax or other financial support from the County.*

In 1991, as part of the Wisconsin State Legislature's General Assembly Bill 91, the State Department of Transportation (DOT) was directed to study the establishment of a Milwaukee airport authority.

In February 1992, a consultant team consisting of KPMG Peat Marwick Airport Consulting Services, the law firm of Foley & Lardner, and The Gerald Schwerm Company (the Consultants) was retained by the State DOT to evaluate the advantages, disadvantages, and feasibility of transferring sponsorship of the Airports to another entity. The principal results of the study are summarized below.

SURVEY OF OTHER AIRPORT AUTHORITIES

Currently, 45 of the 100 largest air carrier airports in the United States are sponsored by airport authorities. Mitchell is the 54th largest airport in the United States in terms of 1990 passenger enplanements. Of the airports larger than Mitchell, 21 are sponsored by airport authorities.

In most cases, airport authorities have been created to provide a single-purpose entity configured specifically to meet the needs of managing an airport or a system of airports in a competitive environment.

While the airport authorities surveyed were all established as separate political entities, in most cases certain powers and controls have been retained either by the previous sponsoring entity or by the jurisdictions represented by the authority.

*The County advance funded the recent terminal expansion project, but is being reimbursed from airport revenues.

SUMMARY OF INTERVIEWS WITH AFFECTED PARTIES

To gain an understanding of the issues and opportunities associated with the possible transfer of sponsorship of the Airports from Milwaukee County to another entity, the Consultants held 85 interviews with affected or interested parties.

The following key conclusions were drawn from these interviews:

1. There is strong opposition to the concept of Milwaukee County surrendering control of the Airports to an airport authority.
2. Local opinion is predominantly that the Airports are well run, and that "there isn't a problem that needs to be fixed," although some interviewees hold the opposite view.
3. There is growing concern among interviewees that:
 - a. Control of the major air carrier airport in Wisconsin by the communities adjacent to the airport creates an opportunity for the interests of local residents to direct decision-making at the expense of broader County and regional interests.
 - b. The current County structure is heavily process-oriented, and is not well suited to running the Airports as a business.
 - c. The current governance of the Airports does not give priority to the role of Mitchell as an economic generator for the State.
4. There is little or no support for the State or another regional entity assuming a more active role in management and operation of the Airports.
5. Despite growing frustration in some sectors of the community with the existing governance of the Airports, there is no consensus that formation of an airport authority is the way to relieve these frustrations.
6. No entity has established formation of an authority to run the Airports as a priority. No "champion" for the creation of an authority has come forward, nor was a potential champion identified.
7. There is little sense of "partnership" between the business community and the County with regard to the Airports, and a schism is evidently beginning to develop between the two groups.

REVIEW OF AIRPORT ISSUES AND OPPORTUNITIES

In addition to soliciting the views of affected parties, the Consultants independently reviewed the issues and opportunities facing the Airports and the ability of the current form of governance to manage the future challenges facing the Airports.

Review of the operation and management of the Airports produced no evidence to suggest that the current system of governance has materially handicapped the management or development of the Airports up to now. Indeed, new terminal and parking facilities have recently been developed, and the Community's view of the Airports is largely favorable.

However, the Airports currently face new and demanding challenges related to the pending adoption of a master plan for Mitchell and implementation of a substantial program of land acquisition, runway development, and other improvements, if these elements remain part of the adopted Master Plan. Apprehension exists that while the existing form of governance has been effective up to now, it may be less effective in managing future development of the Airports, which will almost certainly require resolution of intractable conflicts among the Airports' various interest groups. In particular, adoption and implementation of a development strategy for the Airports will require resolution of the conflicting interests associated with the Airports' key role in economic development of the region on the one hand and with the rights of people living near the Airports on the other.

A fundamental requirement to ensure resolution of these conflicting interests is balanced representation of these interests on the governing body of the Airports. The present system of governance ensures effective representation of residents of the communities affected by airport noise and expansion by elected officials. However, while local residents are well represented, the interests of the many parties who benefit from or depend on airport development, as well as the majority of the Airport's service area, are largely unrepresented on the Airport's policy forming body.

It is therefore of concern that the current system of governance creates the opportunity for County Supervisors representing the Airport's affected residents, who are generally opposed to airport expansion, to exercise dominant control over airport policymaking. While it is clearly appropriate that the interests of local residents should be effectively represented, there is currently no system in effect to ensure that these interests are balanced against those of the larger Airport service region who benefit from the Airports.

The potential for dominance in airport policymaking by the local communities affected by airport operations, perpetuates an inherent risk that responsible plans for future development of the Airports will not be adopted. Failure to pursue such development could be contrary to the larger constituency of interests that are

substantially unrepresented on the Committee responsible for forming policy at the present time. This is a fundamental weakness as the County currently faces a need to make decisions about, and possibly to implement, a development program which will have significant implications both for local residents and the future economy of the region.

At an operational level, it is evident that day-to-day management of the Airports by a multipurpose governmental entity not specifically structured to meet airport management needs imposes certain constraints on the ability of the County to manage the Airports as a "business" in a competitive environment. In particular, the County government structure requires referral of most major decisions through a complex hierarchy of committees and departments, which tends to result in extended timescales for decisions of substance. The Airports Division is handicapped by not having its own financial accounting and reporting systems, separate from other County Departments, and by the application of Countywide policies which frequently have limited relevance to the financially self-sufficient Airports. Together, these characteristics tend to require senior Airport management to focus on administrative process, rather than on the achievement of the Airports' mission.

The County is currently effectively precluded from issuing revenue bond debt. While the County is not near its quantitative debt limit for general obligation bonds at present, the need to issue substantial revenue bond debt for airport projects may become more important if the draft Master Plan is adopted, and a major program of land acquisition and airfield development is undertaken. For the longer term, therefore, airport development may place an unacceptable burden on the County's debt capacity, and the Airports and the County may benefit from having access, though an appropriate sponsoring agency, to revenue bond financing for Airport projects.

A detailed review of the financial operations of the Airports under alternative sponsorship was not included in the scope of this study. However, a preliminary review of the business arrangements of the Airports suggests that the Airports are financially self-sustaining, and, depending on the terms of transfer associated with a change in governance, could continue to function on a financially independent basis under alternate governance structures.

The Consultants therefore conclude that substantial benefits for the County, the Airports and the constituents of the Airports could be achieved by modifying the existing system of governance to ensure (1) a broader representation of interests in the policymaking body for the Airports, (2) management of the Airports by a single-purpose entity configured specifically to meet the needs of airport management, but with key controls retained by the County, and (3) a clear focus on the Airports' mission to promote air commerce, and therefore improve the local and Statewide economy.

REVIEW OF LEGAL ISSUES

Legal issues were reviewed to identify alternative governance structures available under current law and to describe the scope of alternative structures available with new legislation.

Under current law, it would be possible to:

- Restructure County Board committees and revise delegations of authority
- Create an Airport Commission

With new legislation, it would be possible to:

- Enter into arrangements with an existing regional jurisdiction, such as the Regional Transportation Authority (RTA)
- Create an airport authority to function as the sole sponsor of the Airports
- Create an airport authority to function with Milwaukee County as a joint sponsor of the Airports

Review of the County's major existing commercial contracts for the Airports, including airline, concession, and service agreements, reveals no limitations on the ability to restructure the governance of the Airports, providing that there is no impairment of private-party contract rights.

EVALUATION OF ALTERNATIVES

In the review of alternative forms of governance for the Airports, it was recognized that there currently exists (1) substantial opposition to formation of an airport authority, and (2) an absence of support for, formation of an airport authority. At the same time, however, review of current airport operations suggests that long-term benefits could be achieved by pursuing modifications to the existing form of governance to (1) ensure broader representation of interests in the policyforming body for the Airports, (2) enable day-to-day management of the Airports by a single-purpose entity configured specifically to run the Airports as a business, and (3) act as an agent for economic development and job formation in concert with the County, the State, and other agencies.

The following alternative forms of governance were evaluated in the context of the considerations outlined above:

1. Formation of a County airport commission
2. Incorporation of the Airports into the RTA
3. Creation of a sole-sponsor airport authority
4. Creation of an airport authority to function as a cosponsor of the Airports

Evaluation of the effects of specific modifications within the existing County governance structure was not included in the scope of this study. For the sake of completeness, however, certain possible modifications to the existing County governance structure are identified in the report, but the effects of these modifications are not evaluated in detail.

It was concluded, however, that both revisions to the existing County governance structure and formation of a County airport commission would be likely to offer limited potential to address key objectives of a change in governance. The effectiveness of these alternatives would be constrained by two key weaknesses: (1) no reliable mechanism could be defined and put in place to preclude dominance by representatives of airport neighbor communities, and (2) the Airports would continue to be subject to Countywide policies unless specific exemptions could be negotiated.

Incorporation of the Airports into the RTA also appears to offer few real benefits. While public transit and highway access are important aspects of the regional transportation network, there is little linkage between the management of highway improvements and public transit and the management and development of the Airports. Inclusion of the Airports into the RTA would also be contrary to the objective of creating a single-purpose entity to manage the Airports.

While creation of an airport authority to function as the sole sponsor of the Airports offers significant advantages in that (1) appointments to the governing board could be defined so as to ensure balanced representation of interests and (2) the entity would have as its sole purpose the management of the Airports, it is unlikely that this alternative would be feasible because it would require Milwaukee County to relinquish virtually all of its control of the Airports.

Therefore, it is likely that it would be in the long-term interests of the Airports, Milwaukee County, and other constituents of the Airport for the County to consider pursuing a strategy that could achieve the benefits of creating an authority with the single mission of managing the Airports, but within specified limits delegated by the County.

The new authority would function as a cosponsor of the Airports with Milwaukee County and would be governed by a board, to which representatives, including County Supervisors, would be appointed. At the same time, however, substantial powers of approval for key decisions would be retained by the existing County Executive and Board of Supervisors (for example, approval of land acquisition). The Authority would have no taxing powers. The benefits of this approach are that (1) broad-based representation would be ensured by the system of appointments to the Authority Board, (2) a single-purpose entity would be created with the attributes necessary to manage the Airports with optimal efficiency, and (3) a continuing directive role in the management of the Airports would be preserved for Milwaukee County by the exercise of specific retained powers.

RECOMMENDATIONS AND IMPLEMENTATION PLAN

It is therefore the recommendation of the Consultants that the County should pursue the establishment of a Milwaukee County Airport Authority to function as a cosponsor of the Airports with Milwaukee County, as described above. The Authority would be created as a single purpose entity, empowered to manage, operate, and develop the Airports, but within the constraints of certain powers which would be retained by the County. The Authority would be governed by a Board, which would include broad representation from the County and the airport service region.

While it is the conclusion of the Consultants that significant long-term benefits could be achieved by the transfer of sponsorship of the Airports to a Milwaukee County Airport Authority, it is also the conclusion of the Consultants that such an authority would only be feasible if substantial support and commitment existed from policy makers within the Milwaukee County. Given the currently high level of opposition to any loss of County control of the Airports and the low level of public support for, or interest in, any change in airport governance, it is unlikely that such a transfer could be successfully undertaken immediately.

In this context, it is recommended that a change in airport sponsorship should be pursued only if and when a consensus in favor of such a transition has been developed within Milwaukee County. The following multiphase process is therefore recommended, first to identify if a consensus to proceed can be developed and, then, if such consensus is developed, to effect a transfer of the Airports to cosponsorship by a Milwaukee County Airport Authority.

- **Phase 1. Build Consensus/Determine whether to Proceed with Implementation of Authority.** A process would be defined to (1) inform policymakers and affected parties about the specific recommendations of the study and the potential benefits to be achieved, (2) solicit information concerning the acceptability to the affected parties of implementing the

study recommendations, (3) determine the possible terms of a transfer of governance, (4) refine possible powers of the authority and retained powers of the County, (5) prepare an analysis to determine the financial implications (if any) to the Airports of the proposed transfer terms, and (6) build consensus among key decisionmakers. On the basis of the outcome of this phase, the County would determine whether to proceed with further phases of a transition.

- **Phase 2. Enact Enabling Legislation to Permit the Creation of a Milwaukee County Airport Authority at Some Time in the Future to Function as a Cosponsor of the Airports.** The legislation would provide for a broad representation of interest in policymaking and would empower the authority to undertake all functions necessary to manage, operate, and develop the Airports. The County would continue to have direct involvement in the policy and management of the Authority through County elected officials appointed to the Board or the Authority and, in addition, certain key powers (for example, approval of land acquisition) would be retained by the County to ensure an acceptable level of residual County control.
- **Phase 3. Appoint Authority Board Members.** When a political consensus is in place, members should be appointed to the Authority Board and charged with implementing the transfer of the Airports to the Authority.
- **Phase 4. Negotiate the Transfer.** The Authority Board should negotiate mutually acceptable terms and conditions whereby the Authority would become a cosponsor of the Airports with the County.

To initiate Phase 1 of the recommended implementation plan, the State should secure the participation of the County in a steering committee, which would perform the following functions:

1. Distribute information about the study recommendations to the affected parties.
2. Serve as a forum to debate the benefits and disadvantages of a transfer of the Airports to a Milwaukee County Airport Authority.
3. Assess the level of support for and opposition to implementation of the study recommendations.
4. Identify modifications required to the study recommendations to achieve policymaker and public acceptance.

5. Coordinate additional technical studies, for example a detailed study of the financial implications of a potentially acceptable transfer agreement.
6. Recommend to the County whether or not to proceed with the implementation of Milwaukee County Airport Authority to function as a cosponsor of the Airports.

The steering committee could include representation from the following parties:

1. Milwaukee County
2. Senior management of the Airports
3. State DOT
4. Labor unions/civil service
5. The Milwaukee business community
6. The airlines serving Mitchell
7. Air service consumers
8. Intergovernment cooperation council
9. City of Milwaukee
10. Minority business/contractor community.

A specific task of the steering committee should be to arrange (1) a program of public information meetings to brief the public at large about the study recommendations and solicit public reaction to the proposals and (2) presentations about the study recommendations to key affected parties.

It is recommended that a period of 6 to 12 months be allowed for the completion of Phase 1.

Background

BACKGROUND TO CURRENT OPERATION AND MANAGEMENT OF THE AIRPORTS

THE AIRPORTS

Milwaukee County owns and operates General Mitchell International Airport (Mitchell) and Lawrence J. Timmerman Airport (Timmerman)—together, the Airports. Key features of the current operation and management of the Airports are summarized below.

General Mitchell International Airport

Mitchell is located within the boundaries of the City of Milwaukee and occupies approximately 2,220 acres of land. The Airport is the major air carrier airport in the State of Wisconsin, and enplaned slightly over 2 million passengers in 1991. Milwaukee is classified as a medium hub* by the Federal Aviation Administration (FAA).

Mitchell has five operational runways and associated taxiways. The primary air carrier runway, 1L-19R, is 9,690 feet long and 200 feet wide. The crosswind runway, 7R-25L, is 8,010 feet long and 150 feet wide. Mitchell has three other runways—1R-19L, 7L-25R, and 13-31—which are 4,182, 3,164, and 5,868 feet long, respectively. Runways 1L, 7R, and 19R are each equipped with an instrument landing system.

The existing passenger terminal complex consists of a central terminal building and three passenger concourses accommodating 46 aircraft parking positions. The terminal includes passenger ticketing and 42 gates and holdroom areas, baggage make-up and claim facilities, airline operations and office space, rental car counters, food and beverage and general merchandise concessions, and airport administration offices. Approximately 70 acres of terminal area aircraft parking apron serve the 42 gates at Concourses C, D, and E. The main level of the central terminal building is connected by two pedestrian bridges to a six-level automobile parking structure. Separate enplaning and deplaning roadways provide access to the terminal building curbside at a single level.

The benefits of the Airports to the local economy are significant and include:

- 16,758 direct or related jobs
- \$544 million in airport- and visitor-related expenditures

*A medium hub is defined by the FAA as a community that enplanes between 0.25% and 0.99% of the total enplaned revenue passengers on certificated route air carriers in the United States.

- \$196 million in personal income for airport and visitor industry employees
- \$35 million in total State and local taxes

The terminal complex was expanded in the mid-1980s with direct support from Milwaukee County, which issued general obligation bonds to pay for the expansion. This benefited Mitchell in two important respects. First, it afforded access to funds at a favorable interest rate. Second, the County has paid, and will pay until 1997, a diminishing part of debt service on these bonds, with the balance coming from airport revenues. After the 1997 "crossover," increased payments to the County from airport revenues will reimburse the County for its advances.

In the proposed Master Plan for Mitchell, passenger demand is forecast to increase and it is concluded that physical facilities at the airport will have to be expanded to meet this demand. The Master Plan, when adopted, may include recommendations to (1) acquire additional land for airport development, (2) develop a new parallel runway and (3) construct a variety of other improvements. Substantial impacts on established residential, commercial, and industrial areas would result from the proposed land acquisition.

Land uses within the areas most affected by aircraft operations are controlled by five cities near or adjacent to Mitchell. It is believed that only one of those cities has adopted zoning code provisions aimed at maintaining compatibility of land uses within undeveloped areas that are now, or may in the future be, affected by aircraft operations at Mitchell. Milwaukee County controls the height of structures Countywide.

Air carrier service is provided from Mitchell to many of the principal cities in the United States. Mitchell serves as a regional hub for Northwest Airlines and Midwest Express Airlines and as a connecting point for commuter airlines. The airport offers extensive business and general aviation facilities. Units of the United States Air Force Reserve and the Wisconsin Air National Guard are stationed at Mitchell.

In recent years, airline traffic at Mitchell has increased at a faster rate than in the United States as a whole. From 1985 to 1990, enplaned passengers at Mitchell increased at an average rate of approximately 9% per year, compared with approximately 4% per year for the United States as a whole. Passenger traffic at Mitchell decreased in 1991, in line with the national trend and local economic conditions.

Increases in passenger activity at Mitchell throughout the mid-to late 1980s occurred because of the entrance of new airlines competing for shares of the Milwaukee metropolitan area market, socioeconomic factors such as population and economic growth, and two airlines (Northwest and Midwest Express) using Mitchell for some connecting (hubbing) operations. According to an August 1990 survey report published by the Southeastern Wisconsin Regional Planning Commission (SEWRPC), approximately 60% of the passengers using Mitchell are business travelers. The

survey report cited the proximity of Mitchell to residence or place of work and the convenience and ease of using Mitchell and its facilities as the main reasons for passenger decisions to use the airport.

Mitchell is located on the south side of the City of Milwaukee. As shown on Figure 1, the primary geographical area served by Mitchell consists of Kenosha, Racine, Walworth, Milwaukee, Waukesha, Ozaukee, and Washington counties.

The primary service area is generally defined as the area immediately surrounding an airport, which contains significant concentrations of population and economic activity, and thus generates the majority of airline passenger traffic at the airport. The cities of Milwaukee, Racine, and Waukesha represent the largest centers of population in the region, and all three are within 20 miles of Mitchell.

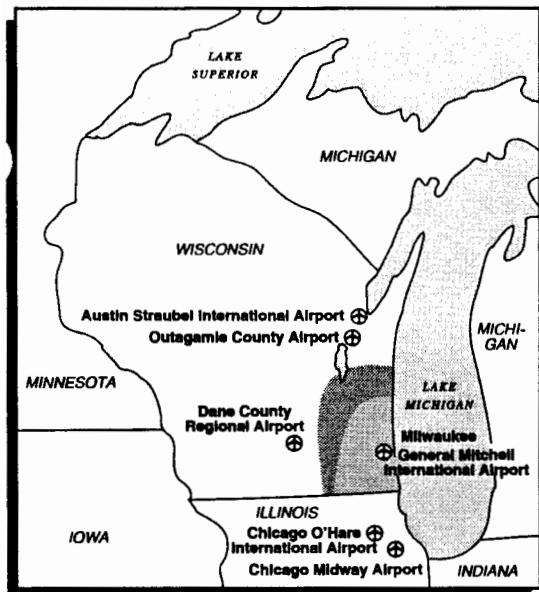
According to the 1990 census, the population of the primary service area (referred to in this report as the seven counties of southeastern Wisconsin) was 1,810,364.

The secondary area of the airport service region lies on the periphery of the primary area and consists of Dodge, Fond du Lac, Jefferson, and Sheboygan counties. The boundary of the secondary service area of an air carrier airport is generally defined by the location of and airline service provided from other air carrier airports. As shown on Figure 1, the air carrier airports defining the secondary area are those in Madison, Green Bay, Appleton, and Chicago. According to the 1990 census, the population of the secondary service area was 338,302.

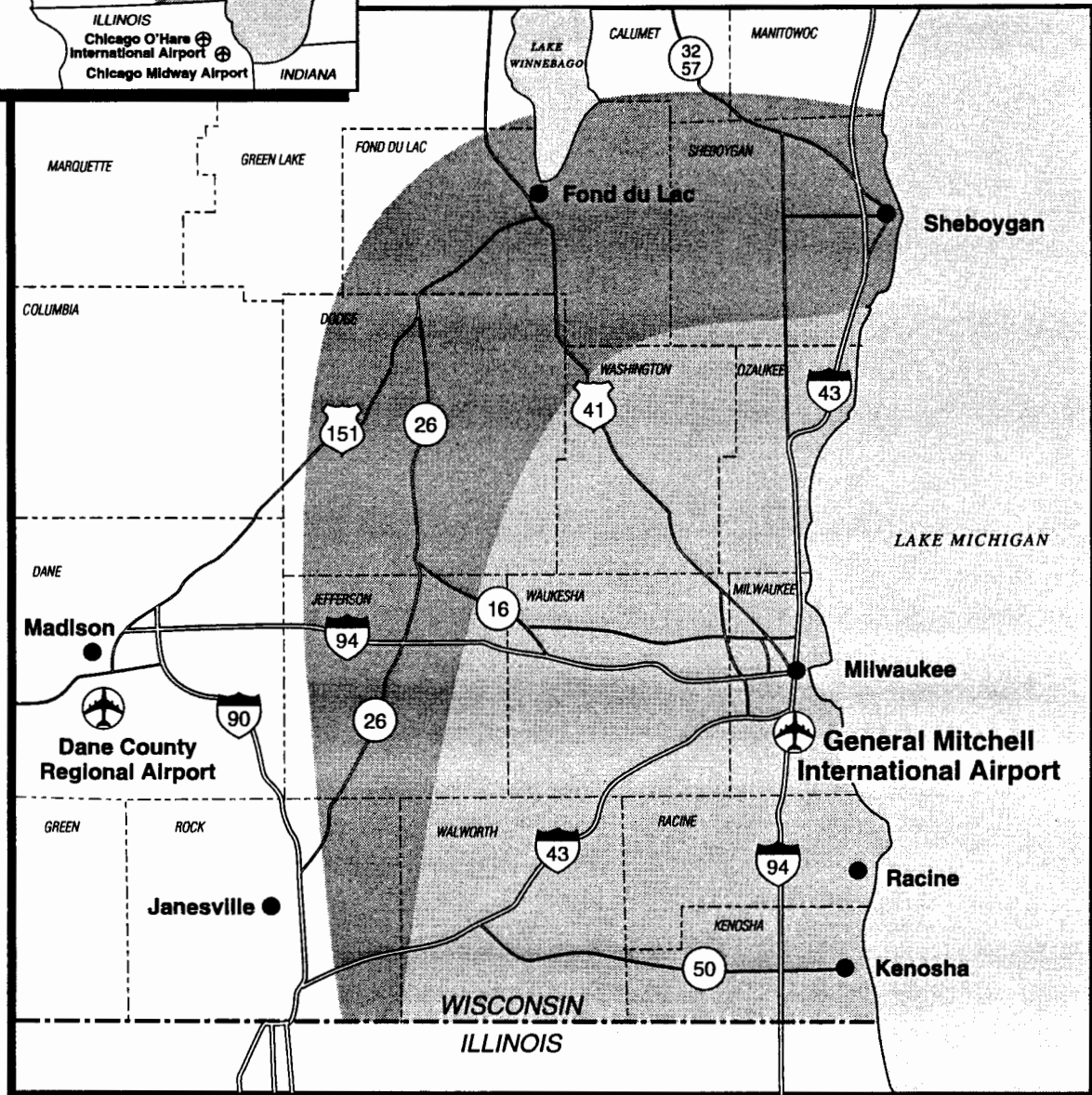
The total population of the airport service region (primary and secondary areas) in 1990 was 2,148,666, which represents 43.9% of the population of the State of Wisconsin.

It is possible that the conventional definition of the primary and secondary service area given above understates the area affected by air service from Milwaukee. As Mitchell is the major air carrier airport in Wisconsin, it is likely that a large proportion of the connecting passengers using the airport originate in other Wisconsin counties and that these passengers actually rely on air carrier service from Milwaukee, which they access via commuter connections. This is likely because only limited airline service is available from other Wisconsin cities, as follows:

- Appleton - nonstop commuter service to Chicago, Green Bay, Milwaukee, Minneapolis, and Wausau
- Madison - nonstop commuter or jet service to Chicago, Cincinnati, Detroit, Green Bay, Milwaukee, Minneapolis, St. Louis, and Pittsburgh



Road miles from Milwaukee to:	
Austin Straubel International Airport (Green Bay)	115
Outagamie County Airport (Appleton)	100
Dane County Regional Airport (Madison)	75
Chicago O'Hare International Airport	85
Chicago Midway Airport	95



LEGEND







-  Primary service area
-  Secondary service area
-  County boundary
-  State boundary
-  Air carrier airport
-  City

Figure **1**

**AIRPORT SERVICE REGION—
GENERAL MITCHELL INTERNATIONAL AIRPORT**
Milwaukee Airport Authority Feasibility Study

September 1992

- Oshkosh - nonstop commuter service to Chicago
- Wausau - nonstop commuter service to Chicago, Detroit, Milwaukee, and Minneapolis

According to the August 1990 SEWRPC survey report, 43.2% of all enplaning passengers at Mitchell originated their air travel within Milwaukee County as shown in Table 1. The same survey, however, indicates that only 21.2% of those enplaning passengers resided in Milwaukee County and that 41.2% resided outside the State of Wisconsin. These statistics demonstrate the importance of Mitchell to the economy of Milwaukee County, and Mitchell's major role as a gateway to Wisconsin for air travelers residing in states other than Wisconsin and, to a lesser degree, in foreign countries.

According to the August 1990 SEWRPC survey report, between 1971 and 1989, "the overall share of enplaning passenger trip origins within Southeastern Wisconsin changed very little . . . remaining at about 73% . . . the percentage of trips originating in Milwaukee County decreased from 55% to 43%, while the percentage of trips originating in the remaining six southeastern Wisconsin counties increased from 17% to 31%, and trips originating in Kenosha County almost doubled. . . ."

The airlines that provide scheduled service at Mitchell have entered into substantially similar airport use agreements with Milwaukee County. Under the agreements a "residual cost" formula is used to calculate airline rentals and fees, obligating the signatory airlines to pay landing fees and space rentals as required to fund operations of the Airport System (the Airports) and certain capital projects, after accounting for revenues that the County receives from all other users of the Airports. In the agreements, the "Airport System" is defined to include Timmerman, recognizing its value to the airlines as a reliever for Mitchell.

Airline service at Mitchell is provided by 15 scheduled airlines, with 166 daily departures and approximately 14,100 daily departing seats. As of June 1992, there were 111 daily scheduled nonstop jet departures from Mitchell to 29 U.S. cities and Toronto, Canada. Table 2 indicates the frequency of all nonstop jet and commuter flights from Mitchell. It should be noted that approximately 20% of all departures from Mitchell are to cities in Wisconsin, which is further evidence of the significant role of Mitchell as the gateway to Wisconsin.

Many of the 29 U.S. cities with nonstop service from Mitchell are connecting passenger hubs of the major airlines and provide connection opportunities to additional domestic and international destinations.

Table 1

TRIP ORIGINS OF ENPLANING PASSENGERS AT MITCHELL
Milwaukee Airport Authority Feasibility Study
August 1990

<u>County of trip origin</u>	<u>Percent of total</u>
Primary service area	
Milwaukee	43.2%
Kenosha	1.6
Ozaukee	3.9
Racine	4.6
Walworth	1.9
Washington	2.5
Waukesha	<u>16.7</u>
Subtotal	74.4%
Secondary service area	
Dodge	0.8
Fond du Lac	1.0
Jefferson	0.5
Sheboygan	<u>2.5</u>
Subtotal	79.2%
Other Wisconsin counties	10.1
Other	<u>10.7</u>
Total	100.0%

Source: Southeastern Wisconsin
Regional Planning
Commission

Table 2

DAILY SCHEDULED NONSTOP DEPARTURES FROM
GENERAL MITCHELL INTERNATIONAL AIRPORT
Milwaukee Airport Authority Feasibility Study

Destination	Jet service	Commuter service	Total service
Chicago	18.4	3.1	21.5
Detroit	8.0	2.9	10.9
New York	8.9	—	8.9
Grand Rapids	1.7	6.7	8.4
Cincinnati	2.0	5.3	7.3
Appleton	1.7	4.9	6.6
Indianapolis	—	6.3	6.3
Madison	3.7	2.4	6.1
Minneapolis/St. Paul	6.0	—	6.0
Atlanta	5.4	—	5.4
Columbus	3.0	2.3	5.3
St. Louis	5.3	—	5.3
Green Bay	—	5.0	5.0
Boston	4.4	—	4.4
Cleveland	3.6	0.7	4.3
Pittsburgh	3.9	—	3.9
Los Angeles	3.7	—	3.7
Denver	3.7	—	3.7
Washington, D.C.	3.7	—	3.7
Muskegon	—	3.3	3.3
Memphis	3.0	—	3.0
Charlotte	3.0	—	3.0
Nashville	3.0	—	3.0
Wausau	—	2.6	2.6
Oshkosh	1.9	0.7	2.6
Dallas	2.6	—	2.6
Philadelphia	2.4	—	2.4
San Francisco	1.9	—	1.9
Rockford	—	1.7	1.7
Kansas City	1.7	—	1.7
La Crosse	—	1.7	1.7
Flint	—	1.6	1.6
Des Moines	—	1.6	1.6
Lansing	—	1.6	1.6
Traverse City	—	1.1	1.1
Toronto	1.0	—	1.0
Phoenix	1.0	—	1.0
Seattle	1.0	—	1.0
Las Vegas	1.0	—	1.0
Rhineland	—	0.3	0.3
San Diego	<u>0.1</u>	<u>—</u>	<u>0.1</u>
	110.7	55.8	166.5

Source: Official Airline Guides, Inc., "Official Airline Guide," June 1992.

Table 3 presents the 25 origin and destination cities accounting for 1% or more of the total domestic origin-destination passengers at Mitchell for the 12 months ended December 31, 1991. The data shown in the table represent the travel patterns for passengers on scheduled U.S. airlines only. The cities on this list were the origin or destination for over two-thirds of all major airline passengers using Mitchell.

New York and Los Angeles accounted for the most origins and destinations at Mitchell, with 7.5% and 5.4%, respectively, of domestic airline passengers. The top five cities, which also included Washington, D.C.; Minneapolis/St. Paul; and Orlando, accounted for over 25% of all domestic passenger origins and destinations at Mitchell.

In June 1992, only 18 of the top 25 markets listed in Table 3 were served with daily scheduled nonstop jet flights from Milwaukee on major or regional airlines. Seven of the 1991 top 25 are not currently served by scheduled nonstop flights from Milwaukee. These are the five Florida markets (Orlando, Tampa, Miami, Fort Myers, and Fort Lauderdale) and Houston. San Diego is served by only one nonstop per week. The Florida market collectively, which is the largest passenger market from Mitchell, has nonstop service only during certain winter and spring months (to Tampa and Orlando).

The findings of the August 1990 SEWRPC survey report illustrate passenger perceptions about airline service at Mitchell:

- Problems Encountered at Mitchell—Passengers were asked to indicate the two most important problems experienced while using Mitchell. By far, the most important concern expressed by passengers was not enough nonstop flights to desired destinations.
- Reasons for Choosing to Fly out of O'Hare instead of Mitchell—Explaining passengers were also asked to indicate the most important reasons for choosing to sometimes use Chicago's O'Hare International Airport instead of Mitchell. The most important reasons indicated by the respondents included better schedules and more nonstop flights to desired destinations at O'Hare. Other important reasons included lower fares and availability of international flights.

These comments suggest that the quality of airline service available at Mitchell is a concern to passengers using the airport.

Table 3

DOMESTIC PASSENGER ORIGIN-DESTINATION PATTERNS
 General Mitchell International Airport
 For the 12 months ended December 31, 1991
 Milwaukee Airport Authority Feasibility Study

City of origin or destination(a)	Air miles from Milwaukee	Percent of scheduled airline passengers
New York(b)	738	7.5%
Los Angeles(c)	1,756	5.4
Washington, D.C.(d)	634	4.5
Minneapolis/St. Paul	297	4.2
Orlando	1,066	4.0
San Francisco(e)	1,845	3.9
Detroit	238	3.3
Boston	860	3.1
Atlanta	669	2.9
Tampa	1,075	2.9
Philadelphia	690	2.8
Denver	908	2.8
Dallas/Fort Worth	853	2.7
Phoenix	1,460	2.5
Las Vegas	1,524	2.0
Miami	1,259	1.8
Fort Myers	1,183	1.7
San Diego	1,739	1.7
Kansas City	436	1.6
Cleveland	328	1.5
Seattle	1,694	1.4
Fort Lauderdale	1,243	1.3
St. Louis	317	1.2
Pittsburgh	431	1.1
Houston(f)	984	<u>1.1</u>
Cities listed		68.9%
All others		<u>31.1</u>
Total		100.0%

(a) Cities with 1% or more of total domestic outbound and inbound passengers (on scheduled airlines) at General Mitchell International Airport in 10% sample for the 12-month period ended December 31, 1991.

(b) John F. Kennedy International, LaGuardia, and Newark International airports.

(c) Los Angeles International, John Wayne (Orange County), Long Beach, and Ontario International airports.

(d) Washington Dulles International, Washington National, and Baltimore-Washington International airports.

(e) San Francisco, Oakland, and San Jose international airports.

(f) Houston Intercontinental and William P. Hobby airports.

Source: U.S. Department of Transportation/Air Transport Association of America, "Origin-Destination Survey of Airline Passenger Traffic, Domestic," Fourth Quarter 1991.

Lawrence J. Timmerman Airport

Timmerman is a tower-controlled general aviation reliever airport for Mitchell. Timmerman has two paved runways: 15L-33R, which is 4,100 feet long and 75 feet wide and 4L-22R, which is 3,200 feet long and 75 feet wide. The airport has three instrument approaches: a localizer approach to Runway 15L and very high frequency omnidirectional range (VOR) approaches to Runways 4L and 15L.

Currently, Timmerman has no precision approach aids and existing approach aids offer, at best, a minimum descent height of 655 feet when operating under instrument flight rule (IFR) conditions. This is significantly higher than the decision height of 150 feet offered by the Category II instrument landing system (ILS) available at Mitchell. The lack of precision approach aids and the resulting "height minimums" at Timmerman limit the usefulness of the airport as a reliever, and requires Timmerman traffic to use Mitchell under certain IFR conditions.

THE COUNTY




The County of Milwaukee is a governmental entity established by the laws of the State of Wisconsin and has the powers of a corporate body. Day-to-day operation and management of the Airports is carried out by the Airport Division, an organizational unit of the Milwaukee County Department of Public Works and Development.

The County system of government consists of an executive and a legislative branch. The executive branch of government is administered by the County Executive, an elected officer with a four-year term. The County Executive, in accordance with State law, has veto power over the actions taken by the County Board of Supervisors. The County Executive has overall responsibility for directing, coordinating, and implementing the administrative and management functions of government. The County Executive is empowered to oversee the County's operating budget, the development and submission of the annual County budget to the County Board of Supervisors for its approval, and the appointment, with the approval of the County Board of Supervisors, of the heads of several major County departments, including the Department of Public Works and Development.

The County Board of Supervisors functions as the legislative branch under the current system of County government. The Board of Supervisors consists of 25 representatives, each representing one of 25 districts in the County (see Figure 2). Supervisors are elected to four-year terms* and select their Board Chairperson from

*The County Executive and County Board of Supervisors are elected in open elections held in the spring of presidential election years.

LEGEND

-  Approximate airport boundary
-  Districts of supervisors on Transportation and Public Works Committee
-  Airport service region

Source: Board of Election Commissioners, Milwaukee County, 1992.

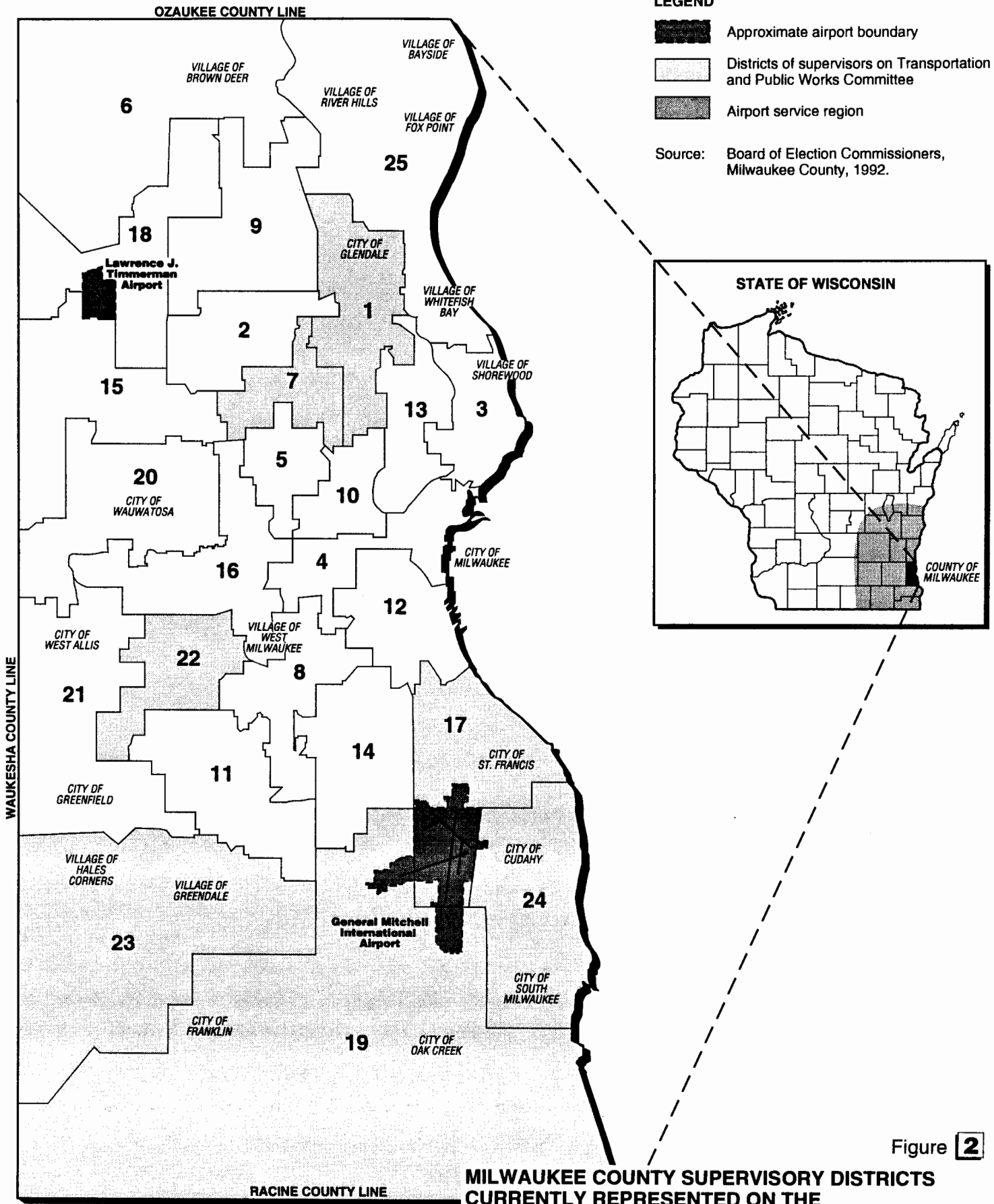


Figure **2**

MILWAUKEE COUNTY SUPERVISORY DISTRICTS CURRENTLY REPRESENTED ON THE TRANSPORTATION AND PUBLIC WORKS COMMITTEE

Milwaukee Airport Authority Feasibility Study

among the 25 supervisors. The Board has the power to adopt resolutions and ordinances.

The Board is responsible for the adoption of the County's annual budget. Each year, the proposed budget is submitted to the full Board by the County Executive and is then submitted for review by the Finance Committee. The Board administers many operations of the County and much of this responsibility through standing committees. These committees include Audit; Committee on Committees; Economic Development, Energy, Environment, and Extension Education, Finance, Health, Housing and Community Development, Judiciary, Safety and General Services, Legislative, Mass Transit, Parks, Recreation and Culture, Personnel, Transportation and Public Works, and Social Services.

The Chairperson of the County Board of Supervisors assigns members to these committees and appoints the various chairpersons of the particular committees.

Figure 3 presents an organization chart for the government of Milwaukee County. As shown, the Department of Public Works and Development is further divided into six functional divisions: the Airports Division, the Central Automotive Maintenance Division, the Central Services Division, the Economic Development Division, the Highway Maintenance Division, and the Professional Services Division.*

The Airports Division is responsible for planning, managing, operating, and maintaining Mitchell and Timmerman. All of the vehicles and automotive equipment for the Airports are acquired and maintained by the Central Automotive Maintenance Division and are leased to the Airports.

Responsibility for the day-to-day operation of Mitchell is vested in an Airport Director, who is appointed by the Director of Public Works and Development and confirmed by the County Board. A staff of approximately 175 County employees assists the Airport Director with management and operation of Mitchell. The Airport Director reports to the Director of Public Works. The Director of Public Works and Development is a cabinet position appointed by the County Executive.

*Since the publication of this chart by the County, the Department of Public Works and Development has been reorganized into seven functional divisions; the Airports Division, the Highway and Fleet Maintenance Division, the Economic Development Division, the Administration/Facilities Management Division, the Architectural/Engineering Division, the Transportation Division, and the Environmental Services Division.

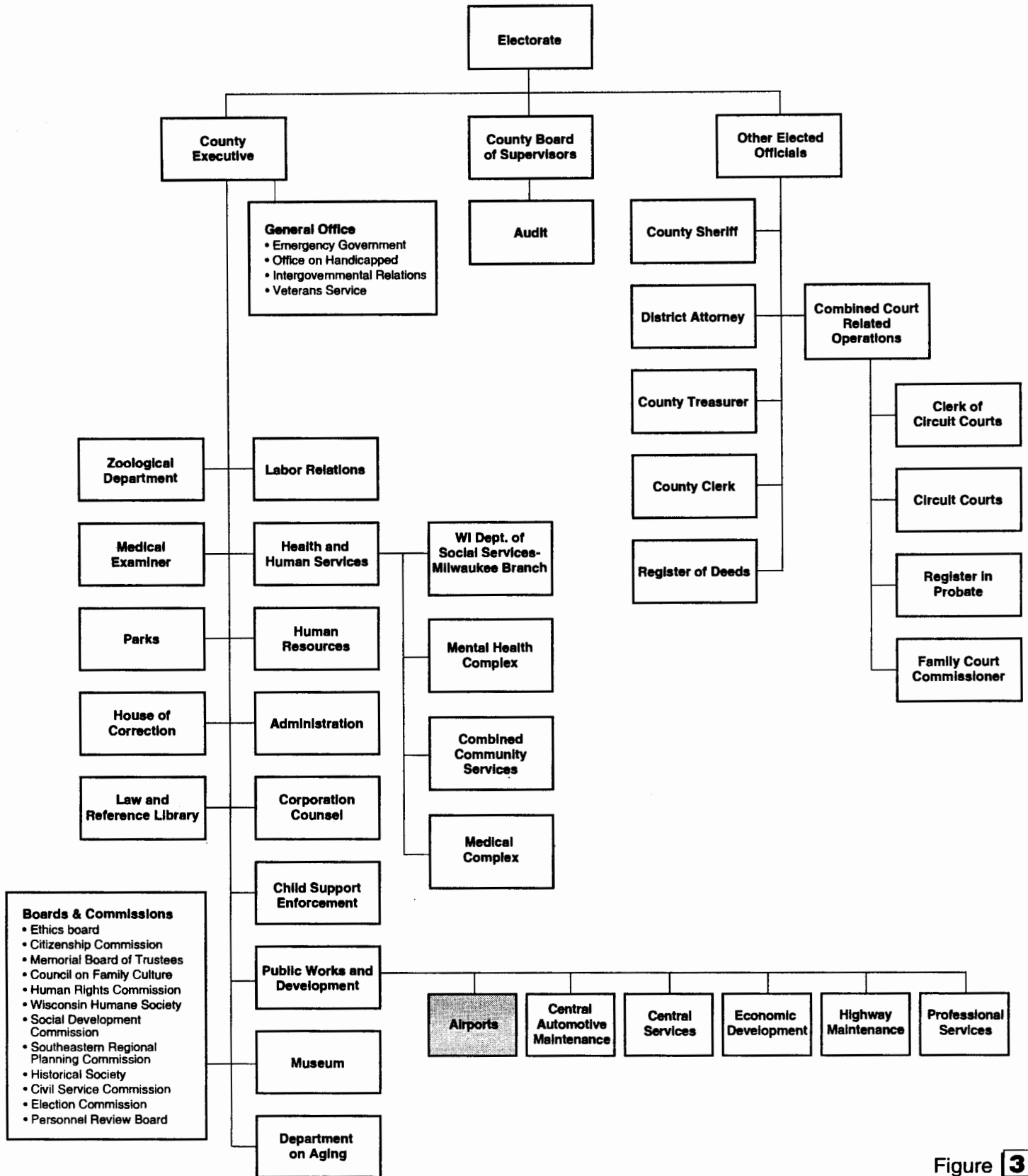


Figure 3

COUNTY OF MILWAUKEE ORGANIZATION CHART

Milwaukee Airport Authority Feasibility Study

September 1992

Source: County of Milwaukee, Wisconsin Comprehensive Annual Financial Report for the Year Ended December 31, 1990.

One of the standing committees of the Board of Supervisors is that of Transportation and Public Works. The Transportation and Public Works Committee is responsible for recommending policy for the Airports Division to the County Board. The Transportation and Public Works Committee consists of representatives from 7 of the 25 districts in the County, as shown on Figure 2.

1. Survey of Airport Authorities

Chapter 1

SURVEY OF SPONSORSHIP OF THE 100 LARGEST U.S. AIRPORTS AND THE PRINCIPAL CHARACTERISTICS OF SELECTED AIRPORT AUTHORITIES

In accordance with Task 1 of the scope of services for the Milwaukee Airport Authority Feasibility Study, this chapter presents a survey of airport sponsorship and the principal characteristics of selected airport authorities in the United States.

SURVEY OF AIRPORT SPONSORSHIP—100 LARGEST U.S. AIRPORTS

Appendix A presents a summary of the current form of sponsorship of the 100 largest air carrier airports in the United States, ranked by 1990 passenger enplanements.

The form of sponsorship of the 100 largest U.S. airports is summarized as follows:

<u>Form of sponsorship</u>	<u>Number of airports</u>
City	31
County	14
City and county	1
State	9
Airport authority	<u>45</u>
Total	100

General Mitchell International Airport (Mitchell) is the 54th largest airport in the United States in terms of 1990 passenger enplanements. Of the airports larger than Mitchell, 21 are sponsored by airport authorities.

SURVEY OF PRINCIPAL CHARACTERISTICS OF SELECTED AIRPORT AUTHORITIES

Appendix B presents a summary of the principal characteristics of 17 selected U.S. airport authorities. Certain of these characteristics are highlighted below.

Governing Board

Fourteen of the 17 airport authorities surveyed include representation on the board from more than one political jurisdiction.

The number of members on the governing boards of the authorities surveyed ranges from 4 to 15, as follows.

<u>Number of board members</u>	<u>Number of authorities surveyed</u>
4	1
5	3
7	5 (a)
8	1
9	3
11	2
14	1
15	<u>1</u>
	17

-
- (a) The Tucson Airport Authority has 100 elected members, of which 7 are appointed to the Authority board for a term of four years.

Board members of 15 of the 17 authorities surveyed are appointed by elected officials. Members of the Sarasota-Manatee Airport Authority and the Tucson Airport Authority are elected. Two authorities—the Charleston County Airport Authority and the Regional Airport Authority of Louisville and Jefferson County—include certain officeholders as ex officio board members.

Of the airport authorities surveyed that have a set term for their board members, the term ranged from three to seven years with an average term of five years. Two of the authorities surveyed have governing boards with indeterminate terms. Members of the Burbank-Glendale-Pasadena Airport Authority serve at the pleasure of the appointing city. The 100 members of the Tucson Airport Authority serve for life, but the 7-member board is appointed every four years.

Retained Powers

Each of the authorities surveyed is run as a separate political entity. However, in most cases, certain powers and controls (in addition to the power of appointment to the authority board) are retained by the jurisdictions represented by the authority. For example:

- Burbank-Glendale-Pasadena Airport Authority. The Authority is limited in certain actions it can take without approval of the cities, such as those that would increase airport noise or that concern runway extensions or property acquisition. The Burbank City Treasurer and Finance Director act as Authority Treasurer and Controller, respectively.
- Minneapolis-Saint Paul Metropolitan Airports Commission. Capital projects over \$2 million, or projects with a "significant effect on the orderly and economic development of the metropolitan area," must be approved by the Metropolitan Council, the regional planning agency of the metropolitan area.
- Mobile Airport Authority. City approval is required for certain decisions concerning airport operation, disposal of property, capital expenditures, and long-term leases.
- Greater Orlando Aviation Authority. Issuance of revenue bonds, condemnation of property, and sale or long-term lease of real property are subject to approval by the City Council.

In other cases, specific powers and controls are indirectly retained by previous sponsoring entities who continue to provide services to the authority. For example, the City of Memphis provides administrative services (payroll, accounting, investment management services) to the Memphis-Shelby County Airport Authority.

Transfer Actions

The terms of the initial transfer from the original sponsor to the authority for the airports surveyed varied considerably, and few common themes are apparent. In most cases, the new authority assumed all of the financial obligations of the original sponsor, although this was not the case in Mobile, where the city retained all financial and contractual obligations entered into prior to the transfer date.

Several airports were transferred to new authority sponsors without payment to the original sponsor (e.g., Indianapolis, Mobile, Richmond). Other transfers included payments in various forms to the original airport sponsors, for example:

- The Burbank-Glendale-Pasadena Airport Authority purchased Burbank-Glendale-Pasadena Airport from Lockheed Air Terminal, Inc., for \$51 million in Authority bonds and federal grants. In addition, the Authority paid \$0.7 million for funds and services provided by the Cities of Burbank, Glendale, and Pasadena in connection with the acquisition of the airport.
- The Charleston County Airport Authority "purchased" Charleston International Airport with a \$3 million note that was payable in semi-annual installments of \$150,000 over 10 years with no interest.
- The Metropolitan Nashville Airport Authority obtained Nashville International Airport from the City of Nashville by assuming all obligations associated with the airport and paying \$2.9 million over 10 years to the City.

2. Interview Summary

Chapter 2

SUMMARY OF INTERVIEWS WITH AFFECTED PARTIES

In accordance with Task 2 of the Milwaukee Airport Authority Feasibility Study, this chapter provides a summary of the results of interviews held with a diverse group of interested citizens, including representatives of the principal parties affected by or involved in the management of General Mitchell International Airport (Mitchell) and Lawrence J. Timmerman Airport (Timmerman)—together, the Airports.

During the course of the study, the Consultants interviewed 85 affected or interested parties. A listing of the individuals interviewed is provided in Appendix C.

The purpose of the interviews was to obtain opinions and information concerning:

1. The current operation and management of the Airports
2. The advantages and disadvantages of transferring sponsorship of the Airports from Milwaukee County to another entity
3. Other specific issues of interest or concern to the parties interviewed relating to the sponsorship of the Airports

During the interviews, interviewees were given the following information:

- The purpose of the study was to review potential benefits, if any, that might be achieved by an alternative form of governance for the Airports.
- A range of alternative forms of governance would be reviewed during the study.
- It was not a goal of the study to plan the implementation of a State authority to operate the Airports (although this misconception was widely held).
- A change from the current governance of the Airports would only be recommended if demonstrable benefits could be identified and if implementation of such a change were feasible.

The remainder of this chapter presents a summary of the results of these interviews. The material presented in this chapter does not necessarily represent the views of the Consultants, but is a compilation of the views expressed by those interviewed.

KEY THEMES OF INTERVIEWEE RESPONSES

During the interviews, a wide variety of individual opinions, views, and concerns was expressed. However, several recurring, though in some cases contradictory, themes emerged. There was close to a consensus of views about certain issues and a wide divergence of opinion about others. The principal recurring themes from the interviews were as follows:

- The importance of local control of the Airports
- Why fix what isn't broken?
- Disproportionate control of the Airports by neighboring jurisdictions
- Lack of regional input to management of the Airports
- Undesirability of the Airports being managed by the Regional Transportation Authority
- Lack of long-term planning
- Lack of focus on the development of air service
- Operation of the Airports by a "multipurpose" unit of government
- Cumbersome and slow decisionmaking processes
- Airport should be operated as a business
- Lack of focus on the economic mission of Airports

Interviewee opinions, views, and concerns are summarized below in relation to these themes.

The Importance of Local Control

There was close to a consensus among those interviewed that Milwaukee County, or some entity representing or controlled by the County, should either continue to manage the Airports or should at least have the dominant role in managing the Airports.

While the interests of the local affected parties are diverse, the parties evidently share a common desire for representation of their interests in the management of the Airports, either by exercising some form of control or by participating directly or

indirectly in the decisionmaking processes. There is a general belief that formation of an authority would result in a loss of local input into and control over the development policy for the Airports.

It is apparent that, for many of the interviewees, the need for continued control of the Airports by local officials is a passionately held belief. In particular, the mayors of the communities adjacent to General Mitchell International Airport (the "South Side" mayors) view continuation of the current form of governance of the Airports as a prerequisite for the "survival" of their communities, and they are prepared to defend the current system zealously.

The South Side mayors expressed concern that land acquisition associated with airport redevelopment will reduce the tax base of their communities, which are already facing severe fiscal pressures. The mayors also expressed concern about airport-related noise and other effects on their constituents resulting from current operations and resistance to any increased effects that might be associated with expansion of the Airports.

Several interviewees were also concerned that creation of an airport authority could result in the imposition of additional taxes, over which local elected officials would have no control. These misperceptions contribute to a strong and widespread opposition to the formation of an authority to operate the Airports.

Many interviewees expressed the view that the Airports primarily serve Milwaukee County residents and businesses and that these residents and businesses are the ones most directly affected by the Airports. These interviewees consider it important that the Airports be controlled by the elected representatives of the residents and businesses of Milwaukee County.

Several interviewees stressed the importance of management of the Airports by elected representatives who are directly accountable to the public—as opposed to management by appointed representatives who do not have real accountability. The South Side mayors stressed that control by appointed representatives rather than by the current elected Supervisors who constitute the Transportation and Public Works Committee—the policyforming body for the Airports—would be fundamentally unacceptable. The direction and management of the County sewerage system by the Milwaukee Metropolitan Sewerage District (an appointed body) was frequently compared unfavorably with the direction and management of the Airports by the Transportation and Public Works Committee (an elected body).

Many interviewees recognized the importance of the Airports as a source of jobs and economic development in the County. Some of these interviewees stated that the importance of the Airports to the economic well-being of the County and State was a primary reason the Airports should be under the direct control of an authority representing the entire constituency served by the Airports. Others had the opposite

opinion: that the importance of the Airports to the County required that the County control the Airports as it does currently.

Many interviewees were resentful of the way they believed the study had been mandated—at a "late night session" of the State Legislature, without prior notice or consultation with the County and at a time when few delegates were present to debate the passage of the bill. Some interviewees evidently interpreted the method of adoption of the bill as a subterfuge, indicative of a desire by the State to mount a "hostile takeover" of the Airports.

Why Fix What Isn't Broken?

A majority of interviewees expressed the opinion that General Mitchell International Airport was a well-managed, convenient airport offering first-class facilities and reflecting the best of the Milwaukee area.

There is clearly a high degree of civic pride in the Airports by the members of the communities they serve, and a belief that Mitchell is at least as good as, if not better than, most other airports of comparable size in the United States. No evidence was offered that the Airports are poorly run. The senior staff of the Airports Division was widely praised.

A recurrent reaction of the interviewees was surprise that a study was under way to identify a more effective form of governance for the Airports. A common question asked by interviewees was "What is the problem that needs to be fixed?". During the interviews, the Consultants were frequently challenged to state what deficiencies exist in the management and operation of the Airports and what specific shortcomings could be remedied by transfer of sponsorship from the County to another entity. The Consultants were frequently told "It ain't broke, so don't fix it."

Although certain parties did express frustration with aspects of the planning and management of the Airports, only a few of the parties identified a change in the sponsorship of the Airports as a solution to their frustrations. There is evidently no political consensus to change the sponsorship of the Airports, nor any public outcry demanding such a change.

Disproportionate Control of the Airports by Neighboring Jurisdictions

While interviewees generally favored continued operation of the Airports by the County, several interviewees, most notably representatives of the business community, the airlines serving General Mitchell International Airport, and certain of the other communities served by the Airports, were seriously concerned that the communities adjacent to Mitchell had a disproportionate influence over its planning

and development. It was suggested that control of the major air carrier airport in Wisconsin exclusively by the communities adjacent to it presented the opportunity for local interests to direct decisionmaking at the expense of broader regional and State economic interests and the greater public good.

Interviewees stated that, until recently, the composition of the Transportation and Public Works Committee had not unduly handicapped the development of Mitchell because the issues at hand (construction of a new terminal, etc.) had not directly affected the adjacent communities and no conflict of interest existed. The current phase of airport development, however, involves acquiring land from adjacent communities and construction of a new runway, both of which are generally opposed by the neighboring jurisdictions, whose interests are, therefore, somewhat in conflict with airport development.

Interviewees highlighted that membership of the Transportation and Public Works Committee substantially consists of Supervisors representing the neighboring communities, who desire to limit airport growth and airport noise because of negative effects on their communities. It was noted that Supervisors from those adjoining communities frequently campaign for election or reelection on a platform promising opposition to airport expansion. Interviewees suggested that the anti-expansion agenda of the representatives on the Transportation and Public Works Committee was, by default, becoming the agenda for the Airports.

Several interviewees highlighted concern that, while it was appropriate to include neighboring communities in the governance of the Airports, the current structure included no advocate of the Airports in the policymaking body to ensure a balanced representation of interests.

Many interviewees emphasized the two-year delay in the adoption of the Master Plan for General Mitchell International Airport, and suggested that this delay was a symptom of the anti-expansion position of the Transportation and Public Works Committee. Some interviewees cited, as an example of such a position, the instance of a consultant being retained by the County Board of Supervisors to review the Master Plan forecasts. When this consultant corroborated the forecasts, certain Supervisors still refused to accept them. Other interviewees suggested that the delay in adopting the Master Plan was primarily caused by technical deficiencies in the Plan.

Several interviewees stated that it was poor public policy to allow the future development of Mitchell, which is integrally linked to the future economic well-being of the region, to rest exclusively in the hands of a "provincial" group essentially opposed to airport development.

Lack of Regional Input to Management of the Airports

While most interviewees favored continued control of the Airports by the County, several interviewees observed that the Airports serve a market that extends beyond Milwaukee County and were concerned that there is no representation of the interests of this broader service area in the direction and management of the Airports.

The point was made that nearly 80% of the originating passengers using General Mitchell International Airport reside outside Milwaukee County, yet the airport is under the exclusive control of the County.

While several interviewees were seriously concerned about the disproportionate control exercised over the Airports by Milwaukee County, there was a majority view that no entity currently exists other than the County that could effectively manage the Airports. In particular, the opinion was frequently expressed that the State of Wisconsin would be poorly equipped to manage the Airports. There appears to be a common opinion that the State (1) lacks the interest or ability to balance local concerns with regional interests, and (2) is primarily a bureaucracy with little experience in the day-to-day management of operational enterprises.

Several interviewees cited, and evidently endorsed, the recent Southeastern Wisconsin Regional Planning Commission study in which it was concluded that no immediate benefit would be achieved by transferring control of the Airports to an entity representing the interests of the whole region, though the commission suggested reviewing the situation in five years.

Undesirability of the Airports Being Managed by the Regional Transportation Authority

Only two interviewees stated that the recently created Regional Transportation Authority (RTA) might be a logical choice to manage and control airport affairs. One interviewee expressed the view that the area did not need "another authority," and that all transportation modes should be controlled by the RTA. Most interviewees felt that RTA management of the Airports was an illogical alternative to the current system.

Certain interviewees, notably those in the air service and airport industry, believed that there was little synergy between airports and other transportation modes and that airports required the special attention of a single-purpose entity configured to meet the unique needs of managing airports. This group of interviewees favored a separate airport authority that would avoid competition for resources with other transportation modes that currently rely on property tax support, such as highways and transit.

Lack of Long-Term Planning

Several interviewees stated that the facilities at General Mitchell International Airport are of a high quality because, until recently, the County had done a good job of long-term planning.

These interviewees were concerned that, over the last two years, whether by design or consequence, long-term airport planning objectives have become subordinated to the specific concerns of the neighboring communities. Several interviewees stated that management of Mitchell by "politicians" has increasingly led to an inappropriately short-term approach to decision-making, primarily because of excessive concern about the effect of decisions on the "next election."

Some interviewees stated that continuing delays to the approval and implementation of the Master Plan for General Mitchell International Airport are already handicapping the competitiveness of the airport and, therefore, the potential economic contribution of Mitchell to the County and region. Similar concerns were expressed about Timmerman. Several interviewees suggested that opportunities to receive Federal Aviation Administration (FAA) grants had lapsed because of the inability of the County to reach decisions and to pursue airport development opportunities.

Many interviewees expressed frustration that the existing governance of the Airports provides no mechanism to balance the long-term needs of the Airports with those of the neighboring communities and that, in the absence of such mechanism, the future of the Airports remained in "deadlock."

Several interviewees expressed reservations about the existing policymaking body's ability to responsibly implement the planned 15-year, \$500 million Airports improvement program given the "politicization" of the decisionmaking process.

Lack of Focus on Air Service Development

Several interviewees stated that there had been a lack of focus on the development of air service to and from Milwaukee, and that inferior air service had resulted in missed economic development opportunities.

Representatives of the Milwaukee business community in particular believe strongly that air service from General Mitchell International Airport is significantly inferior to that available from airports in other communities of a similar size in the Midwest. These interviewees stressed their belief that good air service was among the highest priorities for companies seeking to relocate to a new community, and suggested that poor air service had already dissuaded several large companies from locating in Milwaukee and had caused at least one major employer to expand in another state

rather than at its Milwaukee location. Others conceded that air service could be better, but pointed to great improvement over the last 10 years.

Representatives of the Milwaukee business community stated that they believe the County has failed to recognize the importance of the Airports to the economic development of the region and State. They assert that Milwaukee is at a significant competitive disadvantage to cities such as Cincinnati and Indianapolis because Milwaukee air service is substantially inferior. There is evidently an increasing lack of confidence by the business community in the County's ability to manage the Airports responsibly, and a belief that local political objectives have been permitted to replace sound public policy with regard to the Airports. The business community is evidently frustrated and believes that its views about the Airports are dismissed by the County as unimportant. Business representatives interviewed stated that the County (1) does not understand the importance of the Airports to the economic health of Milwaukee and (2) is not wholeheartedly committed to developing the Airports and better air service. County representatives, on the other hand, resent this criticism and see its source as a "faceless" and self-interested constituency.

It is evident that there is little sense of "partnership" between the business community and the County with regard to the Airports and that a schism is beginning to develop between the two groups.

Operation of the Airports by a "Multipurpose" Unit of Government

Several interviewees noted that the Airports are run by a multipurpose unit of government (the County). They believe that the County organization is not structured specifically to run an airport, but rather to run a broad range of County services. These interviewees believe that a single-purpose unit of government could be structured specifically to meet the challenges of managing an airport and would, therefore, be more efficient.

As examples of the negative consequences of management by a multipurpose unit of government, several interviewees, including representatives of the airlines serving General Mitchell International Airport, noted that while the Airports were financially self-sustaining (no County tax dollars are expended at the Airports), they were subject to many County "General Fund" policies, which were inappropriate and prevented the Airports from being run efficiently as a business.

Interviewees quoted several examples where service at Mitchell was impaired or efficiency constrained by the "blanket" application of Countywide policies. An example frequently mentioned was the requirement for all airport vehicles to be purchased through the County's Central Automotive Maintenance Division. Acquisition of vital airport equipment, such as snow removal vehicles, has either been reduced, deferred, or delayed on multiple occasions by Countywide spending

cuts, even when the vehicles to be acquired are funded exclusively from airport revenues.

Interviewees also highlighted County personnel procedures that impose unnecessary limitations and delays in the process of hiring and firing of staff for the Airports. Examples quoted included mandatory application at the Airports of County workforce reduction policies, excessive time taken to hire staff, difficulty in hiring specialized airport staff because of the inflexible County staff classification system, and the difficulty of creating additional airport staff positions to manage airport growth. These impediments to efficient operation distract airport staff from the business of running the Airports.

Cumbersome and Slow Decisionmaking Process

Interviewees expressed frustration with the overall level of County bureaucracy and the number of different County departments that affect the day-to-day operation of the Airports, such as the Department of Human Resources, the Finance Department, the Central Automotive Maintenance Division, and Central Services (procurement), among others. Interviewees commented that the County decisionmaking processes are fundamentally unsuited to managing a "business" such as the Airports. Interviewees noted that County government is structured to protect public interests by channeling decisions through a complex hierarchical organization and not to manage a business enterprise in a competitive environment.

In particular, the supervision of the Airports by the County's Board of Supervisors was deemed to be cumbersome. Approvals of airport budgets, plans, expenditures, and many day-to-day operations are reviewed by the Transportation and Public Works Committee, then sometimes again by the Finance Committee, and then finally voted on by the entire Board of Supervisors. Several interviewees cited examples in which simple decisions had taken two to three months, and where proposed actions or recommendations had never reached the agenda of the Transportation and Public Works Committee.

SUMMARY OF KEY CONCLUSIONS FROM INTERVIEW PROGRAM

From the input received by the Consultants during the interview process, the following key conclusions were drawn:

1. There is strong opposition from almost all groups except the business community to the concept of Milwaukee County losing control of the Airports.

2. There is strong opposition to the formation of an airport authority among almost all County officials interviewed and a majority of other parties interviewed.
3. Formation of an airport authority is perceived to be synonymous with loss of County control to many interviewees.
4. Opinion among the interviewees is generally that the Airports are well run, and that there "isn't a problem that needs to be fixed," although some of the interviewees were of the opposite view.
5. There is little or no support for the State or other regional entity assuming a more active role in management of the Airports.
6. There is growing concern that:
 - a. The disproportionate representation of communities adjacent to the Airports on the Transportation and Public Works Committee is handicapping development of the Airports.
 - b. The existing airport governance structure offers no mechanism to balance concerns of neighboring communities with the broader airport, public purpose, and economic development objectives of the entire Airport service region.
 - c. The current policy and decisionmaking structure is heavily process oriented and is not well suited to running the Airports as a "business" in a competitive environment.
 - d. The current governance of the Airports does not recognize the role of the Airports as an economic generator for the State.
7. While there is growing frustration with the existing governance of the Airports, there is no consensus that formation of an airport authority is necessarily the way to relieve these frustrations.
8. No entity or group has established the formation of an authority to run the Airports as a priority. No "champion" for the creation of an authority has come forward, nor was such a champion identified.

3. Operational Issues and Opportunities

Chapter 3

REVIEW OF OPERATIONAL ISSUES AND OPPORTUNITIES

In accordance with Task 3, this chapter presents a review of the current management and operation of Mitchell and Timmerman, which was performed to identify issues, opportunities, costs, and benefits associated with a possible change in the governance of the Airports.

The Consultants' review of the management and operation of the Airports produced no evidence to suggest that the current system of governance has handicapped the development of the Airports. Indeed new terminal and parking facilities have been recently developed at Mitchell, and the community's view of the Airports is largely favorable. However, the Airports are currently facing new and demanding challenges related both to the adoption of the Master Plan for Mitchell and the management of the Airports in an environment where airports are increasingly competing to attract airline service.

In the context of these new challenges, the ability of the current system of governance to direct the operation of the Airports in the future is an important consideration. From our review, it appears that the following characteristics may have the potential to impede long-term planning and development of the Airports and, therefore, to compromise the ability of the Airports to serve forecast aviation demand:

1. Imbalance of representation on the Transportation and Public Works Committee
2. Management by a multipurpose entity
3. Inability to use revenue bonds

These characteristics are discussed in more detail below.

IMBALANCE OF REPRESENTATION ON THE TRANSPORTATION AND PUBLIC WORKS COMMITTEE

As shown on Figure 2, the membership of the Transportation and Public Works Committee (effectively responsible for formulating policy for the Airports) consists of seven County Supervisors. Three of the supervisory districts currently represented on the Committee (17, 19, and 24) are contiguous to Mitchell and a fourth, District 23, is close to the airport and is affected by noise from aircraft operations on Runway 7R-25L. Policy for the operation, management, and development of Mitchell is, therefore, potentially controlled by members of the Committee repre-

senting communities most directly affected by airport operations and opposed to airport development, who together constitute a majority on the Committee.

While the current governance structure does not require that Supervisors representing communities in the vicinity of Mitchell be represented on the Transportation and Public Works Committee, historically the Committee has been dominated by representatives from these areas. It is noteworthy that, under the current governance system, there is no mechanism to ensure that a balance of interests is represented on the Committee. There is, therefore, no consistent voice of airport advocacy on the Transportation and Public Works Committee to counter the anti-growth/anti-expansion posture adopted by the neighboring communities and to ensure balance in debate and decisionmaking.* This imbalance in representation may impair the ability of the Committee to adopt policy that effectively balances Mitchell's role in economic development of the County and the region with the rights and concerns of people living near the airport.

This creates a high level of risk that: (1) responsible plans for development of the Airports will not be adopted, (2) responsible plans, when and if adopted, will not be implemented, or (3) the entire process for adoption and implementation of responsible plans will be unreasonably delayed, contrary to the enormous constituency of interests that are substantially under-represented at the present time.

It is also of particular concern that the currently dominant interest group on the Transportation and Public Works Committee represents only a small segment of the population affected by airport operations. The four supervisory districts which are affected by Airport noise and expansion and whose representatives constitute a majority on the Committee have a population of approximately 152,000, which represents 7% of the total population of the region** served by the Airports and 3% of the State population. ***

The current system of airport policy formulation, therefore, does not provide for balanced representation of the population of the airport service region. This situation, together with the current dominance on the Airports' policyforming body by elected representatives of communities opposed to airport development, at least creates the potential for an imbalance in decisionmaking. As Mitchell is one of the major contributors to economic development in the County and the region, the future implications of this situation are worthy of consideration by the County.

*In a recent Milwaukee Sentinel survey, four of the seven members of the Transportation and Public Works Committee stated that they were opposed to construction of an additional runway at Mitchell.

**As defined in the Background section of this report, estimated population of this region is 2,148,666.

***The population of the State of Wisconsin is 4,891,769, according to 1990 Census data.

MANAGEMENT BY A MULTIPURPOSE ENTITY

The Airports are currently managed and operated by an organizational subunit of a complex multipurpose governmental entity—Milwaukee County. The characteristics of this entity have been developed, in general, to deliver a range of public services and to protect the interests of the public, who, by and large, both pay for and use the County-provided services. The characteristics of the County are not explicitly established to serve the specialized needs of managing an airport.

In particular, the Airports (1) receive no tax support, (2) operate as a self-supporting "business," and (3) operate in a competitive environment. These characteristics are unique in a public sector environment, and mean that the organization and procedures needed to manage the Airports are fundamentally different from those required to manage other County services. Airport revenues meet all Airport expenses. This financial independence means that there is no real linkage between Airport operating costs and the availability of County funds. Operation of the Airports as a "business" means that there are special requirements to "market" the Airports, to respond quickly to business opportunities, and to define and implement a development plan to meet the needs of a diverse group of parties affected by the Airports.

In this context, it is evident that operation of the Airports by a multipurpose entity such as the County has several characteristics that are not necessarily conducive to the operation of the Airports as a self-sustaining enterprise providing services for the public good in an increasingly competitive environment. These characteristics include (1) application of inappropriate Countywide policies to the Airports, (2) slow decisionmaking processes, and (3) dependence on other County departments for the provision of services.

Application of Countywide Policies

As shown on Figure 3, the Airports Division is one among many County departments, which together have a wide variety of responsibilities and objectives. As one operating element of a much larger multipurpose entity, it is on occasion difficult to ensure that airport policy is directed by a single set of aviation- and public-service-related goals, rather than by Countywide policies developed to address Countywide issues which are sometimes of marginal or no relevance to the Airports.

The effects of Countywide policies on the Airports have been particularly significant as a consequence of the current environment of stressed County budgets, where "across the board" spending reductions have, on occasion, been necessary to limit costs or reduce services funded by tax revenues. Although the Airports are financially self-supporting, the Airports Division does not have a budget independent of the rest of the County. The effect of this "single County budget" approach is that

County budget limitations are applied to the Airports, and the budget for the Airports must therefore be prepared in competition with other pressing local priorities. This process artificially constrains operation of the Airports by applying County budgetary limits to the Airports where the only real limitation to the Airports expenditure budget is the projected revenues for the Airports. Similarly, a Countywide hiring freeze has been applied to the Airports and acquisition of specialized snow removal vehicles has been postponed because of County budget limitations (which, as the Airports are financially self-supporting, should not relate to airport expenditures on needed equipment).

While, on many occasions, the negative consequences of these Countywide policies on the Airports have been obviated by the granting to the Airports of a specific exemption from such policy, these exemptions are typically obtained only after significant time and effort has been expended by airport management.

Slow Decisionmaking Processes

As described earlier, policy for the Airports is ultimately established, and major decisions affecting the Airports are ultimately made by the County Board of Supervisors, but only after the proposed policy or decisions have been reviewed and endorsed by appropriate committees and staff departments.

The fixed meeting schedules of these committees, together with the need for multiple referrals through a hierarchy of committees and staff departments where priority is not necessarily given to airport issues, impose a generally fixed pace for decisionmaking, which may not be compatible with the need for the decision.

The single example of slow decisionmaking most often cited during the interviews was that of the Master Plan for Mitchell. The master planning process began in 1988, but the draft Master Plan has yet to be approved by the Transportation and Public Works Committee. The draft Master Plan yet to be adopted includes recommendations for improvements to the airfield, runways, taxiways, aircraft parking apron, terminal building facilities, automobile parking, surface roadway access, general aviation, and air cargo facilities at Mitchell.

In 1990, the Transportation and Public Works Committee retained an independent consultant to review the draft Master Plan. In a letter dated January 2, 1991, the principal conclusions reached were stated as follows:

- HNTB's [the master plan consultant's] activity forecasts and capacity determinations are reasonable.
- Subject to conditions stated below, airport expansion should be viewed as one of the most important job-creating opportunities available for

metropolitan Milwaukee. Accordingly, the County should consider approval of plans which will allow expansion to occur as soon as possible.

- Planning for airport expansion should not begin without:
 - (1) Development of a noise impact program to protect the value of homeowner and other property investments; and
 - (2) Airline approval, and financial support, of the expansion and noise impact program.

The slow speed at which the Master Plan has proceeded has resulted in the loss of opportunities to apply for federal discretionary grants-in-aid to assist with the funding of scheduled projects that have been delayed pending approval of the Master Plan. Further delay in approval of the Master Plan now has the potential to result in the loss of federal entitlement grants as well. In addition to the possible loss of grants-in-aid, the actual cost of implementing these projects increases over time.

While the slow pace of the Master Plan was frequently cited as an example of slow decisionmaking, the requirement to refer decisions through a hierarchy of committees and staff departments applies to all areas where the Airport Director has not been delegated authority. For example, the Airport Director has no delegated authority for the management of human resources, finance, establishment of rates and fees, contracting with air carriers, law enforcement, or land acquisition and only limited delegated power for procurement. Almost all decisions concerning these areas of responsibility, therefore, must be passed through appropriate channels to the County Board, and are subject to a protracted timescale over which airport staff have only limited control.

Dependence on Other County Departments

In the current system of County government, departmental responsibility overlaps significantly in the areas of human resources, finance, accounting, procurement, safety and security, and data processing and in the acquisition and maintenance of airport equipment and motor vehicles. Other departments do for the Airports Division what it could better do for itself.

The current organization of the Airports Division includes approximately 175 County employees. Recruitment, selection, appointment, and classification of airport employees is administered by the County Department of Human Resources. The Department of Human Resources, through its Compensation Division and Employee Benefits and Services Division, establishes compensation (pay ranges) and benefits packages. In addition, a five member Civil Service Commission is

responsible for administering and setting policies on personnel matters and making recommendations to the County Board of Supervisors.

While the current County procedures for hiring, managing, and providing for personnel needed to run the Airports appear to be satisfactory, they are slow and cumbersome. The need to deal with multiple departments over which Airports Division staff can exert no direct control of priorities tends to result in delays, the effects of which are particularly significant in the case of hiring staff.

Similarly, the Airports Division is reliant on the Highway and Fleet Maintenance Division (HFMD) for all vehicles and automotive equipment that the HFMD acquires and leases to the Airports Division. For the Airports, problems associated with departmental overlap in this area include the length of time it takes to receive equipment, Countywide budget reductions in capital expenditures for the HFMD, and specifications developed by HFMD and the Procurement Division that are not airport specific.

Considered individually, the situations described above can be characterized as "inconveniences." When considered together, however, they result in the need for senior airport management to commit a large amount of time to managing, expediting, and in some cases securing exemption from County systems and procedures. The current situation encourages an emphasis on managing the process of airport administration rather than managing the achievement of airport goals and objectives via systems and procedures configured to support airport management in the achievement of its goals.

INABILITY TO ISSUE REVENUE BONDS

Historically, the County has financed capital improvements at the Airports by issuing general obligation bonds. The operation of the Airports is a revenue producing enterprise and, from an economic perspective, the capital improvements could be financed with revenue bonds rather than general obligation bonds. There is a general philosophy in public finance that local governments should reserve their general obligation bond financing capacity to support those essential functions of government that are not revenue producing or that do not generate sufficient revenues to make revenue bonds marketable in the capital markets.

As discussed more fully in Chapter 4, "Review of Legal Issues," the County is currently prevented from using revenue bonds to finance airport capital projects. It is questionable whether, up to now, the County has been disadvantaged by its inability to issue revenue bonds. The County is not near its quantitative debt limit and, in consideration of the County's outstanding credit rating, the use of general obligation bonds has resulted in a lower net interest cost than would have been achieved with revenue bonds. Moreover, it is believed that the rating agencies and financial

analysts have viewed the County's general obligation bond debt for the Airports as self-amortizing in light of the existing airline agreements.

The issue for the future is whether the County's capital financing effectiveness will be impaired by its inability to use revenue bonds to finance self-amortizing improvements for the Airports. The answer depends largely on (1) the anticipated demand on the County's general obligation bonding capacity and (2) the ability of the County to maintain its high credit rating. In the near term, it is unlikely that the County's capital financing effectiveness will be impaired by its debt limit or that it will suffer a downgrade in bond ratings. The need to issue revenue bond debt for airport projects, however, may become more critically important if the draft Master Plan is adopted and a major program of land acquisition and airfield development is undertaken. This program is likely to include significant capital requirements over a protracted period, and may place an unacceptable burden on the County's debt capacity, and limit the County's ability to implement other capital programs not supported by a dedicated revenue stream. Over the longer term, therefore, it is likely that the County would benefit from having available to it the alternative of financing Airports Division capital requirements with revenue bonds.

4. Legal Issues

Chapter 4

REVIEW OF LEGAL ISSUES

In accordance with Task 4, this chapter provides a review of the legal issues associated with the possible transfer of the Airports from Milwaukee County to another entity.

The following review of legal issues is intended to (1) summarize the current legal structure for the governance of the Airports, (2) describe alternative forms of governance available under current law, and (3) describe the alternative governance structures available with new legislation. The review is intended to provide an objective identification of legal issues and their significance, without implication as to what the Consultants believe to be best suited for the Airports. Evaluations and recommendations are provided in Chapters 5, 6, and 7.

DESCRIPTION OF CURRENT LEGAL STRUCTURE

Enabling Legislation

State statutes grant the County all necessary legal power to operate the Airports, including the powers to:

" . . . acquire, lease or rent property, real and personal, for Public uses or purposes of any nature, including without limitation acquisitions for county . . . airports . . ." Wis. Stats. § 59.07 (1) (a).

" . . . lease, sell or convey or contract to sell or convey any county property. . . on such terms as the [county] board approves." Wis. Stats. § 59.07(1)(c).

"Construct, purchase, acquire, develop, improve, extend, equip, operate and maintain airports and airport facilities and buildings, including without limitation because of enumeration, terminal buildings, hangars and parking structures and lots, and including all property, real and personal, appurtenant to or necessary for such purposes." Wis. Stats. § 59.07(92)(a).

"Operate airport projects or lease such projects in their entirety or in part, and any such project may include space designed for leasing to others if the space is incidental to the purposes of the project." Wis. Stats. § 59.07(92)(c).

" . . . acquire, establish, construct, own, control, lease, equip, improve, maintain and operate airports or landing fields or landing and take-off strips for the use of airplanes and other aircraft either within or without the limits of . . . [the County], and may use for such purpose or purposes any property suitable therefor that is now or may at any time hereafter be owned or controlled by . . . [the County], and may regulate the same . . ." Wis. Stats. § 114.11(1).

Delegations of Authority

The County exercises its statutory power's by action of its Board of Supervisors (the County Board). Wis. Stats. § 59.02(1). The County Board may act on airport matters directly or may delegate authority by properly adopted ordinances or resolutions. Wis. Stats. §§ 59.02(2), 114.14(1).

Chapter 4 of the Milwaukee County Ordinances provides for delegated authority with respect to the Airports. Except as specifically delegated, all matters pertaining to the Airport Division must be approved by the County Board. Under its rules of procedure, the County Board has assigned responsibility for the Airport Division to the County Board's standing committee on Transportation and Public Works. Milwaukee County Ordinances § 1.11(c)(9).

The Airport Director is the County official to whom specific delegated administrative authority has been granted. The Airport Director has broad authority in the following categories:

- Management of regulations relating to public access. Milwaukee County Ordinances § 4.02(6)(a)
- Management of regulations relating to public safety. Milwaukee County Ordinances § 4.02(7)
- Management of regulations relating to use of the Airports by air carriers. Milwaukee County ordinances §§ 4.03 and 4.16
- Management of regulations relating to vehicular and pedestrian traffic. Milwaukee County Ordinances § 4.04
- Management of regulations relating to commercial ground transportation. Milwaukee County Ordinances § 4.05
- Dealing with emergency situations. Milwaukee County Ordinances § 4.07(4)

- Allocation of terminal space among air carriers. Milwaukee County Ordinances § 4.14

The Airport Director, however, has no general delegated authority in the management areas of human resources, law enforcement, land acquisition, procurement, finance, establishment of rates and fees, or contracting with air carriers. Such matters are determined either by the County Board upon recommendation from the Transportation and Public Works Committee or have been delegated by the County Board to County departments other than the Airport Division.

Inability to Use Revenue Bonds

From a legal perspective, the County is disabled from using revenue bonds for the Airports. Although there is legislative authorization to issue revenue bonds, Wis. Stats. § 59.07.92(b), there is a practical impediment to the use of such bonds. The impediment exists because counties are required by the State Constitution to levy an irrevocable tax to provide for the payment of principal and interest on its debt. Wis. Const. Art. XI, § 3(3).

The aggregate amount of such debt is limited to 5% of the equalized value of property in the County. Wis. Const. Art. XI, § 3(2). A Constitutional amendment was enacted to except local government revenue bonds from the irrevocable tax levy requirement and the quantitative limitation on debt. However, the amendment is not applicable to counties. Wis. Const. Art. XI, § 3(5). Accordingly, the County may issue revenue bonds for the Airports only if such bonds do not create "debt" within the meaning of Article XI of the Wisconsin Constitution. Judicial decisions in Wisconsin have left substantial uncertainty on the question of whether debt would be created if the County were to issue revenue bonds secured by a pledge of revenues from the County's airline agreements and other revenue sources. Burnham v. City of Milwaukee, 98 Wis. 128, 73 N.W. 1018 (1897). See also, Dieck v. Unified School Dist. of Antigo, 165 Wis. 2d 458, 477 N.W. 2d 613 (1991); Morris v. Ellis, 221 Wis. 307, 266 N.W. 9021 (1936); State ex rel. Morgan v. City of Portage, 174 Wis. 588, 184 N.W. 376 (1921); Connor v City of Marshfield, 128 Wis. 280, 107 N.W. 639 (1906). See also, City of Hartford v. Kirley (Case No. 91-1390OA) (pending).

ALTERNATIVE FORMS OF GOVERNANCE UNDER CURRENT LAW

Restructure County Board Committees; Revise Delegations of Authority

The County Board has the authority under current law both to revise its committee structure and to alter the delegation of administrative powers to manage the Airports. Wis. Stats. § 114.14(l). Although many possibilities exist, a few generalizations can be made.

Foremost, it should be understood that a committee restructuring would not alter the ultimate governance of the Airports. Control would continue to reside in the County Board. Matters that by statute must be determined by the County Board cannot be delegated to a committee of the County Board for determination, nor may they be delegated to a County official. A revision in the committee structure would change only the process by which matters would reach the County Board for resolution. This does not mean that a change in committee structure would be insignificant. The County Board employs a strong committee approach to governance. Typically, the debate on debateable matters occurs at the committee level and, more importantly, committees and committee chairpersons have substantial practical control over the identification and formulation of issues and the timing of their consideration.

For an enterprise as substantial as the operation of the Airports, a case can be made that there should be a County Board committee created whose sole focus would be the Airport Division. Typically it makes governance sense to have a single-purpose legislative committee only where substantially all of the administrative responsibility for carrying out policy directives and managing day-to-day operations is likewise delegated to a single department headed by an accountable administrative official. This is not the case with the current County administration of the Airports. Significant administrative functions are currently lodged in County departments other than the Airport Division. Examples include finance, accounting, human resources, security and procurement. If all administrative responsibilities necessary to manage the Airports were vested in the Airport Division under the authority of the Airport Director, it would be sensible to consider the creation of a County Board committee whose sole responsibility would be the Airport Division. It would not be advantageous to consider a single-purpose County Board committee for the Airports unless the administrative management were to be centralized in the Airport Division.

The operation of the Airports is sophisticated, proprietary, large in magnitude, and financially self-sufficient. Generally, these are characteristics of an enterprise in which separate administration and governance are conducive to effective, accountable management.

Create a Chapter 114 Commission

Pursuant to Chapter 114 of the Wisconsin Statutes, the County may, by action of its County Board, vest jurisdiction for the construction, improvement, equipping, maintenance and operation of its Airports in an airport commission of three or five commissioners. Wis. Stats. § 114.14(2). The commissioners would be appointed by the chairperson of the County Board subject to the approval of the County Board. Wis. Stats. § 114.14(2).

The Statute provides that "the commission shall have complete and exclusive control and management over the airport for which it has been appointed." Wis. Stats. § 114.14(2). On the other hand, "no act, contract, lease or any activity of the airport commission shall be or become a binding contract on. . .[the County] unless expressly authorized [by the County Board]." Wis. Stats. § 114.14(3).

Although the apparent legislative intent was to authorize the creation of an autonomous governmental entity to operate an airport, there are substantial questions about whether the attempt was successful. A Chapter 114 commission has no authority to borrow money; to acquire or dispose of real estate; to sue or be sued; to make or enforce regulations for health, safety, or welfare; to condemn property; or to levy taxes. It is probable that a Chapter 114 commission would be treated for legal purposes as a subordinate agency of the County rather than as a separate legal entity. See Redevelopment Authority v. Canepa, 7 Wis. 2d 643, 97 N.W.2d 695 (1959).

As a Chapter 114 commission would not be a legal entity separate from the County, it offers only some differences in governance from the type of restructuring that would be possible through a realignment of the County Board committee structure and a more centralized delegation of administrative authority as described above. One difference is that a Chapter 114 commission may have commissioners who are not elected officials, whereas a County Board committee consists entirely of elected officials. Another difference is that a Chapter 114 commission results in two governing bodies—the commission and the County Board. In spite of the legislative intent to vest exclusive control in the commission, the County Board nevertheless would retain both direct control over many fundamental matters and also indirect control over everything by virtue of its right to approve the appointment of commissioners. The dual, and potentially ambiguous, division of authority between the commission and the County Board could lead to inconsistent policy formulation and ineffective management. On the other hand, the formation of a Chapter 114 commission would place administrative-level management of the Airports in one place.

Provide for Regional Jurisdiction

The County has the ability to enter into arrangements with other governmental units that would place all of their airports under one system of governance. Wis. Stats. §§ 66.30, 114.11(2), 114.11(5), 114.151. The arrangements would have to be consensual in each case.

The resulting regional governance possibilities are numerous and complex. They are not dealt with here because of the Consultants' finding that there is no apparent air service or economic advantage to be gained from regional jurisdiction at this time.

GOVERNANCE STRUCTURES REQUIRING NEW LEGISLATION

Power of the State to Legislate with Respect to the Airports

There is effectively no substantive legal limitation on the authority of the State of Wisconsin to legislate changes in the ownership, governance or control of the Airports. The County is a political subdivision of the State and, except as limited by the State or United States Constitution, the State legislature has complete power to define, direct and manage the County's power, properties and operations.

With properly enacted legislation, the State could mandate a governance structure for the Airports or even alter ownership of their properties provided that the rights of private parties who have contracts with the County are not impaired. The Fifth Amendment to the United States Constitution limits the taking of private property for public purposes and would therefore not limit the State's right to manage or take County property. Similarly, although there is no judicial decision directly on point, it is believed that the County is not entitled to the protection of Article I, Section 13 of the Wisconsin Constitution against takings by the State without compensation. Federal and State constitutional "due process of law" protections would be satisfied by enactment of the legislation in accordance with proper legislative procedures. Finally, the prohibition of Article VIII, Section 10 of the Wisconsin Constitution against the State being a party to the carrying on of "works of internal improvement" contains an express exception for "airports or other aeronautical projects." In short, the County would have no legal basis for objecting to the substance of any legislation the State may enact with respect to the Airports. The limitation on such legislation is political, not legal.

Independent Authority Versus Subordinate County Agency

A fundamental consideration affecting legislation for any new governance structure is whether the resulting governmental body is to be a legal entity separate and distinct from the sponsoring unit of government. A legally separate and distinct governmental body (referred to herein as an "independent authority") would be free from State constitutional limitations applicable particularly to the sponsor. Any other form of governmental body would be deemed to be an agency of the sponsor (referred to herein as a "subordinate agency") and, as such, would be subject to the same State constitutional provisions that limit the sponsor's powers. The principal effect as applied to the Airports is that an independent authority could finance capital improvements with revenue bonds whereas a subordinate agency could not.

There are not clear differences in attributes that distinguish an independent authority from a subordinate agency. The courts will not necessarily honor legislative intent in this regard and will certainly not be influenced by any label that the legislature might attach to the governmental body. For example, in Redevelopment Authority of the

City of Madison v. Canepa, *supra*, the Wisconsin Supreme Court held that a redevelopment authority created by the sponsoring city pursuant to State statute was a subordinate agency of the city for purposes of a constitutional provision having to do with condemnation procedure. The procedure in question would not have been applicable if the redevelopment authority were found to be an independent authority. Although the governing statute declared that the "[redevelopment authority] is deemed an independent, separate and distinct public body," the Court nevertheless held that it was a subordinate agency of the city. In another case, the Court held that the Board of Regents of Normal Schools was a subordinate agency of the State for purposes of State immunity to suit. Sullivan v. Board of Regents of Normal Schools, 209 Wis. 242, 244 N.W. 563 (1932).

On the other hand, the Court has determined that the Wisconsin Housing Finance Authority, the Wisconsin Health Facilities Authority, and the Wisconsin Solid Waste Recycling Authority are independent authorities not subject to a variety of Constitutional limitations applicable to the State. State ex rel Warren v. Nusbaum, 59 Wis. 2d 391, 208 N.W. 2d 780 (1973); State ex rel. Wisconsin Health Facilities Authority v. Linder, 91 Wis. 2d 145, 280 N.W.2d 773 (1979) (by implication); Wisconsin Solid Waste Recycling Authority v. Earl, 70 Wis. 2d 464, 235 N.W.2d 648 (1975). Likewise, the Wisconsin State Armory Board has been held to be an independent authority outside the protection of sovereign immunity. Majerus v. Milwaukee County, 39 Wis. 2d 311, 159 N.W.2d 86 (1968).

Although the two lines of cases cannot be reconciled with complete clarity, the following factors emerge as being important to the conclusion that a governmental body is an independent authority rather than a subordinate agency:

- Financial independence (the governmental body possesses independent powers to borrow money, expend money and adopt budgets);
- High degree of autonomy in decisionmaking (the governmental body has independent authority to initiate, approve and carry out particular programs consistent with its mission);
- Possession of the powers to acquire, hold, and dispose of property;
- Governing body members, whether appointed or elected, serve for fixed and staggered terms of office and may be removed only for cause.

The cases also appear to indicate that the presence of the following interrelationships is not prejudicial to characterization as an independent authority:

- Legislative provision that the authority is be created by the sponsoring governmental unit;

- The power of the sponsoring governmental unit to appoint or confirm the appointment of the authority's governing body members;
- The ability of authority employees to participate in the sponsoring government unit's pension plan;
- The ability of the sponsoring governmental unit to provide funds for grants or loans to aid the authority in carrying on its purposes (so long as the authority maintains financial independence);
- A requirement that the authority file reports with the sponsoring governmental unit;
- A requirement that the authority's activities be consistent with the sponsoring governmental unit's master plan;
- A requirement that the authority comply with the sponsoring governmental unit's rules and regulations of general application; and
- A limitation that the authority operate only within the sponsoring governmental unit's jurisdiction.

The Consultants emphasize that there are too few judicial decisions to be entirely confident about what accumulation of reserved powers by the sponsoring governmental unit will cause what is intended to be an independent authority to be treated instead as a subordinate agency.

Legislative Possibilities

If it is determined that neither the current mode of governance of the Airports nor any alternative available under current law is optimal, new legislation can be designed to achieve the intended accomplishments.

As described above, there are no substantive constitutional restrictions on such legislation, and a review of the County's major existing commercial contracts (i.e., the airline agreements) reveals no limitations on the ability to restructure the governance of the Airports so long as there is no impairment of private party contract rights (there is no reason why they should or would be impaired). Consequently, new legislation can be drafted without substantive constraint emanating from the State Constitution or from existing Airport contracts.

The sponsoring governmental unit(s) could be the County, a group of local governmental units, or the State itself, whichever the legislature determines to be appropriate. As described above, the legislation can be crafted to provide for either an independent authority or a subordinate agency. The result will be dictated by the number and nature of powers reserved to the sponsoring governmental unit.

5. Evaluation of Alternatives

Chapter 5

EVALUATION OF ALTERNATIVES

In accordance with Task 5 of the scope of services this chapter presents an evaluation of the applicability of alternative forms of governance for the Airports.

Review of the existing operation and management of the Airports suggests that the Airports have, to a substantial degree, been effectively managed and developed to meet the needs of the communities they serve. However, adoption of the Master Plan for Mitchell, timely implementation of the adopted Master Plan, responsible planning for Timmerman and the increasingly competitive environment of airports as catalysts for economic development create new challenges. Alternative forms of governance for the Airports were evaluated to determine if they offer substantial benefits that would enable management to meet these challenges for the Airports in the future.

It should be noted that evaluation of specific modifications within the existing form of governance was not included in the scope of this study. However, for the sake of completeness, possible revisions within the existing form of governance are identified and should be evaluated further in the event that the status quo remains in place.

In evaluating alternative forms of governance for the Airports, it is the view of the Consultants that a change in governance should be recommended only if that change (1) could provide significant demonstrable benefits, and (2) is likely to be politically and practically feasible. This test was applied to all alternatives discussed in this chapter.

On the basis of the study findings documented in the foregoing chapters, the following is a summary of the key issues that should be addressed when considering any change in governance:

1. Mitchell is the principal gateway for scheduled air service in Wisconsin. Its primary and secondary service areas include a large part of southern Wisconsin. Only a small part of Mitchell's service area is represented on the Airports' policymaking committee.
2. The level of representation of neighboring communities—which are generally opposed to airport expansion—on the Airports' policyforming committee is disproportionately high. The current system of governance may, therefore, tend to prevent or give the appearance of preventing the adoption and pursuit of an airport development policy that is based on

balanced consideration of all interests affected by or dependent upon the Airports.

3. Decisions about the Airports are often a long time in the making.
4. The Airports are operated by a multipurpose unit of government, which inherently is subject to many constraints that prevent "running the Airports as a business" (for example, the Airports Division does not adopt its own budget for the Airports, and Countywide policies that have no particular relevancy to the Airports may nonetheless impact the budget adopted for the Airports).

In an evaluation of the practical and political feasibility of the alternatives, the following should also be taken into account:

1. There is strong opposition to loss of Milwaukee County's control of the Airports, which most all County officials and other parties interviewed perceived as the inevitable result of formation of an airport authority.
2. To the knowledge of the Consultants, no person or group has established changing the governance of the Airports as a high priority.
3. No "champion" for the creation of an airport authority has come forward, nor was such a champion identified by those interviewees who expressed concerns about the current governance of the Airports.

A discussion of the primary functions of an airport authority and an evaluation of specific alternative forms of governance for the Airports, in the context of the considerations discussed above, are provided below.

PRIMARY FUNCTIONS OF AN AIRPORT AUTHORITY

The functions that a new airport authority would be expected to perform if placed in charge of the Airports are described below. No implication is made that Milwaukee County's mission should be different if the status quo were to remain in effect.

- Ensure balanced representation in decisionmaking on behalf of all parties affected by, or interested in, the development and operation of the Airports.
- Provide a single-purpose governmental entity whose mission is to operate, plan, develop, and finance the Airports to best serve the interests of Milwaukee County, the southeastern Wisconsin region, and the State of

Wisconsin, with due regard for the interests and welfare of those citizens and those facilities most affected by airport operations.

- Provide a management process that addresses routine issues promptly and efficiently so as to maximize the return from airport resources, and so as to gain the highest attainable level of financial support, air service, and cooperation from the airlines serving Mitchell.
- Gain the confidence and support of the Milwaukee County Board of supervisors and the County Executive.
- Develop and adopt responsible master plans for the Airports in a deliberate process characterized by maximum public participation and input from the broadest possible spectrum of interests.
- Develop programs for financing, and take all other actions necessary to implement the approved master plan(s) in timely fashion.
- Accept responsibility to develop and enhance Mitchell's role as a principal gateway to Wisconsin.
- Formulate and pursue a proactive economic development mission, assigning to the management of Mitchell an appropriate level of responsibility to: (a) attract new businesses and jobs to Milwaukee County; (b) encourage existing businesses to carry out their expansion plans in Milwaukee County; (c) support development of tourism, professional sports, and conventions; (d) provide expanding opportunities for disadvantaged business enterprises at the Airports; and (e) support other local and Statewide organizations engaged in economic development.
- To the greatest extent possible, accept responsibility for, and relieve Milwaukee County from all past and future liability and responsibility that the County has incurred, or otherwise would incur, as "sponsor" of the Airports. This would include responsibility to meet the covenants associated with the County's acceptance of grants from the United States and from the State of Wisconsin.
- Protect and preserve the status and benefits of those employees now engaged in management and operation of the Airports, and create, through growth and training, a positive working environment and continuous opportunity for career development for all persons from time to time employed at the Airports.

EVALUATION OF ALTERNATIVES

The alternative forms of governance that were evaluated are listed below in order of their consideration:

- (a) Revisions to existing County governance system
- (b) The existing Regional Transportation Authority
- (c) A new Airports Commission to be created by resolution of Milwaukee County's Board of Supervisors
- (d) A new Airport Authority which would serve as sole sponsor of the Airports, to be created by new legislation
- (e) A new Aviation Authority which, with Milwaukee County, would serve as a co-sponsor of the Airports, to be created by new legislation

Revisions to Existing County Governance System

In addition to the various new forms of governance discussed in this chapter, it might be possible to achieve certain benefits by pursuing modifications within the existing form of governance. Evaluation of enhancements which could be made within the existing form of governance was not included in the scope of this study. However for the sake of completeness, possible modifications within the County system are identified, below, where it is the view of the consultants that such modifications might benefit the governance of the Airports.

At a policy level, it might be possible to revise the composition of the Transportation and Public Works Committee to preclude dominance by any one interest group. However, composition of the Committee would be a function of Board policy, which could be easily changed. It is therefore uncertain if, over the long term, balanced representation on the Committee could be ensured.

At an operational level, it might be possible to create and implement separate financial reporting, procurement and personnel policies for the Airports Division, in recognition of the fact that—except for Milwaukee County's current support of debt service payments for the new terminal complex—the Airports are financed entirely by revenues derived from users of the Airports and from grants, all of which can be used only for airport purposes. Similarly, the Airport Division could be established as a separate Department in its own right, consistent with the fact that many requirements related to the Airports are unique among County departments, and further, with the single exception noted, the Airports are entirely funded by user charges and State and federal grants.

Although streamlining of the existing governance structure could produce certain benefits and would have the highest likelihood of acceptance and implementation by Milwaukee County, streamlining of the existing governance system would not effectively the objectives of (1) achieving broad-based representation from the County and the broader air service region in policy making, and (2) providing a single purpose entity to manage the Airports.

However, so long as the status quo continues, the Consultants would urge that the benefits of such streamlining should be evaluated in detail.

The Regional Transportation Authority (RTA)

By virtue of a provision in 1991 Wisconsin Act 39, the RTA was created and made responsible for the coordination of highway and public transit programs in seven counties in southeastern Wisconsin, including Milwaukee County. By November 15, 1992, the RTA is to submit to the Governor and to each State legislative body, a report that shall include: (a) a plan to improve the coordination and prioritization of expenditures for highways that have a regional impact, (b) a recommendation on functional responsibilities that the authority should have with respect to highways in the region, (c) a plan for better coordination and funding of expanded public transit in the region, (d) a recommendation for the assignment of responsibilities among various departments and units of government, (e) a proposal that identifies a permanent regional funding source to provide the local share required for improvement of highways that have a regional impact and to fund the operating and capital costs of public transit, and (f) a recommendation whether the RTA should continue in existence after September 30, 1993. No powers or responsibilities in the matter of airports are now contained in the RTA's enabling legislation.

Some early consideration was given by regional planners to the possibility of enlarging the initial mission of the RTA to include jurisdiction or oversight of 11 airports within the region, including the Airports. There is no known proponent of pursuing this alternative at this time. The Consultants noted, however, that periodic review of this possibility—perhaps at five-year intervals—was recommended in the November 1990 Regional Transportation Authority Feasibility Study for Southeastern Wisconsin prepared by the Southeastern Wisconsin Regional Planning Commission (SEWRPC).

An Advisory Committee formed by SEWRPC considered whether the responsibilities of the RTA, when formed, should include the region's airport system, eight of which are publicly owned and three of which are privately owned. The findings of the Advisory Committee were that "the present governance structure for airports provides an adequate and competent structure at this time for carrying out the regional airport system plan." Accordingly, the committee determined that there was no currently perceived need for a regional transportation authority insofar as

the continued development of the airport system was concerned. Whether to invest the RTA jurisdiction over Milwaukee County's Airports only is a slightly different question than the one considered by the Advisory Committee, but there is no reason to suppose that the Advisory Committee would have reached a different conclusion had it considered the proposal now under discussion.

The Consultants have observed that the RTA "has its hands full" with important and complex surface transportation issues, new rules regarding the application of federal funds available for highway improvements and public transit, and coordination of the diverse interests among the various governments within the region. Even if the RTA were well established and settled into its responsibilities in surface transportation, the objective of achieving single-purpose governance of the Airports would not be well served by placing the Airports under the jurisdiction of the RTA. Moreover, experience in other locales suggest there is little synergy or direct relationship between the management and development of an airport and surface transportation modes.

Currently, the RTA is managed by a governing body consisting of the Secretary of Transportation and 10 other members nominated by the Governor, with the advice and consent of the Senate. Of the appointive members, at least one is designated to represent each county in the region. Thus, Milwaukee County is assured of representation on the governing body of the RTA. The enabling legislation for the RTA embodies conjecture about the future of that authority by requiring that RTA's report, due later this year, "include a recommendation on whether the Authority should continue in existence after September 30, 1993."

It would be possible to revise RTA's enabling legislation so as to grant the RTA broad and enduring powers over airports. Under existing circumstances, however, it is unlikely that Milwaukee County would view the RTA as the best entity to operate, develop, and finance the Airports if the County were prepared to consider any authority as an alternative to the County's existing governance.

Should further consideration be given to broadening the mission of the RTA to include jurisdiction over one or more airports, the Consultants believe that consideration should be limited to Mitchell, and not to the 10 FAA-designated general aviation airports within the region. (If Mitchell were placed under the RTA's aegis, additional representation on the RTA presumably would be given to Milwaukee County.) General aviation airports typically require financial subsidy from the private interests or local governments that sponsor them. These airports are regional assets in the truest sense, being links of a regional system in which airspace and airfield capacities can be provided elsewhere to the benefit of preserving the supply of those commodities at Mitchell for air carrier and other high-performance aircraft. The impacts of general aviation airports, however, are predominantly local and not regional. There is no apparent inequity in the prevailing practice of allocating costs associated with owning and operating general

aviation airports to their respective local sponsors, and no apparent advantage to be gained by placing them under the control of a regional authority.

Airports Commission to be Created by Milwaukee County

As described in Chapter 4 of this report, Chapter 114 of the Wisconsin Statutes includes various provisions pertaining to the ownership and operation of airports by counties in Wisconsin.

As an alternative to governance by a county board, Section 114.14 (2) provides that the governing body of a county "which has established an airport may vest jurisdiction thereof in an airport commission." The following table presents a summary of the relevant provisions of Section 114.14 (2):

Governing Body	3 or 5 commissioners appointed for six-year terms.
Selection of Commissioners	Appointed by the chairman of the County Board, subject to the approval of the County Board. Commissioners must be persons "especially interested in aeronautics." Where the airport is owned by two or more governmental units, each governmental unit may alternately appoint an equal number of commissioners.
Powers of Commission	The commission may have "complete and exclusive management over the airport for which it has been appointed." The commission may appoint and pay a manager and other necessary employees. The commission may make contracts for construction, improvement, equipment, maintenance, or operation of the airport and may contract with the United States and U.S. agencies. The commission approves all payments of airport funds.
Powers Reserved to County Board	The County Board fixes compensation and expense allowances of the commissioners.

Section 114.14 (2) does not, however, embody the broad and inclusive powers necessary for a nonsovereign governmental entity to undertake full responsibility for the operation, development, and financing of a major air carrier airport. For example, a commission cannot issue its own debt. Indeed, it would appear that the intent of Section 114.14 (2) is to provide an alternative to a county board's day-to-day management of an existing county-owned airport, rather than to create an entity that has comprehensive powers and responsibilities with respect to not only operation, but also the planning, development, and financing of an airport.

This alternative might be of some interest to Milwaukee County, as it would preserve the County's ability to continue to control all aspects of the Airports through appointment of all members of the commission. Whether the Chairman of the County Board, with the approval of the County Board, would appoint Airport Commissioners from constituencies different from those of the Supervisors currently appointed to serve on the Transportation and Public Works Committee would be difficult to predict. In this context, there would at least be a continuing possibility of disproportionate representation, as exists currently.

It is questionable, therefore, whether formation of an Airports Commission created under Section 114.14 (2) would produce any significant benefits for Milwaukee County, the region, or the State. Such a commission might in fact serve only as an additional layer of governance within the existing management structure.

Airport Authority to Serve as Sole Sponsor of the Airports

Since World War II, the Civil Aeronautics Board and then the Federal Aviation Administration (FAA) have administered grants to airports under a continuum of authorizations enacted by the United States Congress. Many "old" grants still impose important obligations on the receiving airport sponsors.

Currently, the Airport Improvement Program (AIP) authorizes a 10% tax on all airline tickets, the proceeds of which are placed in the Aviation Trust Fund. Depending on the nature and location of the project, and subject to the adequacy of Congressional appropriations from the Trust Fund, airports are entitled to receive reimbursement of between 75% and 90% of the cost for construction of eligible projects such as runways, taxiways, and ramps and for the cost of land acquisition. In addition, discretionary grants are available for projects that add to airport capacity, safety, and security. No major airport sponsor can afford not to participate in the funding available under the AIP.

Grants offered under the AIP, and grants made under all the programs that preceded AIP, are associated with a "grant agreement" between the FAA and an airport's sponsor. Each grant agreement includes a number of sponsor's assurances, some of which are special to the project involved and some of which are universally applied. Most of these assurances are binding upon the sponsor of the receiving airport for 20 years from the date of the grant agreement.

Milwaukee County is recognized by the FAA as the sponsor of the Airports for all purposes. In that capacity, the County must apply for and accept AIP grants by execution of grant agreements. The County is responsible to perform all of the sponsor's assurances, and to award professional service contracts and construction contracts that are eligible for reimbursement in accordance with FAA procedures and/or FAA design parameters. As sponsor of the Airports, Milwaukee County

must advance-fund projects for which eventual reimbursement is anticipated, maintain records, and follow procedures sufficient to ensure that reimbursement can be made by the FAA when the project is completed. To that end, the County must approve all contracts and amendments to contracts for the purchase of land, goods, or services and for construction whenever FAA reimbursement is to be obtained. In addition, as sponsor, only Milwaukee County may commission, prepare, and approve master plans, Airport Layout Plans, and Federal Aviation Regulations (FAR) Part 150 and other studies, subject to FAA concurrence or approval. Public liability associated with operating the Airports also is borne by Milwaukee County as sponsor of the Airports.

When a local government creates an airport authority and transfers jurisdiction of an airport to that authority, the transferring government shares its prerogatives and responsibilities as a sponsor with the new airport authority, which then becomes a cosponsor in the eyes of the FAA. Thereafter, all processes just described require authorization by both cosponsors, and execution of the related contracts, change orders, and other documents by both cosponsors. This duplication of effort is a distinct disadvantage of cosponsorship.

In some instances, transferee airport authorities have been recognized by the FAA as "sole sponsors," and the transferring unit of government thereby has been relieved of ongoing responsibilities to the FAA, including subsequently incurred sponsor's assurances. When this can be accomplished, it represents the ideal result, at least insofar as the airport operator is concerned.

Airport authorities achieving sole sponsor status usually are created under special state laws. Examples include Tampa's Hillsborough County Aviation Authority and the Regional Airport Authority of Louisville and Jefferson County, Kentucky. In November 1991, the Columbus Municipal Airport Authority in Ohio took over responsibility for the two airports that had been founded by that city, and was recognized by the FAA as sole sponsor of those airports. That airport authority was formed under general provisions of the Ohio Revised Code.

In reviewing an application to recognize and accept a transferee airport authority as an airport's "sole sponsor," the FAA has three main concerns, all of which bear on the ability of the airport authority to successfully perform all past and future sponsor's assurances. The issues reviewed by the FAA are:

- Whether the authority has a "sufficient interest" in the land and other property comprising the airport over which the authority will exercise jurisdiction.
- Whether the authority has sufficient financial resources to continue maintaining, planning, and developing the airport.

- Whether the authority has sufficient legal powers (e.g., autonomy) to carry forward the sponsor's assurances, including the powers to acquire land by eminent domain, adopt operating budgets, incur debt, acquire all necessary interests in real and personal property, and construct needed airport improvements.

Although a 20-year term technically would satisfy the requirement first stated, as a practical matter, the new authority would need a lease or right of use of the airport for a minimum term of 30 or 40 years, or outright fee ownership of the airport property. To demonstrate the adequacy of its financial resources, an airport authority would either have to present some backup financial commitment from the transferring governmental entity, or demonstrate that historical revenues from sources being assigned or otherwise available to the authority have exceeded operating, maintenance, and debt service requirements by a sufficient margin to create the financial capacity required for implementation of the airport's approved master plan.

In consideration of the profound opposition to the prospect of the County losing control over the Airports, and the widely held belief that the County has been successful in operating and developing the Airports, the Consultants have concluded that the alternative of creating a new airport authority of sufficient autonomy to gain the FAA's designation as sole sponsor of the Airports is not feasible at the present time. If such an autonomous airport authority were created "on paper," it is almost inconceivable that the Board of Supervisors of Milwaukee County could be persuaded to relinquish jurisdiction over the Airports to that entity. The Consultants also believe that most of the benefits that might be derived from placing the Airports under the control of a new authority could be achieved with Milwaukee County retaining a significant role with respect to the Airports.

Aviation Authority to Serve with Milwaukee County as Co-Sponsor of the Airports

While sole sponsorship of the Airports may be considered "ideal" from an airport management perspective, significant benefits can be achieved by co-sponsorship. In particular, a single-purpose entity can be created to manage an airport or airport system, but within delegated limitations defined by the key powers retained by the previous sponsoring entity. Such an arrangement has provided a "win-win" solution to airport governance questions for many air carrier airports. The public entity that previously sponsored the airport can retain substantial control over its development and management by appointments to the authority board and the retention of key powers, while a quasi-independent public entity is created with all the attributes required to manage an airport with optimal efficiency.

The transferring entity may retain the right to appoint members to the new authority, including perhaps elected official(s) of the transferring government. In addition, the transferring entity may retain the right of prior approval (and therefore veto power) over certain issues whose resolution will be best served by involvement of locally elected officials. Elements of retained control might include, for example, the right to approve or disapprove the condemnation of land or interests in land, or the use of airport property for purposes unrelated to aviation. Such retentions of power would, as previously noted, automatically negate any possibility of achieving sole sponsorship designation from the FAA for the new airport authority. This, in turn, would assure full and equal participation by the transferring government in all aspects of every project and study that would be funded or overseen by the FAA, including approval and implementation of airport master plans.

Airport authorities can operate successfully within constraints of the type mentioned. Examples of major airports that operate under explicit sharing of power by the transferring governments include Orlando International Airport and Dallas/Fort Worth International Airport. The Greater Orlando Aviation Authority (GOAA) was created by special law as an "agency" of the City of Orlando, Florida. In 1978, the City's airports were placed under GOAA's control. As noted in Chapter 1, the City retained certain important powers; consequently, GOAA and the City are cosponsors of the airports in the eyes of the FAA. The Dallas/Fort Worth International Airport Board was created under state law by concurring ordinances of the City of Dallas and the City of Fort Worth. The FAA recognizes the Board as sole sponsor of the airport, but both cities share in the composition of the governing board and in governance of the airport.

In the case of the Airports, it is likely that formation of a new airport authority, serving as a cosponsor or the Airports with Milwaukee County, could successfully address the key issues discussed earlier in this chapter. In particular:

1. Responsibility for management of the Airports would effectively be "shared" between the County and the new authority. The County would retain key controls, but would delegate responsibility for management and operation of the Airports to a new entity whose characteristics would be defined specifically to be those necessary to run an airport efficiently.
2. Membership of the authority board would be structured to provide for representation of airport neighbor communities as well as an agreeable mix of other interests to ensure a balanced approach to decisionmaking.
3. A single-purpose entity would be created with the independence and administrative attributes necessary to manage the Airports effectively, but within limitations agreeable to the County.

The benefits of pursuing this alternative would include the following:

1. Achieve balanced representation of the Airports' principal affected parties.
2. Ensure a continuing role for the County in the management of the Airports—the County would not have to relinquish control of the Airports, but would determine which specific aspects of the planning, management, and operation were to be delegated to an administratively independent authority.
3. Put in place a "purpose designed" organization with sufficient independence from Countywide policies and procedures to run the Airports as a self-sufficient enterprise.
4. Create an entity that could issue revenue bond debt for airport improvements, thereby preserving County debt capacity.

6.

Recommendations

Chapter 6

RECOMMENDATIONS

In accordance with Task 6, this chapter presents recommendations for a future sponsorship strategy for the Airports based on the conclusions drawn in the earlier tasks documented in this report.

KEY CHALLENGES FACING THE AIRPORTS

As described earlier in the report, there is a prevailing belief by parties affected by the Airports that the Airports are currently well run. There is also strong public opposition to the concept of Milwaukee County losing control of the Airports. At the same time, however, there is increasing apprehension that the existing form of governance may not be well equipped to resolve the growing conflict between the economic development benefits of the Airports and the rights and concerns of the people who live nearby. This apprehension is largely the result of concern about the lack of broad-based representation on the Transportation and Public Works Committee and the potential for dominance of the Committee by elected representatives of communities opposed to airport development (notwithstanding that such broad representation does exist on the full County Board).

It is the view of the Consultants that, in the future, successful direction of the Airports to provide services in the public interest will fundamentally depend on the ability of the Airports governance system to balance the economic benefits of the Airports with the rights and concerns of people living near the Airports. The economic benefits of the Airports, as summarized earlier, are substantial. So, also, are the concerns of the communities adjacent to Mitchell.

Mitchell's neighboring municipalities, most notably the cities of St. Francis, Cudahy, and South Milwaukee are fully developed and have limited opportunity to expand their tax bases. The quality of life and tax base of the City of Oak Creek are affected by proposed public improvements, such as airport expansion and the Lake South Arterial extension. The City of Milwaukee is concerned about loss of its tax base and, more importantly, about the loss of its residential population through dislocations caused by airport expansion.

Under these circumstances, it is to be expected that elected officials whose constituents are directly affected by aircraft noise and potential land acquisition are strongly opposed to further airport intrusions.

Similarly, it is to be expected that the large constituency of interests that benefit from the Airports are supportive of the need to develop Mitchell and frustrated by delays

to the master planning process. Notwithstanding that the master planning effort for Mitchell has, in some respects, been delayed by circumstances over which the County may have had little control, apprehension about its outcome is still prevalent. More than four years have passed since the master planning consultant was retained. Even if a plan were adopted later this year, there is no certainty that it would include the recommended new runway. Even if the new runway is included, there is no certainty that it will be built, even if emerging growth in airport activity continues to support the need. This uncertainty exists, in large measure, because of the lack of broad-based representation on the governing Transportation and Public Works Committee.

It is the conclusion of the Consultants that this fundamental conflict of interests can only be responsibly resolved if both of these interest groups are consistently represented on the Airports' policymaking board, which is not the case under the current system of governance.

RECOMMENDED APPROACH TO FUTURE GOVERNANCE OF THE AIRPORTS

It is therefore recommended that the County consider the creation of a Milwaukee County Airport Authority to function as a cosponsor of the Airports with the County. The Authority would possess substantial autonomy, would be responsible for establishing policy for the Airports, but within limits agreed to by the County and would be equipped with the administrative characteristics necessary to manage the Airports efficiently. The County Board would retain certain key powers (for example, approval of land acquisition). The Authority Board could include broad-based representation of interests, including airport neighbor communities. The Authority would not be a subordinate agency under Wisconsin law.

A primary benefit of this recommendation would be that broad-based representation of all the Airport's affected parties would be assured on the Airport's policymaking board. At the same time, a continuing role for the County Board in managing the Airports would be preserved via (1) retention of key powers and (2) the right to make certain appointments to the Authority Board.

An important secondary benefit would be that an entity independent of County policies and procedures would be established, with the attributes and characteristics necessary to manage and operate the Airports in an optimal manner.

KEY CHARACTERISTICS OF RECOMMENDED SYSTEM OF GOVERNANCE

As previously noted, formulation and enactment of enabling legislation for the Airport Authority and negotiation of a satisfactory transfer agreement between the new Airport Authority and Milwaukee County would be separate tasks. The

following are key characteristics recommended for the future governance system for the Airports to be included in enabling legislation and in a mutually acceptable transfer agreement.

1. *Membership of Milwaukee County Airport Authority.* The composition of any future airport authority board would be a product of negotiations conducted during the implementation phase. An example of an Authority Board which would achieve broad-based representation of the whole Airport service region might be structured as follows: The Authority could consist of seven voting members. Four members could be appointed by the Governor, three of whom could be residents of any county in the SEWRPC region. The Milwaukee County Executive could appoint two supervisors as members of the Authority, one of whom could be from a district contiguous to an airport placed under the jurisdiction of the Authority, subject to confirmation by the County Board of Supervisors. The seventh member could be appointed by the County Executive from the residents of Milwaukee County who are neither elected officials nor residents of a district contiguous to an airport, subject to confirmation by the County Board of Supervisors. The two supervisors appointed to the Authority could serve for terms coextensive with their terms of elective office. The five appointed members could serve for terms of four years; provided, that the initial appointees could serve for staggered terms of two, three, or four years each.

2. *Rules and Procedures.* The Authority would be required to accept any collective bargaining agreements in force with respect to persons employed at the Airports at the time of transfer. The Authority would be required to adopt a civil service system substantially equivalent to Milwaukee County's system. All employee compensation, benefits, and status would be unaffected by the transfer. The Authority would adopt rules for purchasing goods and services and personnel policies consistent with best management practices and State law. The Authority would also adopt rules and policies with respect to the granting of concessions and operating rights at the Airports and rules for the conduct of all persons using the Airports as necessary in the interest of the public safety and welfare.

3. *Powers to be Invested in the Authority.* The Authority could be invested with all the powers to lease, operate, maintain and develop the Airports as are available by law to any county in Wisconsin that from time to time is the owner or operator of an airport. In addition, the Authority could be granted the special power to issue revenue bonds to finance projects at the Airports, and to pledge to the payment of such bonds all revenues received from operation of the Airports. The Authority could be empowered to accept the benefit of, and to perform all of Milwaukee County's responsibilities under the leases, concession agreements, and other contracts assigned to the Authority by Milwaukee County under the terms of the transfer agreement.

4. *Powers to be Withheld from the Authority.* The Authority would be prohibited from seeking sole sponsorship status with respect to the Airports without the prior formal concurrence of Milwaukee County. The Authority would be prohibited from the exercise of any power to levy taxes and from the exercise of zoning powers outside the perimeters of the Airports.

5. *Powers to be Retained by Milwaukee County.* Milwaukee County would retain title to the lands and buildings that constitute the Airports.

Actions proposed by the Airport Authority as described below would occur only if and when such proposed actions are presented to and formally approved by the Board of Supervisors of Milwaukee County: (a) the Authority's proposed merger with any other entity, or its proposed acceptance of responsibility for, or management of, any facilities other than the Airports; (b) the acquisition of land, whether by private contract for purchase or by the exercise of the power of eminent domain; and (c) the authorization and approval of any master plan, airport layout plan, or environmental impact statement to be provided to the FAA.

In addition, for federal regulatory purposes the County would be a "cosponsor" of the Airports. As such, the County would have the absolute right of prior approval with respect to any proposed purchases of goods, services, materials, or lands involving the expenditure of federal funds. Similarly, the County would have to approve or be a party to any agreements with the State Secretary of Transportation that set forth the Secretary's statutorily mandated role as agent for the Airports in the acceptance, receipt, and disbursement of federal funds. The County's approval could be sought in particular cases, or dealt with generally under the terms of the transfer agreement.

Milwaukee County also would reserve the right and the power, at its sole discretion, to use its credit to help finance projects proposed by the Airport Authority, or to make grants or extend loans to the Airport Authority for qualifying projects.

6. *Organization and Preliminary Matters.* Once formed by appointment of members, the Airport Authority would have no power or control over the Airports unless and until it executed with Milwaukee County a mutually acceptable transfer agreement providing for a transfer of such power or control.

The foregoing outline contains a mixture of elements intended, on the one hand, to create an Airport Authority that can be effective in its mission and, on the other hand, to achieve the proper balance in decisionmaking through sharing of the certain powers necessary to gain support and acceptance of that Airport Authority by Milwaukee County. Those elements should be viewed as being subject to addition, subtraction, or adjustment to achieve the desired balance and end result.

Another important variable deserves mention. Up to this point, it has been assumed that, if an authority were authorized, put into being, and given airport responsibilities, both Mitchell and Timmerman would be placed under the jurisdiction of that authority. Of those two facilities, by far the greatest benefit would flow from inclusion of Mitchell in the Airport Authority's jurisdiction. It would be worth considering, if Milwaukee County insisted, whether Timmerman should be retained under the sole sponsorship of Milwaukee County. This would be an undesirable compromise, but Timmerman's role within the airport system of the region would not necessarily suffer. As noted elsewhere in this report, the airlines at Mitchell currently fund a substantial portion of the cost of operating, maintaining, and improving Timmerman. That financial support should, in any event, be continued in recognition of Timmerman's role as an important reliever airport for Mitchell.

7.

Implementation Plan

Chapter 7

IMPLEMENTATION PLAN

In accordance with Task 7, this chapter summarizes a proposed implementation plan for the recommendations of this study.

While it is the conclusion of the Consultants that significant long-term benefits could be achieved by the transfer of sponsorship of the Airports to a Milwaukee County Airport Authority that would function as a co-sponsor of the Airports with the County, it is unlikely that such a transition could be successfully undertaken immediately given the high level of opposition to any loss of County control of the Airports, and the low level of public support for, or interest in, any change in Airport governance.

In this context, it is the recommendation of the Consultants that a change in Airport sponsorship should be pursued only if and when a consensus in favor of such a transition has been developed within Milwaukee County.

It is therefore recommended that a multiphase process should be pursued to identify if such a consensus can be developed and subsequently to affect a transfer of the Airports to co-sponsorship by a Milwaukee County Airport Authority if appropriate.

The four phases would be as follows: (1) an initial period in which to determine whether substantial support develops for creation of an airport authority, (2) enactment of enabling legislation for a new Milwaukee County Airport Authority, (3) appointment of members to the Airport Authority, and (4) negotiation and implementation of a transfer agreement between Milwaukee County and the new Milwaukee County Airport Authority.

Phase I—Initial Period for Evaluation of Public Support for Creation of an Airport Authority

As noted in Chapter 6, the advantages of an authority sponsorship for the Airports has received little consideration within Milwaukee County, primarily because most policy-makers and residents have observed little or no need for change in the current governance of the Airports. The recommendations expressed in this report represent the Consultants' opinions and as such do not provide sufficient basis to proceed with a transition of sponsorship unless and until substantial support for creation of an airport authority develops among respected institutions and individuals within Milwaukee County. Publication of this report by the Wisconsin Department of Transportation will provide some opportunity for evaluation of the

authority concept by a broad range of interests—Wisconsin and Milwaukee County governments, the Airports' neighbors, the Milwaukee business community and users of the Airports, the airlines serving the Airports, and the FAA. In addition, public hearings should be held in locations convenient to those various interests. The decision to proceed beyond Phase I would only be made if Milwaukee County reaches a consensus to proceed. From our understanding of the current situation, it is unlikely that such a consensus could be reached in less than six months. A period of 6 to 12 months should therefore be allowed for the completion of this phase.

Phase II—Enactment of Enabling Legislation for an Airport Authority

Under the guidance of the Wisconsin Department of Transportation, draft legislation authorizing the creation of the Milwaukee County Airport Authority ("the Authority") would be prepared. That legislation could take many forms. The recommendations contained in Chapter 6 of this report could be appropriate for inclusion in the legislation; however, numerous acceptable and workable alternatives exist. It does appear especially important, however, that in the legislation the Authority be prohibited from exercising any taxing power or any power to control land uses outside of an airport boundary. The legislation should also include an appropriation to fund the costs that the Authority would reasonably incur in carrying out the activities described in Phase III. That appropriation could be made contingent upon a decision to proceed with Phase IV.

Phase II would end only when legislation permitting creation of the Authority is enacted by the Wisconsin Legislature and becomes effective.

Phase III—Appointment of Members to the Authority Board

This phase would occur when and if the Governor and the County Executive, with concurrence of the Board of Supervisors, determine that it is appropriate to "give life" to the Authority by appointing members to the Authority's governing board.

It is important to stress that the Authority, even after its membership is appointed, would have no control or jurisdiction over the Airports unless and until a transfer agreement is executed with Milwaukee County, and then only when and as provided in the transfer agreement.

Phase IV—Organization of the Authority and Negotiation of the Transfer Agreement Regarding the Airports

The members of the Authority board, once appointed, would meet, resolve organizational and administrative matters, and prepare an activity plan and schedule. Next, with assistance as they deemed necessary, they would meet with representatives of Milwaukee County and with representatives of all other interested governments, agencies, and organizations.

Drawing on the knowledge gained in the meeting process, the members of the Authority board would cause a draft of a transfer agreement to be prepared, subject to review and approval by the board. The Authority would then present the draft to Milwaukee County for negotiation and finalization as necessary to meet the objectives of both parties.

The final transfer agreement would address all points regarding:

(a) The transfer of jurisdiction to the Authority of the land and buildings constituting the Airports, and of all equipment and facilities used in connection with the Airports and purchased with funds generated by the Airports or received in the form of State or federal grants for the Airports. The transfer agreement would be for a term of 50 years.

(b) The retention by Milwaukee County of title to all land constituting the Airports, and agreement that additions to those holdings would also be titled in Milwaukee County even if paid for by the Authority.

(c) The assignment to the Authority of all contracts, leases, and concession and other agreements that Milwaukee County had executed as owner and operator of the Airports ("the Contracts").

(d) The transfer to the Authority of all fund balances that resulted from airport operations or the receipt of grants pertaining to the Airports on hand as of the effective date of the transfer agreement.

(e) The assumption by the Authority of all responsibility for operating, maintaining, and developing the Airports, subject to the concurrence of Milwaukee County as provided in the transfer agreement.

(f) The assumption by the Authority of all of Milwaukee County's responsibilities to (1) third parties by virtue of the Contracts, (2) the FAA under all past and future sponsor's assurances and grant agreements, and (3) the public with respect to liability for operation of the Airports.

(g) Identification of those actions that, if proposed by the Authority, would become effective only upon the concurring action of the Board of Supervisors of Milwaukee County.

(h) Provisions that would protect the status, compensation, and benefits of all employees of Milwaukee County who, by virtue of the transfer agreement, will at their election become employees of the Authority, and provisions entitling employees who do not wish to make the transfer to retain their status as employees of Milwaukee County.

(i) An effective date.

(j) Such other provisions as are necessary to comply with applicable requirements of the Wisconsin Department of Transportation or the FAA carry forward the agreements and understandings of the parties.

To initiate Phase I of the recommended implementation plan, the State should secure the participation of the County in a steering committee, which would perform the following functions:

1. Distribute information about the study recommendations to the affected parties.
2. Serve as a forum to debate the benefits and disadvantages of transfer of the Airports to a Milwaukee County Airport Authority.
3. Assess the level of support for and opposition to implementation of the study recommendations.
4. Identify modifications required to the study recommendations to achieve policymaker and public acceptance.
5. Recommend to the County whether or not to proceed with implementation of a Milwaukee County Airport Authority to function as a cosponsor of the Airports.

The steering committee could include representation from the following parties:

1. Milwaukee County
2. Senior management of the Airports
3. State DOT
4. Labor unions/civil service

5. The Milwaukee business community
6. The airlines serving Mitchell
7. Air service consumers
8. Intergovernment cooperation council
9. City of Milwaukee
10. Minority business/contractor community.

A specific task of the steering committee should be to arrange (1) a program of public information meetings to brief the public at large about the study recommendations and solicit public reaction to the proposals and (2) presentations about the study recommendations to key affected parties.

It is recommended that a period of 6 to 12 months be allowed for the completion of Phase 1.

8. Enabling Legislation

Chapter 8

PROPOSED ENABLING LEGISLATION

This Chapter sets forth a blueprint of enabling legislation that would accommodate the Consultants' recommendations. It is recommended that enabling legislation be framed to provide for the specific requirements of the creation of a Milwaukee County Airport Authority and to provide a basis for other communities in Wisconsin to create local airport authorities. The proposed Implementation Plan (see Chapter 7) contemplates a period of public hearings and consensus building prior to the preparation of draft legislation. It is likely that considerations will emerge during such period that will affect the shape of the legislation, as well as its detail. Consequently this Chapter provides the basic concepts of proposed legislation and does not set forth all of the intricate and technical verbiage that may ultimately be required. Certain provisions of the proposed legislation (identified below with brackets "[]") are not directly related to the scope of the Consultants' Study and are included for illustrative purposes only. With that preface, the following is the legislative blueprint:

CHAPTER XXX LOCAL AIRPORT AUTHORITIES

XXX.01 Short Title. This chapter XXX shall be known as the Local Airport Authority Act.

XXX.02 Definitions. In this chapter:

(1) "Airport" means any area of land or water which is used or intended to be used for the landing and take-off of aircraft and any appurtenant areas which are used or intended to be used for rights-of-way or facilities necessary or desirable in connection with customary airport operations, and all Airport Facilities located thereon.

(2) "Airport Facilities" means all real or personal property, or combination thereof, related to facilities used, available for use, or designed for use for the safe navigation, landing or taking off of aircraft, for the safety, storage, maintenance and repair of aircraft, for the comfort and accommodations of the users of air transportation, including persons, cargo, mail, and other property, and for the safe and efficient operation and maintenance of an Airport.

(3) "Authority" means an airport authority created pursuant to the Local Airport Authority Act.

- (4) "Board of Directors" means the Board of Directors of an Authority.
- (5) "Bonds" means bond, notes or other obligations issued pursuant to s. XXX.10.
- (6) "Chief Municipal Official" means as to a Sponsoring Municipality: the county executive of a county, or , if there be none, the chairman of the county board of supervisors of a county; the mayor or city manager of a city; and the village president of a village.
- (7) "Enabling Resolution" means the resolution adopted by the Governing Body of a Sponsoring Municipality to create an Authority, and any duly adopted amendments thereto.
- (8) "Governing Body" means as to a Sponsoring Municipality: the county board of supervisors of a county; the common council or city council of a city; and the village board of trustees of a village.
- (9) "Sponsoring Municipality" means any county, city or village which individually or in consort establish an Authority under the Local Airport Authority Act.
- (10) "Transfer Agreement" means the contract between an Authority and a Sponsoring Municipality which provides the terms and conditions upon which substantial Airport Facilities and the operation thereof are transferred from the Sponsoring Municipality to the Authority.

XXX.03 Creation and Organization

- (1) A Sponsoring Municipality may create an Authority by the adoption of an Enabling Resolution declaring the need for and establishing an Authority under the Local Airport Authority Act. An Authority may have more than one Sponsoring Municipality if each Sponsoring Municipality is identified as such in the Enabling Resolution and the same Enabling Resolution is adopted by the Governing Body of each Sponsoring Municipality. Upon the filing of the Enabling Resolution(s) with the state Secretary of Transportation and the appointment of the members of its Board of Directors, an Authority shall become a public body politic and corporate that is separate and distinct from, and independent of, the Sponsoring Municipality.
- (2) The business and affairs of an Authority shall be governed by its Board of Directors. The Board of Directors shall consist of seven members appointed as provided in sub.(3) or sub. (4), as applicable. The Board of Directors may adopt

by-laws to govern its activities, provided that such by-laws shall not be inconsistent with the Local Airport Authority Act.

(3) In the case of an Authority whose jurisdiction at the time of creation includes an Airport which is classified by the Federal Aviation Administration as a transport airport providing scheduled air transportation services and which had in excess of one million scheduled air transportation service passenger enplanements during the twelve month period immediately prior to the creation of the Authority, the members of the Board of Directors shall be appointed as follows:

(a) four members shall be appointed by the Governor, three of whom shall be residents of the Sponsoring Municipality and one of whom shall be a resident of any municipality other than the Sponsoring Municipality in the territory of the regional planning commission created under s. 66.945 whose territory includes such Airport; and

(b) three members shall be appointed by the Chief Municipal Official of the Sponsoring Municipality, (i) two of whom shall be members of the Governing Body of the Sponsoring Municipality and, if the Governing Body is elected by districts, at least one of the two shall have been elected from a district that includes or is contiguous to such Airport, and (ii) one of whom shall be a resident of the Sponsoring Municipality who is neither an elected public official, nor an employee of the Sponsoring Municipality, nor a resident of any such inclusive or contiguous district.

Appointments by the Chief Municipal Official shall be subject to confirmation by the Governing Body. The terms of office for the two members of the Governing Body appointed pursuant to par. (b) shall be coextensive with their respective terms of elected office. The terms of office of the other five members shall be four years each; provided that, so as to provide for staggering of terms, the four initial appointments by the Governor shall include one two-year term, one three-year term and two four-year terms, and the initial private resident appointment by the Chief Municipal Official shall be for a three-year term; and provided further that although a person may serve any number of terms, no person may serve more than two consecutive terms. A person appointed to fill a vacancy shall be appointed to the unexpired term of the vacant office which shall be deemed to be a term for purposes of determining consecutive terms of office. Members may be removed from the Board of Directors only by the appointing official and only for malfeasance or nonfeasance in office.

[(4) In all other cases, the members of the Board of Directors shall be appointed as follows:

(a) five members shall be appointed by the Chief Municipal Official of the Sponsoring Municipality, each of whom shall be a resident of the Sponsoring Municipality who is neither an elected official nor an employee of the Sponsoring Municipality; and

(b) two members shall be appointed by the Chief Municipal Official of the Sponsoring Municipality, each of whom shall be a member of the Governing Body of the Sponsoring Municipality.

Appointments by the Chief Municipal Official shall be subject to confirmation by the Governing Body. The terms of office for the two members of the Governing Body appointed pursuant to par. (b) shall be coextensive with their respective terms of elected office. The terms of office of the other five members shall be four years each; provided that, so as to provide for staggering of terms, the five initial appointments shall include one two-year term, two three-year terms and two four-year terms; and provided further that although a person may serve any number of terms, no person may serve more than two consecutive terms. A person appointed to fill a vacancy shall be appointed to the unexpired term of the vacant office which shall be deemed to be a term for purposes of determining consecutive terms of office. Members may be removed from the Board of Directors only by the Chief Municipal Official and only for malfeasance or nonfeasance in office.]

(5) If an Authority shall have more than one Sponsoring Municipality, then, for purposes of subs. (3) and (4), the appointments which relate to the Sponsoring Municipality by residency, elective office or appointing authority, shall be allocated in such particulars among the Sponsoring Municipalities as they shall provide in the Enabling Resolution.

(6) The Board of Directors shall elect one of their membership as chairman, another as vice chairman, another as secretary and another as treasurer. Four members of the Board of Directors shall constitute a quorum and, the affirmative vote of a majority of a quorum shall be necessary for any action taken by the Authority. No vacancy in the membership of the Board of Directors shall impair the rights of a quorum to exercise all of the rights and perform all of the duties of the Authority.

(7) Each member of the Board of Directors of an Authority shall be entitled to receive from the Authority reimbursement for reasonable expenses in the performance of the duties of office, but shall not otherwise receive compensation for service on the Board of Directors.

(8) An Authority shall employ and fix the qualifications, duties, and compensation of such employees and professional help as it may require to conduct the business of the Authority.

XXX.04 Jurisdiction. The jurisdiction of an Authority shall include all or such portion of the territory of the Sponsoring Municipality as shall be set forth in the Enabling Resolution; provided that no territory shall be within the jurisdiction of more than one Authority; and provided further that no Sponsoring Municipality may create an Authority having jurisdiction over an Airport owned or operated by another governmental unit without the consent of such other governmental unit. As between the Authority and the Sponsoring Municipality, the Authority shall have exclusive jurisdiction to exercise the powers granted to it under the Local Airport Authority Act.

XXX.05 Powers of an Authority. Subject in all cases to s. XXX.06, an Authority shall have all powers necessary and convenient to carry out its duties, including all powers under general law possessed by the Sponsoring Municipality with respect to the ownership and operation of Airport Facilities, or if there be more than one Sponsoring Municipality then all such powers as they have in common, and, in particular, but without limiting or being limited by the generality of the foregoing, shall have the powers:

- (a) To adopt a seal and alter that seal.
- (b) To sue and be sued in its own name, plead and be impleaded.
- (c) To maintain an office.
- (d) To acquire, own, hold, sell, exchange, lease as lessor or lessee, construct, reconstruct, enlarge, improve, equip and develop Airport Facilities and interests therein.
- (e) To operate, manage and maintain Airport Facilities.
- (f) To grant concessions and contracts.
- (g) To employ personnel, fix and regulate compensation and employee benefits.
- (h) To purchase insurance and self insure.

- (i) To establish and administer an employee pension plan or, subject to the agreement of the Sponsoring Municipality, to permit employees to enroll in the pension plan maintained by or for the Sponsoring Municipality.
- (j) To borrow money and issue Bonds as provided in s. XXX.10 and pledge revenues and grant liens to secure the same.
- (k) To enter into Transfer Agreements and other contracts.
- (l) To maintain funds.
- (m) To invest its funds in any investment authorized under s. 66.04(2).
- (n) To direct its agents or employees, when properly identified in writing, and after at least five days' written notice, to enter upon lands within the confines of its jurisdiction in order to make surveys and examinations preliminary to location and construction of works for the purposes of the Authority, without liability of the Authority or its agents or employees except for actual damage done.
- (o) To promote, advertise, and publicize its Airport Facilities and the Authority's authorized purposes; provide information to persons with an interest in air transportation and other Authority activities; appear before rate-making authorities to represent and promote the interests of the Authority and its authorized purposes.
- (p) To adopt rules and regulations, not in conflict with general law, governing the use of its Airport Facilities, and governing the conduct of its employees and the public, in order to promote the public safety and convenience in and about its Airport Facilities, and to maintain order.
- (q) To establish rates and charges for the use of Airport Facilities and the provision of services by the Authority.

XXX.06 Powers Denied to an Authority. An Authority shall have no power or authority:

- (a) To levy taxes.
- (b) To seek or accept "sole sponsor" status from the Federal Aviation Administration with respect to any Airport within its jurisdiction without the prior consent of the Sponsoring Municipality as evidenced by a resolution of its Governing Body.
- (c) To enter into agency agreements with the secretary of transportation pursuant to ss. 114.32 or 114.33 without the prior consent of the Sponsoring Municipality as evidenced by a resolution of its Governing Body or provision in a transfer agreement.
- (d) To exercise powers of eminent domain without a prior finding of necessity by and the consent of the Sponsoring Municipality as evidenced by a resolution of its Governing Body.
- (e) To exercise any zoning power outside the perimeter of Airport land owned or leased by the Authority.

XXX.07 Powers Granted to Sponsoring Municipality. In addition to any powers it may otherwise have, a Sponsoring Municipality shall have the powers:

- (a) To adopt and amend Enabling Resolutions.
- (b) To enter into and perform Transfer Agreements.
- (c) To make grants or loans to an Authority upon such terms as it deems appropriate.
- (d) To expend public funds to subsidize the operations or capital needs of an Authority.
- (e) To borrow money under ss. 67.04 and 67.12(12) for Airport Facilities or to fund grants, loans or subsidies to an Authority.

XXX.08 Dissolution of an Authority. Subject to making due provisions for payment and performance of its obligations, an Authority may be dissolved by the Sponsoring Municipality creating it, and in such event the properties of the Authority shall be transferred to the Sponsoring Municipality creating it, or if created by more than one Sponsoring Municipality, to them in such manner as they may agree.

XXX.09 Transfer Agreements. A Sponsoring Municipality may enter into a Transfer Agreement with an Authority to provide the terms and conditions upon which the Sponsoring Municipality transfers Airport Facilities to the Authority. Any such transfer may take the form of a sale, lease or other conveyance and may be with or without financial consideration. A Transfer Agreement shall require the Authority to accept an assignment of any collective bargaining agreement in force with respect to persons employed by the Sponsoring Municipality at transferred Airport Facilities at the time of transfer. A Transfer Agreement shall require the Authority to accept an assignment of all contracts with public or private parties in respect of transferred Airport Facilities that are in force at the time of transfer. A Transfer Agreement may, but need not, require the prior approval by the Sponsoring Municipality of various actions that may be taken by the Authority, such as, but not limited to (a) the acceptance by the Authority of responsibility for or management of any Airport Facilities other than those transferred by the Sponsoring Municipality, (b) the acquisition of land by purchase, lease or otherwise, or (c) the authorization and approval of any master plan, airport layout plan or environmental impact statement to be provided to the Federal Aviation Administration.

XXX.10 Issuance of Bonds.

(1) An Authority may from time to time issue Bonds for any corporate purpose related to Airport Facilities within its jurisdiction and the operations thereof. All Bonds of the Authority issued under the Local Airport Authority Act are declared to be negotiable for all purposes, notwithstanding that their payment may be from a limited source, and without regard to any other law.

(2) The Bonds shall be payable solely out of such revenues of the Authority as are specified in the resolution under which they are issued or in a related trust agreement, trust indenture, indenture of mortgage or deed of trust.

(3) The Bonds may be issued as serial bonds or as term bonds, or the Authority may issue Bonds of both types. The Bonds shall be authorized by a bond resolution of the Authority and shall bear such dates, mature at such times not exceeding 40 years from their respective dates of issue, bear interest at such rates, be payable at such times, be in such denominations, be in certificated or book entry or such other form, either coupon or fully registered, carry such registration and conversion privileges, be executed in such manner, be payable in lawful money of

the United States at such places, and be subject to such terms of redemption as the bond resolution provides. The Bonds shall be executed by the manual or facsimile signatures of such officers of the Authority as the Authority designates. Coupon bonds shall have attached thereto interest coupons bearing the facsimile signature of the Treasurer of the Authority or such other officer as the Authority designates. The Bonds may be sold at public or private sale for such price and in such manner and from time to time as the Authority determines. Pending preparation of the definitive Bonds, the Authority may issue interim receipts or certificates which shall be exchanged for the definitive Bonds.

(4) Any bond resolution may contain provisions, which shall be a part of the contract with the holders of the Bonds to be authorized, as to:

(a) Pledging or assigning the revenues of the project with respect to which the Bonds are to be issued or other specified revenues or properties of the Authority.

(b) The rentals, fees and other amounts to be charged, and the sums to be raised in each year thereby, and the use, investment and disposition of such sums.

(c) Limitations on the issuance of additional Bonds, the terms upon which additional Bonds may be issued and secured and the terms upon which additional Bonds may rank on a parity with, or be subordinate or superior to, other Bonds.

(d) Limitations on the purpose to which or the investments in which the proceeds of sale of any issue of Bonds then or thereafter to be issued may be applied.

(e) The setting aside of reserves or sinking funds, and the regulation, investment and disposition thereof.

(f) The refunding, advance refunding or purchase of outstanding Bonds.

(g) The procedure, if any, by which the terms of any contract with Bondholders may be amended or abrogated, the amount of Bonds the holders of which must consent thereto and the manner in which such consent may be given.

(h) Defining the acts or omissions to act which shall constitute a default in the duties of the Authority to holders of its obligations, and providing the rights and remedies of such holders in the event of a default.

(i) Any other matters relating to the Bonds which the Authority deems desirable.

(5) Neither the members of the Board of Directors of the Authority nor any person executing the Bonds are liable personally on the Bonds or subject to any personal liability or accountability by reason of the issuance thereof.

(6) The Authority may secure any Bonds by a trust agreement, trust indenture, indenture of mortgage or deed of trust by and between the Authority and one or more corporate trustees, which may be any trust company or bank in this state having trust powers. The bond resolution providing for the issuance of Bonds so secured may mortgage, pledge, assign and grant security interests in some or all of the revenues and property of the Authority and may contain such provisions for protecting and enforcing the rights and remedies of the Bondholders as are reasonable and proper and not in violation of law, including particularly such provisions as are specifically authorized by the Local Airport Authority Act to be included in any bond resolution of the Authority, and may restrict the individual right of action by Bondholders. In addition, any bond resolution may contain such other provisions as the Authority deems reasonable and proper for the security of the Bondholders.

(7) The Sponsoring Municipality is not liable on Bonds of the Authority. All Bonds of the Authority shall contain a statement to that effect. The issuance of Bonds under the Local Airport Authority Act shall not, directly or indirectly or contingently, obligate the state or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. Nothing in this section prevents the Authority from pledging its full faith and credit to the payment of Bonds.

(8) The Authority may issue Bonds to refund, advance refund or purchase any outstanding Bond of the Authority.

XXX.11 Budgets; Rates and Charges; Audit. An Authority shall adopt a fiscal year for accounting purposes. The Board of Directors shall annually prepare a fiscal year budget for the Authority. Rates and charges received by the Authority shall be used for the general expenses and capital expenditures of the Authority and to pay interest, amortization, and retirement charges on money borrowed. The Authority shall maintain an accounting system in accordance with good and sound accounting practice and shall have its financial statements audited annually by an independent accounting firm. If there remains, at the end of any

fiscal year of an Authority, any surplus of such funds after providing for the above uses, the Board of Directors may, but need not, pay such surplus or a portion of it into the general fund of the Sponsoring Municipality or, if there be more than one Sponsoring Municipality, to them in such proportion as is provided in the Enabling Resolution or as they may otherwise agree.

XXX.12 Open Meetings, Etc. The Authority shall be subject to ss. 19.81 through 19.98 (regarding open meetings); ss. 19.31 through 19.39 (regarding open records); and ss. 19.41 through 19.59 (regarding code of ethics).

XXX.13 Tax Exemption. The exercise of the powers granted by the Local Airport Authority Act will be in all respects for the benefit of the people of the state, for the increase of their commerce, welfare and prosperity, and as the operation and maintenance of Airport Facilities will constitute the performance of an essential public function, neither the Authority nor any agent with which it contracts to operate or maintain Airport Facilities is required to pay any taxes or assessments, including mortgage recording taxes, upon or in respect of Airport Facilities acquired or used by the Authority under the Local Airport Authority Act and the Authority's income therefrom shall at all times be free from taxation of every kind by the state and by political subdivisions of the state.

A.

**Airport
Sponsorship
Survey**

Appendix A

**SUMMARY OF SPONSORSHIP OF THE
100 LARGEST U.S. AIRPORTS IN 1990**

Appendix A

SUMMARY OF AIRPORT SPONSORSHIP

1990 rank	Hub size	Airport	Airport sponsor	Form of sponsorship
1	L	Chicago-O'Hare International Airport	City of Chicago, Department of Aviation	City
2	L	Dallas/Fort Worth International Airport	Dallas/Fort Worth International Airport Board	Authority
3	L	Hartsfield Atlanta International Airport	City of Atlanta, Department of Aviation	City
4	L	Los Angeles International Airport	City of Los Angeles, Department of Airports	City
5	L	San Francisco International Airport	San Francisco Airports Commission	Authority
6	L	Denver Stapleton International Airport	City and County of Denver	City and County
7	L	Phoenix Sky Harbor International Airport	City of Phoenix, Aviation Department	City
8	L	LaGuardia Airport	The Port Authority of New York and New Jersey	Authority
9	L	Detroit Metropolitan Wayne County Airport	Charter County of Wayne, Michigan, Department of Public Services, Division of Airports	County
10	L	Newark International Airport	The Port Authority of New York and New Jersey	Authority
11	L	John F. Kennedy International Airport	The Port Authority of New York and New Jersey	Authority
12	L	Boston Logan International Airport	Massachusetts Port Authority	Authority
13	L	Lambert-St. Louis International Airport	City of St. Louis Airport Authority	City
14	L	Miami International Airport	Dade County Aviation Department	County

1990 rank	Hub size	Airport	Airport sponsor	Form of sponsorship
15	L	Honolulu International Airport	State of Hawaii Department of Transportation, Airports Division	State
16	L	Minneapolis-Saint Paul International Airport	Minneapolis-Saint Paul Metropolitan Airports Commission	Authority
17	L	Greater Pittsburgh International Airport	County of Allegheny, Department of Aviation	County
18	L	McCarran International Airport (Las Vegas)	Clark County, Department of Aviation	County
19	L	Orlando International Airport	Greater Orlando Aviation Authority	Authority
20	L	Houston Intercontinental Airport	City of Houston, Department of Aviation	City
21	L	Seattle-Tacoma International Airport	Port of Seattle	Authority
22	L	Charlotte/Douglas International Airport	City of Charlotte, Airport Department	City
23	L	Washington National Airport	Metropolitan Washington Airports Authority	Authority
24	L	Philadelphia International Airport	City of Philadelphia, Department of Commerce, Division of Aviation	City
25	L	Salt Lake City International Airport	Salt Lake City Airport Authority	Authority
26	L	San Diego International Airport	Port of San Diego, Unified Port District	Authority
27	L	Tampa International Airport	Hillsborough County Aviation Authority	Authority
28	L	Washington Dulles International Airport	Metropolitan Washington Airports Authority	Authority
29	L	Baltimore/Washington International Airport	Maryland State Aviation Administration	State
30	M	Raleigh-Durham International Airport	Raleigh-Durham Airport Authority	Authority

1990 rank	Hub size	Airport	Airport sponsor	Form of sponsorship
31	M	William P. Hobby Airport	City of Houston, Department of Aviation	City
32	M	Greater Cincinnati International Airport	Kenton County Airport Board	Authority
33	M	Memphis International Airport	Memphis-Shelby County Airport Authority	Authority
34	M	Fort Lauderdale-Hollywood International Airport	Broward County Aviation Department	County
35	M	Cleveland Hopkins International Airport	City of Cleveland, Department of Port Control	City
36	M	Luis Munoz Marin International Airport	Puerto Rico Ports Authority	Authority
37	M	Chicago Midway Airport	City of Chicago, Department of Aviation	City
38	M	Nashville International Airport	Metropolitan Nashville Airport Authority	Authority
39	M	New Orleans International Airport	City of New Orleans, New Orleans Aviation Board	City
40	M	Kansas City International Airport	City of Kansas City	City
41	M	San Jose International Airport	City of San Jose, Airport Department	City
42	M	Portland International Airport	Port of Portland	Authority
43	M	Love Field	City of Dallas, Department of Aviation	City
44	M	Metropolitan Oakland International Airport	Port of Oakland	Authority
45	M	Ontario International Airport	City of Los Angeles, Department of Airports	City
46	M	Palm Beach International Airport	Palm Beach County, Department of Airports	County
47	M	Indianapolis International Airport	Indianapolis Airport Authority	Authority
48	M	San Antonio International Airport	City of San Antonio, Aviation Department	City

1990 rank	Hub size	Airport	Airport sponsor	Form of sponsorship
49	M	Albuquerque International Airport	City of Albuquerque, Aviation Department	City
50	M	Bradley International Airport	State of Connecticut, Department of Transportation, Bureau of Aviation and Ports	State
51	M	John Wayne Airport	Orange County	County
52	M	Kahului Airport	State of Hawaii, Department of Transportation	State
53	M	Robert Mueller Municipal Airport	City of Austin, Department of Aviation	City
54	M	General Mitchell International Airport	Milwaukee County, Department of Public Works, Airports Division	County
55	M	Dayton International Airport	City of Dayton, Department of Aviation	City
56	M	Sacramento Metro Airport	County of Sacramento, Department of Airports	County
57	M	Southwest Florida Regional Airport	Lee County Port Authority	County
58	M	Burbank-Glendale-Pasadena Airport	Burbank-Glendale-Pasadena Airport Authority	Authority
59	M	Port Columbus International Airport	Columbus Municipal Airport Authority	Authority
60	M	El Paso International Airport	City of El Paso	City
61	M	Greater Buffalo International Airport	Niagara Frontier Transportation Authority	Authority
62	M	Will Rogers World Airport	Oklahoma City Airport Trust	Authority
63	M	Tulsa International Airport	Tulsa Airport Authority	Authority
64	M	Anchorage International Airport	Alaska International Airport System	State
65	M	Reno Cannon International Airport	Airport Authority of Washoe County	Authority
66	M	Jacksonville International Airport	Jacksonville Port Authority	Authority

<u>1990 rank</u>	<u>Hub size</u>	<u>Airport</u>	<u>Airport sponsor</u>	<u>Form of sponsorship</u>
67	M	Lihue Airport	State of Hawaii, Department of Transportation	State
68	M	Tucson International Airport	Tucson Airport Authority	Authority
69	M	Norfolk International Airport	Norfolk Airport Authority	Authority
70	M	Hancock International Airport	City of Syracuse, Department of Aviation	City
71	M	Rochester International Airport	Monroe County	County
72	S	Providence-Theodore Francis Green State Airport	Rhode Island Department of Transportation, Division of Airports	State
73	S	Birmingham Airport	Birmingham Airport Authority	Authority
74	S	Eppley Airfield	Omaha Airport Authority	Authority
75	S	Sarasota-Bradenton Airport	Sarasota-Manatee Airport Authority	Authority
76	S	Kailua-Kona Keahole Airport	State of Hawaii, Department of Transportation	State
77	S	Little Rock Regional Airport	City of Little Rock	City
78	S	Standiford Field	Regional Airport Authority of Louisville and Jefferson County	Authority
79	S	Piedmont Triad International Airport	Piedmont Triad Airport Authority	Authority
80	S	Albany County Airport	Albany County	County
81	S	Richmond International Airport	Capital Region Airport Commission	Authority
82	S	Guam International Air Terminal	Guam Airport Authority	Authority
83	S	Spokane International Airport	Spokane Airport Board	Authority
84	S	Long Beach Airport	City of Long Beach	City
85	S	Des Moines International Airport	City of Des Moines, Department of Aviation	City
86	S	Hilo International Airport	State of Hawaii, Department of Transportation	State

<u>1990 rank</u>	<u>Hub size</u>	<u>Airport</u>	<u>Airport sponsor</u>	<u>Form of sponsorship</u>
87	S	Charleston International Airport	Charleston County Airport Authority	Authority
88	S	Kent County International Airport	Kent County Aeronautics Board	County
89	S	Lubbock International Airport	City of Lubbock	City
90	S	Midland International Airport	City of Midland, Department of Airports	City
91	S	Wichita Mid-Continent Airport	Wichita Airport Authority	Authority
92	S	Colorado Springs Airport	City of Colorado Springs	City
93	S	Brownsville/South Padre Island International Airport	City of Brownsville	City
94	S	Boise Air Terminal	City of Boise	City
95	S	Savannah International Airport	Savannah Airport Commission	Authority
96	S	Columbia Metropolitan Airport	Richland Lexington Airport District	Authority
97	S	Greenville-Spartanburg Airport	Greenville-Spartanburg Airport Commission	Authority
98	S	Daytona Beach Regional Airport	County of Volusia	County
99	S	McGhee Tyson Airport	Metropolitan Knoxville Airport Authority	Authority
100	S	Portland International Jetport	City of Portland, Department of Transportation and Waterfront Facilities	City

L = Large.

M = Medium.

S = Small.

B.
Selected
Authority
Characteristics

Appendix B

**SUMMARY OF THE PRINCIPAL
CHARACTERISTICS OF SELECTED
AIRPORT AUTHORITIES**

Appendix B

SUMMARY OF THE PRINCIPAL CHARACTERISTICS OF SELECTED AIRPORT AUTHORITIES

NAME: Burbank-Glendale-Pasadena Airport Authority

CHARTERED BY: State of California

CREATED BY: Cities of Burbank, Glendale, and Pasadena under Joint Exercise of Powers Agreement in June 1977. Agreement may be terminated by mutual consent of the Cities but shall continue until the purpose of any agreement between the Authority and the U.S. Government is carried out or until any revenue bonds or other indebtedness are extinguished.

BEGAN OPERATION: June 29, 1978

CHARTER LEGISLATION: Articles 1 and 2 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (enacted in 1976)

TRANSFER ACTIONS: Airport purchased from Lockheed Air Terminal, Inc., for \$51 million in Authority bonds and federal grants-in-aid. Authority paid \$0.7 million for money and services provided by the Cities in connection with the acquisition of the airport.

JURISDICTION: Burbank-Glendale-Pasadena Airport

PURPOSE: To exercise powers of the Cities jointly to acquire and operate the airport as a public airport.

GOVERNING BOARD: Burbank-Glendale-Pasadena Airport Authority
Commission

NUMBER OF MEMBERS: 9

TERM: At the pleasure of appointing city

HOW SELECTED: 3 appointed by each city

LEVEL OF INDEPENDENCE: Public entity separate and apart from the Cities. Authority is subject to certain limitations on actions that would increase noise and may not lengthen runways or acquire title to certain residential property. Burbank City Treasurer and Finance Director must act as Authority Treasurer and Controller, respectively.

SERVICES PROVIDED BY CITY: City of Burbank provides treasury services (investing of airport monies, certain accounting functions, review of airport written checks, etc.). Adopted purchasing procedures of City of Burbank and is subject to State and City statutes pertaining to procurement matters.

EMPLOYEE UNIONS: One. A local peace officer's organization is recognized as a bargaining unit in contract negotiations.

TAXING POWER: None

REVENUE SUPPORT/SUBSIDIES FROM OUTSIDE AGENCIES: None

FINANCING STRATEGY: Revenue bonds, grants-in-aid, and internally generated funds.

AIRPORTS: Airline: Burbank-Glendale-Pasadena Airport
General aviation: None

AIRPORT PREVIOUSLY OPERATED BY: Lockheed Air Terminal, Inc.

PASSENGER ENPLANEMENTS (1990): 1,699,000

NAME: Charleston County Airport Authority
(Charleston County Airport District)

CHARTERED BY: State of South Carolina

BEGAN OPERATION: January 1, 1979

CHARTER LEGISLATION: Act No. 1235 of the Acts and Joint Resolution of the General Assembly of the State of South Carolina, Regular Session 1970.

TRANSFER ACTIONS: Airport purchased by the Authority from the City of Charleston on January 1, 1979, with a \$3.0 million note payable in semiannual installments of \$150,000 over 10 years with no interest.

JURISDICTION: District is essentially coterminous with the County of Charleston.

PURPOSE: Acquiring, constructing, operating, and maintaining air transport facilities in the District.

GOVERNING BOARD: Airport Authority

NUMBER OF MEMBERS: 9

TERM: 4 years or ex officio

HOW SELECTED: 5 appointed by the Governor (2 of which recommended by the Senate Delegation, 2 by the House Delegation, and 2 recommended jointly by the City Council and County Council). Mayor of the City of Charleston and Chairman of Charleston County Council are ex officio members.

NOTE: Board members recently increased from seven to nine, to include two representatives of adjoining cities.

LEVEL OF INDEPENDENCE: District is a municipal corporation, a political subdivision of the State. Charleston County Airport Authority created to exercise and perform the corporate powers and duties of the District.

SERVICES PROVIDED BY CITY: None. The Authority has its own purchasing policies completely independent of City of Charleston.

EMPLOYEE UNIONS: None.

CIVIL SERVICE: Not governed by City civil service practices. Developed own policies and procedures manual with job descriptions and classifications, grievances process, etc.

TAXING POWER: Bonded debt up to 8% of assessed value of taxable property in the District. Tax levy up to one-half million dollars for operating purposes.

REVENUE SUPPORT/SUBSIDIES FROM OUTSIDE AGENCIES: None. Authority repays certain advances from County general funds (used to pay general obligation bond interest during construction) from airport system surplus cash flow.

FINANCING STRATEGY: \$3.0 million ten-year note (without interest) to purchase the airport terminal building at Charleston International Airport. Sale in 1979 of \$15.5 million in District general obligation bonds to finance a portion of airport development. Full faith, credit, and taxing power of the District pledged to pay general obligation bonds. Sale of \$27.0 million in District revenue bonds in 1982 to finance further airport development. Revenue bonds are on parity with the note. General obligation bonds are subordinated to the revenue bonds and the note. Also uses grants-in-aid and internally generated funds.

AIRPORTS: Airline: Charleston International Airport (contiguous to
Charleston Air Force Base)
General aviation: Charleston Executive Airport
East Cooper Airport

AIRPORTS PREVIOUSLY OPERATED BY: City of Charleston

PASSENGER ENPLANEMENTS (1990): 632,000

NAME: Dallas/Fort Worth International Airport Board

CHARTERED BY: Cities of Dallas and Fort Worth, under Contract and Agreement between the Cities, dated April 15, 1968.

CREATED BY: Cities of Dallas and Fort Worth, jointly, under special State legislation.

BEGAN OPERATION: Board established September 27, 1965. Construction of the airport began December 1, 1968, and airport opened January 13, 1974.

CHARTER LEGISLATION: Article 46 (d), Vernon's Texas Statutes

JURISDICTION: Dallas/Fort Worth International Airport

PURPOSE: To operate regional airport

GOVERNING BOARD: Airport Board

NUMBER OF MEMBERS: 11

TERM: 4 years, overlapping

HOW SELECTED: 7 from the City of Dallas, 4 from the City of Fort Worth, appointed by the respective City Councils.

LEVEL OF INDEPENDENCE: Owned jointly by the Cities. Financial operations conducted through the Cities' Joint Airport Fund controlled by the Board. Operated by the Board on behalf of and under the control of the Cities. Distribution of net profits jointly to the Cities if not in violation of Board resolution or bond ordinance.

SERVICES PROVIDED BY CITY: City of Dallas provides legal staff for which the Airport reimburses at cost. City also pays the salaries of approximately 30 people who administer taxicab regulations, licensing, and trip fees. All other services are performed by the Authority. Established their own purchasing procedures following State laws. Have independent purchasing agent and separate procurement department. Are allowed to join in City of Dallas bulk purchases for which they reimburse the City on a per-unit cost.

EMPLOYEE UNIONS: One. Police officers are organized into a local Police Association, but are not recognized as a bargaining unit for contract negotiations.

CIVIL SERVICE: No civil service system. The Board has established a merit system of benefits packages including compensation programs, job descriptions, and other related human resource/personnel practices entirely independent of the City's civil service structure.

TAXING POWER: Joint covenants of the Cities to levy taxes under certain circumstances. To the extent Airport debt is created that cannot be funded from Airport revenues, Cities agree to levy each year an ad valorem tax to provide a sinking fund of not less than 2% of the debt.

Cities also pledge a Maintenance Tax as a supplement to the pledge of Airport revenues for paying operation and maintenance expenses. Maintenance Tax may be used for other City purposes if not needed for the Airport.

REVENUE SUPPORT/SUBSIDIES FROM OUTSIDE AGENCIES: Cities covenant to construct and continue operations of Airport by furnishing funds that together with Airport revenues will be sufficient for operations. (See "Taxing Power.")

Cities covenant to make up any deficiencies relating to Board's contractual obligations or undertakings if Airport revenues are insufficient.

FINANCING STRATEGY: Joint airport revenue bonds, special facilities bonds, grants-in-aid, and internally generated funds.

AIRPORTS: Airline: Dallas/Fort Worth International Airport
General aviation: None

AIRPORT PREVIOUSLY OPERATED BY: Not applicable

PASSENGER ENPLANEMENTS (1990): 22,899,000

NAME: Piedmont Triad Airport Authority

CHARTERED BY: State of North Carolina

BEGAN OPERATION: 1942

CHARTER LEGISLATION: 1941 Public-Local Laws of North Carolina and Chapter 1078 of the 1979 Session Laws of North Carolina (Second Session, 1980). Amended by State General Assembly in 1985 to add members from City of Winston-Salem and Forsyth County.

JURISDICTION: Guilford and Forsyth Counties

PURPOSE: Acquire and operate airports in Guilford County

GOVERNING BOARD: Board of Directors

NUMBER OF MEMBERS: 7

TERM: 3 years, overlapping

HOW SELECTED: 1 appointed by the City Council of Greensboro, 1 appointed by the City Council of High Point, 3 appointed by the Guilford County Board of Commissioners, 1 appointed by the Board of Aldermen of the City of Winston-Salem, and 1 appointed by the Forsyth County Board of Commissioners. Two members must be resident voters of Greensboro, 2 resident voters of High Point, 1 resident voter of Winston-Salem, 1 from Guilford County at large, and 1 from Forsyth County at large.

LEVEL OF INDEPENDENCE: Body corporate and politic

SERVICES PROVIDED BY CITY: None. At one time City of Greensboro provided aircraft rescue and fire fighting (ARFF) services (1979) and police services (1981) but now Airport staff performs these functions. Entirely independent of City procurement process. Is subject to, and is more strict than, State guidelines with respect to entire bidding process.

CIVIL SERVICE: Not associated with civil service system of City of Greensboro. Established own personnel system with compensation programs, job descriptions, etc.

TAXING POWER: None

REVENUE SUPPORT/SUBSIDIES FROM OUTSIDE AGENCIES: None since 1962

FINANCING STRATEGY: Airport revenue bonds, grants-in-aid, and internally generated funds.

AIRPORTS: Airline: Piedmont Triad International Airport (previously
Greensboro/High Point Airport)
General aviation: None

AIRPORT PREVIOUSLY OPERATED BY: City of Greensboro

PASSENGER ENPLANEMENTS (1990): 895,000

NAME: Indianapolis Airport Authority

CHARTERED BY: State of Indiana

CREATED BY: City of Indianapolis and County of Marion

BEGAN OPERATION: 1962

CHARTER LEGISLATION: Indiana Code 8-22-3, pursuant to Indiana Code 19-6-2

JURISDICTION: Marion County

PURPOSE: Own, operate, and control the Airport System

GOVERNING BOARD:

NUMBER OF MEMBERS: 9

TERM: 4 years, overlapping. May be reappointed.

HOW SELECTED: 4 appointed by the Mayor of Indianapolis, 1 appointed by Marion County Board of Commissioners. Maximum of 3 from same political party.

NOTE: Board members increased from original five to nine members and includes one advisory member from each of the four counties in which the Airport operates.

LEVEL OF INDEPENDENCE: Separate municipal corporation

SERVICES PROVIDED BY CITY: None. Developed and implemented own purchasing procedures. Required to meet State statutes as they apply to all public agencies with regard to bidding process and minority requirements.

TRANSFER ACTIONS: No specific business arrangements. Authority assumed responsibility for operating the Airport, the City general obligation debt associated with the Airport, and the accompanying taxing authority to pay off outstanding debt (which the Authority exercised).

TAXING POWER: Ad valorem taxes may be levied without limit as to rate or amount upon all of the property within the boundaries of Marion County. None has been levied since 1980.

REVENUE SUPPORT/SUBSIDIES FROM OUTSIDE AGENCIES: None

FINANCING STRATEGY: Airport revenue bonds, grants-in-aid, and internally generated funds.

AIRPORTS: Airline: Indianapolis International Airport
General aviation: Eagle Creek Airpark, Metropolitan Airport,
Mt. Comfort Airport, Speedway Airport
Heliport: Downtown Heliport

AIRPORTS PREVIOUSLY OPERATED BY: City of Indianapolis

PASSENGER ENPLANEMENTS (1990): 2,602,000

NAME: Regional Airport Authority of Louisville and Jefferson County

CHARTERED BY: Commonwealth of Kentucky

BEGAN OPERATION: 1928

CHARTER LEGISLATION: Chapter No. 77 of the 1928 Public Acts of the Commonwealth of Kentucky and expanded by Sections 183.132 through 183.138, Section 183.476, and Sections 183.630 through 183.740 of the Kentucky Revised Statutes.

JURISDICTION: Jefferson County (including City of Louisville)

PURPOSE: Perform essential governmental duties in the operation of airports and air transportation facilities

GOVERNING BOARD: Airport Board

NUMBER OF MEMBERS: 11

TERM: Ex officio for public officials, 4 years for appointed members

HOW SELECTED: Mayor of Louisville, Jefferson County Judge/Executive, Commonwealth Secretary of Commerce, 3 members each appointed by the Mayor and Judge/Executive, 2 appointed by the Governor. Appointed members serve terms of one, two, and three years.

LEVEL OF INDEPENDENCE: Body politic and corporate; political subdivision of the Commonwealth of Kentucky

SERVICES PROVIDED BY CITY: None. The Authority has its own purchasing department and does not participate in City of Louisville procurement process. Is entitled to purchase supplies and equipment from preferential "bid lists" offered to governmental units.

EMPLOYEE UNIONS: None.

CIVIL SERVICE: Developed own human resource department with job classifications and descriptions, benefits, salary scales, and hiring criteria. Utilizes benefits consultant to keep salaries competitive with other airports and similar quasi-public agencies.

TAXING POWER: None

REVENUE SUPPORT/SUBSIDIES FROM OUTSIDE AGENCIES: \$10.5 million in Commonwealth economic development bonds for construction of parking and roadway facilities at Standiford Field under lease/leaseback arrangement. Interest on bonds during construction of project paid from State general fund revenues. Authority contracted to make lease payments to amortize bonds from Authority revenues; payments subsequently reduced to about 2/3 of annual debt service.

FINANCING STRATEGY: \$100 million terminal expansion program financed with Authority airport revenue bonds, Commonwealth economic development bonds, federal grants-in-aid, and internally generated cash flow. Other projects financed with internally generated cash flow and a revolving unsecured line of credit from a group of local banks.

AIRPORTS: Airline: Standiford Field
General aviation: Bowman Field

AIRPORTS PREVIOUSLY OPERATED BY: Not applicable

PASSENGER ENPLANEMENTS (1990): 938,000

NAME: Memphis-Shelby County Airport Authority

CHARTERED BY: State of Tennessee

BEGAN OPERATION: 1969

CHARTER LEGISLATION: Metropolitan Airport Authority Act, Tennessee Code Annotated 42-4-101

JURISDICTION: Shelby County

PURPOSE: Ownership, jurisdiction, and control of airports in Shelby County

GOVERNING BOARD: Board of Commissioners

NUMBER OF MEMBERS: 7

TERM: 7 years, overlapping

HOW SELECTED: All appointed by Mayor of Memphis, 1 nominated by Mayor of County of Shelby. All appointments confirmed by Memphis City Council. Board must include members with skills in engineering, law, industry or commerce, and finance.

LEVEL OF INDEPENDENCE: Body politic and corporate of the State of Tennessee

SERVICES PROVIDED BY CITY: City of Memphis provides ARFF at cost and administrative services such as accounting, payroll, and benefits management. Must adhere to State statutes as they pertain to procurement matters. Entirely independent from City of Memphis purchasing process with separate policies and procedures manual.

EMPLOYEE UNIONS: Two. Building and airfield maintenance workers are organized under a local of the International Brotherhood of Electrical Workers. Police department is a local independent union. Both are recognized as bargaining units for contract negotiations.

CIVIL SERVICE: Though separate from the City of Memphis, Authority has similar civil service system with regard to certain personnel practices such as grievance procedures. Has own set of rate structures for salary and benefits.

TAXING POWER: None

REVENUE SUPPORT/SUBSIDIES FROM OUTSIDE AGENCIES: None

FINANCING STRATEGY: Senior lien fixed rate general revenue bonds, junior lien variable rate general revenue bonds, subordinated general obligation bonds of the City of Memphis, special facilities revenue bonds, grants-in-aid, and internally generated funds.

AIRPORTS: Airline: Memphis International Airport
General aviation: General DeWitt Spain Airport
Charles W. Baker Airport

AIRPORTS PREVIOUSLY OPERATED BY: City of Memphis

PASSENGER ENPLANEMENTS (1990): 3,887,000

NAME: Minneapolis-Saint Paul Metropolitan Airports Commission

CHARTERED BY: State of Minnesota

BEGAN OPERATION: 1943

CHARTER LEGISLATION: Minnesota State Legislature, 1943

TRANSFER ACTIONS: Airport transferred by State law to Commission

JURISDICTION: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties

PURPOSE: Promote air navigation and transportation in the State

GOVERNING BOARD: Commissioners

NUMBER OF MEMBERS: 15

TERM: 6 years

HOW SELECTED: Mayor of Minneapolis, voter appointed by the Mayor of St. Paul, and 13 members appointed by the Governor with the advice and consent of the State Senate. Before 1981, 6 of the 13 members were appointed by local jurisdictions.

LEVEL OF INDEPENDENCE: Public corporation. Capital projects over \$2 million or projects with significant effect on the orderly and economic development of the Metropolitan Area must be approved by the Metropolitan Council, the regional planning agency for the Metropolitan Area.

SERVICES PROVIDED BY CITY: Contract for fire services and ARFF with City of St. Paul at Minneapolis-St. Paul International Airport and with the local fire departments at reliever airports. Separate purchasing department not affiliated with City procurement processes. Must comply with public bidding laws of the State.

EMPLOYEE UNIONS: Nine unions encompassing most nonadministrative employees. Includes locals for larger police union (Airport Police Federation) and fire union as well as smaller unions for electricians and carpenters represented in bargaining by business agents. No specific Airport locals.

CIVIL SERVICE: Developed own comparable worth compensation programs independent of Minneapolis and St. Paul civil service systems but within parameters outlined by the State.

TAXING POWER: May levy taxes on the 6 counties (1) to pay debt service on bonds and (2) not in excess of \$0.33 million for operating expenses.

REVENUE SUPPORT/SUBSIDIES FROM OUTSIDE AGENCIES: None

FINANCING STRATEGY: General obligation revenue bonds secured by tax pledge and pledge of revenues, grants-in-aid, and internally generated funds.

AIRPORTS: Airline: Minneapolis-Saint Paul International Airport
General aviation: St. Paul Downtown Airport, Flying Cloud Airport, Crystal Airport, Anoka Airport, Lake Elmo Airport, Airlake Airport

AIRPORTS PREVIOUSLY OPERATED BY: Minneapolis Park Board

PASSENGER ENPLANEMENTS (1990): 8,837,000

NAME: Mobile Airport Authority

CHARTERED BY: State of Alabama

BEGAN OPERATION: June 8, 1982

CHARTER LEGISLATION: Act No. 331 of 1977 Regular Session of the Legislature of Alabama (codified as Article 2 of Chapter 3 of Title 4 of the Code of Alabama 1975)

TRANSFER ACTIONS: By agreement between the City and the Authority as of October 1, 1982, City transferred to the Authority operation of the airports, the industrial park, and all related receivables and property. City retained all cash, liabilities, and contractual obligations for construction (not funded by federal grants) entered into before October 1, 1982.

JURISDICTION: City of Mobile

PURPOSE: Acquire, improve, and operate Mobile Municipal Airport and Brookley Airport and Industrial Complex

GOVERNING BOARD: Board of Directors

NUMBER OF MEMBERS: 5

TERM: 6 years

HOW SELECTED: Appointed by Board of Commissioners of the City of Mobile

LEVEL OF INDEPENDENCE: Public nonprofit corporation, incorporated under a Certificate of Incorporation approved by resolution of the Board of Commissioners of the City of Mobile adopted February 5, 1980. Transfer agreement (to June 1, 2012) recognized City's continued interest in operation of the properties and provided for limitations on disposal of property, certain leases, certain capital expenditures and certain indebtedness without prior comment of the City.

Original agreement called for excess monies on deposit to be paid monthly to City. Provision deleted effective July 1, 1984.

TAXING POWER: None

REVENUE SUPPORT/SUBSIDIES FROM OUTSIDE AGENCIES: None

FINANCING STRATEGY: \$30 million new terminal project financed with airport revenue bonds and grants-in-aid. Other projects financed with internally generated cash flow, principally from Brookley Industrial Complex.

AIRPORTS: Airline: Mobile Municipal Airport
General aviation: Mobile Downtown Airport
Other: Brookley Industrial Complex

AIRPORTS PREVIOUSLY OPERATED BY: City of Mobile

PASSENGER ENPLANEMENTS (1990): 381,000

NAME: Metropolitan Nashville Airport Authority

CHARTERED BY: State of Tennessee

CREATED BY: Metropolitan Government of Nashville and Davidson County under Resolutions 70-872 and 70-941. Rutherford County joined in 1972.

BEGAN OPERATION: July 1, 1970

CHARTER LEGISLATION: Metropolitan Airport Authority Act, Tenn. Code Anno. Section 42-4-101 et seq.

TRANSFER ACTIONS: In 1970, assets and liabilities of airline airport transferred by contract, including general obligation bonds. Authority to pay \$2.9 million to Metropolitan Government over 10 years. In 1972, Smyrna Airport transferred from U.S. Government.

JURISDICTION: Davidson and Rutherford Counties, Tennessee

PURPOSE: Management and operation of airports acquired or placed under its control

GOVERNING BOARD: Board of Commissioners

NUMBER OF MEMBERS: 7

TERM: 7 years

HOW SELECTED: All appointed by the Metropolitan Mayor, one recommended by Rutherford County Executive; all confirmed by the Metropolitan Council.

LEVEL OF INDEPENDENCE: Body politic and corporate; public and governmental body acting as an agency and instrumentality of the Metropolitan Government of Nashville and Davidson County, and Rutherford County.

TAXING POWER: None

REVENUE SUPPORT/SUBSIDIES FROM OUTSIDE AGENCIES: Not applicable

FINANCING STRATEGY: Fixed rate revenue bonds payable from Airport System revenues, variable rate bonds payable from Nashville International Airport revenues only, 5-year bank notes, grants-in-aid, and internally generated funds.

AIRPORTS: Airline: Nashville International Airport
General aviation: Smyrna Airport, John C. Tune Airport, Springfield
Airport (operated under management contract for
City of Springfield and Robertson County)

AIRPORTS PREVIOUSLY OPERATED BY: City of Nashville, Rutherford County,
City of Springfield

PASSENGER ENPLANEMENTS (1990): 3,404,000

NAME: Omaha Airport Authority

CHARTERED BY: State of Nebraska

BEGAN OPERATION: 1959

CHARTER LEGISLATION: Cities Airport Authority Act of Nebraska, Reissue Revised Statutes of 1943 of Nebraska

JURISDICTION: City of Omaha

PURPOSE: Operate the airport

GOVERNING BOARD:

NUMBER OF MEMBERS: 5

TERM: 5 years, overlapping

HOW SELECTED: Appointed by the Mayor of Omaha and confirmed by the Omaha City Council

LEVEL OF INDEPENDENCE: Body corporate and politic, constituting a public corporation and an agency of the City of Omaha.

SERVICES PROVIDED BY CITY: City was low bidder in contract to perform ARFF services. Developed own set of purchasing policies unlike the City's but bound by State laws. Not centralized like other airports; each department manager deals with vendors independently.

EMPLOYEE UNIONS: Two independent unions. Fraternal Order of Police for all airport security personnel and Airport Workers Alliance (an Airport local) encompassing all other nonadministrative airport personnel

CIVIL SERVICE: Not associated with civil service system of the City of Omaha. Do have system of job descriptions, classifications, and pay scales and utilizes benefits consultant to keep salaries competitive with other area public utilities and similar public agencies.

TAXING POWER: None

REVENUE SUPPORT/SUBSIDIES FROM OUTSIDE AGENCIES: None

FINANCING STRATEGY: Airport revenue bonds, grants-in-aid, and internally generated funds.

AIRPORTS: Airline: Eppley Airfield
General aviation: Millard Airport

AIRPORTS PREVIOUSLY OPERATED BY: City of Omaha

PASSENGER ENPLANEMENTS (1990): 994,000

AIRPORTS: Airline: Eppley Airfield
General aviation: Millard Airport

AIRPORTS PREVIOUSLY OPERATED BY: City of Omaha

PASSENGER ENPLANEMENTS (1990): 994,000

NAME: Greater Orlando Aviation Authority

CHARTERED BY: State of Florida

CREATED BY: City of Orlando and Orange County

BEGAN OPERATION: September 27, 1976

CHARTER LEGISLATION: Chapter 57-1658, Special Laws of Florida, 1957

JURISDICTION: Orange County, Florida

PURPOSE: Accommodate air commerce and transportation in the County

GOVERNING BOARD:

NUMBER OF MEMBERS: 7

TERM: 4 years, overlapping

HOW SELECTED: 5 selected by Governor and confirmed by State Senate,
1 by Orlando City Council, 1 by Orlando County Commissioners.

LEVEL OF INDEPENDENCE: Agency of City of Orlando. By agreement in 1976, City transferred custody, control, and management of the airport to the Authority for 50 years. Issuance of revenue bonds, condemnation of property and sale or long-term lease of real property are subject to City Council approval.

TAXING POWER: None

REVENUE SUPPORT/SUBSIDIES FROM OUTSIDE AGENCIES: None

FINANCING STRATEGY: Revenue bonds secured by Airport System revenues, bond anticipation bank financing, special facility bonds, grants-in-aid, and internally generated funds.

AIRPORTS: Airline: Orlando International Airport
General aviation: Orlando Executive Airport

AIRPORTS PREVIOUSLY OPERATED BY: City of Orlando

PASSENGER ENPLANEMENTS (1990): 7,678,000

NAME: Airport Authority of Washoe County (Reno)

CHARTERED BY: State of Nevada

CREATED BY: City of Reno and Washoe County

BEGAN OPERATION: July 1, 1978

CHARTER LEGISLATION: Airport Authority Act for Washoe County,
May 12, 1977

JURISDICTION: Washoe County, Nevada

PURPOSE: Plan, establish, acquire, construct, improve, and operate one or more airports within the County

GOVERNING BOARD: Board of Trustees

NUMBER OF MEMBERS: 8

TERM: 4 years, overlapping

HOW SELECTED: 2 appointed by County Board of Commissioners,
4 appointed by City Council of Reno, 2 appointed by City Council of Sparks.

LEVEL OF INDEPENDENCE: Body corporate and politic, a quasimunicipal corporation, and a political subdivision of the State of Nevada.

TAXING POWER: Ad valorem taxes with the approval of the Board of Commissioners of Washoe County.

REVENUE SUPPORT/SUBSIDIES FROM OUTSIDE AGENCIES: Airport Authority to repay \$2.8 million to City between 1979 and 1993.

FINANCING STRATEGY: Airport revenue bonds, grants-in-aid, and internally generated funds.

AIRPORTS: Airline: Reno Cannon International Airport
General aviation: Reno Stead Airport

AIRPORTS PREVIOUSLY OPERATED BY: City of Reno

PASSENGER ENPLANEMENTS (1990): 1,344,000

NAME: Capital Region Airport Commission (Richmond)

CHARTERED BY: State of Virginia

CREATED BY: City of Richmond and County of Henrico. County of Chesterfield became participating subdivision in May 1984 and County of Hanover in October 1985.

BEGAN OPERATION: January 1, 1976

CHARTER LEGISLATION: Chapter 537, 1975 Acts of the Virginia General Assembly, as continued by Chapter 380 of the 1980 Acts. Amended again in 1985.

TRANSFER ACTIONS: Planning District Commission that included the local jurisdictions used as vehicle to plan Airport Commission. Airport originally owned by City of Richmond and located in County of Henrico. Transfer of airport from City via deed and agreement, including assumption of \$7.5 million in existing City debt. City agreed to subordinate payment on existing debt to Commission revenue bonds, notes, and other deposits under bond resolution. City and Counties agreed to consider appropriations to fund proportional shares of deficit, if any, for payment on assumed City debt, Commission bank notes, or Debt Service Reserve Fund on Commission revenue bonds. Deficit to be divided in proportion to population.

JURISDICTION: City of Richmond, Counties of Henrico, Chesterfield, and Hanover. Counties of Charles City, Goochland, New Kent, and Powhatan and Town of Ashland may join subject to making satisfactory contribution of capital.

PURPOSE: Own and operate airports serving Richmond metropolitan area

GOVERNING BOARD: Commissioners

NUMBER OF MEMBERS: 14

TERM: 4 years

HOW SELECTED: 4 from Richmond, 4 from Henrico, 4 from Chesterfield, 2 from Hanover, selected by each jurisdiction's governing body. Although ex officio members not required, current Commissioners include 1 Richmond City Council member, and 6 County Supervisors (3 from Henrico, 2 from Chesterfield, 1 from Hanover). Other counties entitled to 1 member each if they join.

LEVEL OF INDEPENDENCE: Jurisdictions must accept a nonbinding moral obligation on any additional debt.

TAXING POWER: None

REVENUE SUPPORT/SUBSIDIES FROM OUTSIDE AGENCIES: Nonbinding moral obligation to fund deficits, if any, to a maximum of \$32 million, in (1) the Debt Service Reserve Account and (2) payments on existing City debt assumed by the Commission or Commission bank notes, after request for funding from the Commission.

On joining, negotiations led to contribution by Chesterfield County of \$500,000 (about \$3.25 per resident) to Commission over 10 years; with this precedent, Hanover agreed to contribute \$3.25 per resident (or \$170,000) over 10 years.

FINANCING STRATEGY: Airport revenue bonds and bank loans, with senior lien over assumed debt service on City general obligation bonds, grants-in-aid, and internally generated funds.

AIRPORTS: Airline: Richmond International Airport
General aviation: None

AIRPORT PREVIOUSLY OPERATED BY: City of Richmond

PASSENGER ENPLANEMENTS (1990): 864,000

NAME: Sarasota-Manatee Airport Authority

CHARTERED BY: State of Florida

BEGAN OPERATION: 1955 under current act (earlier Authority as of 1942)

CHARTER LEGISLATION: Chapter 31263, Special Laws of Florida, 1955

JURISDICTION: Sarasota and Manatee Counties, Florida

PURPOSE: Operate the airport

GOVERNING BOARD:

NUMBER OF MEMBERS: 4

TERM: 4 years, overlapping

HOW SELECTED: Elected by voters on nonpartisan basis. Two each resident in and elected from Sarasota and Manatee Counties.

LEVEL OF INDEPENDENCE: Independent body politic and corporate

TAXING POWER: None

REVENUE SUPPORT/SUBSIDIES FROM OUTSIDE AGENCIES: None

FINANCING STRATEGY: Airport revenue bonds, grants-in-aid, and internally generated funds.

AIRPORTS: Airline: Sarasota-Bradenton Airport
General aviation: None

AIRPORT PREVIOUSLY OPERATED BY: Sarasota-Manatee Joint Airport Authority

PASSENGER ENPLANEMENTS (1990): 990,000

NAME: Hillsborough County Aviation Authority (Tampa)

CHARTERED BY: State of Florida

CREATED BY: City of Tampa and Hillsborough County

BEGAN OPERATION: 1945

CHARTER LEGISLATION: Chapter 23339, Laws of Florida, Acts of 1945

JURISDICTION: Hillsborough County, Florida

PURPOSE: Exclusive jurisdiction, control, supervision, and management over all publicly owned airports in Hillsborough County

GOVERNING BOARD:

NUMBER OF MEMBERS: 5

TERM: 4 years, overlapping

HOW SELECTED: 1 to be the Mayor of Tampa, 1 to be a Hillsborough County Commissioner, and 3 to be selected by Governor.

LEVEL OF INDEPENDENCE: Independent body politic and corporate

TAXING POWER: County may levy limited tax on property in the County at the request of the Authority for construction, operation, or maintenance of airports. Tax levied from 1958 through 1973, none thereafter.

REVENUE SUPPORT/SUBSIDIES FROM OUTSIDE AGENCIES: Cooperation Agreements with the County of Hillsborough and municipalities therein (the City of Tampa), covenanting to pay all or part of the required deposits into reserve or renewal and replacement funds securing revenue bonds. Payments made from available funds other than ad valorem taxes. Agreements were established in 1968 and terminate in 1999.

FINANCING STRATEGY: Primary financing instrument is revenue bonds with added security provided by Cooperation Agreements or 25% debt service coverage and other reserves and deposits. Authority has also used bond anticipation notes, special facility revenue bonds, federal and State grants-in-aid, and internally generated funds.

AIRPORTS PREVIOUSLY OPERATED BY: City of Tampa

AIRPORTS: Airline: Tampa International Airport
General aviation: Peter O. Knight Airport, Plant City Airport, and
Vandenberg Airport

PASSENGER ENPLANEMENTS (1990): 4,781,000

NAME: Tucson Airport Authority

CHARTERED BY: State of Arizona

BEGAN OPERATION: 1948

CHARTER LEGISLATION: Not applicable

JURISDICTION: Pima County

PURPOSE: Develop and promote transportation and commerce by air in the State and the operation and maintenance of airports and all kinds of related facilities, with particular interest in the City of Tucson and Pima County

GOVERNING BOARD:

NUMBER OF DIRECTORS: 7

NUMBER OF MEMBERS: 100

TERM: Life

HOW SELECTED: Elected by members from registered voters and taxpayers of Pima County.

LEVEL OF INDEPENDENCE: Private nonprofit corporation. Tucson International Airport leased from City to 2023 with option to 2048.

TAXING POWER: None

REVENUE SUPPORT/SUBSIDIES FROM OUTSIDE AGENCIES: None

FINANCING STRATEGY: Airport revenue bonds supported by revenues of the Airport System, grants-in-aid, and internally generated funds.

AIRPORTS: Airline: Tucson International Airport
General aviation: Ryan Airfield

AIRPORTS PREVIOUSLY OPERATED BY: City of Tucson

PASSENGER ENPLANEMENTS (1990): 1,264,000

C.
Affected
Parties
Interviewed

Appendix C

LIST OF INTERVIEWEES

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Mayors/County Executive

*John O. Norquist - Milwaukee
Chester Grobschmidt - South Milwaukee
Milton Vretner - St. Francis
Dale Richards - South Milwaukee
Raymond Glowacki - Cudahy

Chairman, Regional Transportation Authority

Jack Pelisek

VP Metro Milwaukee (Tourism Coordinating Agency)

Mary Ladish (now Director of Marketing & Promotions, Milwaukee DCD)

City of Milwaukee

Kirsten Nyrop (Director, Department of City Development)

Labor

Thomas Parker - Labor Council
James Elliott - Building Trades
John Parr - AFSCME
Karen Ordinans - AFSCME

County Budget Director

Sylvan Leabman

County Director of Economic Development

Timothy Casey

County Director of Public Works/Development

Patrick Marchese

County Executive

*F. Thomas Ament (Milwaukee County)
David Schulz (Milwaukee County)
Daniel Finley (Waukesha County, member RTA)

*Telephone conversation providing short description of project and invitation for face-to-face meeting.

Milwaukee County Sheriff
Richard Artison

Greater Milwaukee Committee
Robert Milbourne

Association of Commerce
Peter Beitzel
Douglas Decker (Business Development Manager, Government Markets,
Johnson Controls, Inc.)

Southeastern Wisconsin Regional Planning Commission
Kurt Bauer, Executive Director
Phil Evenson

County Supervisors
Lawrence Kenny (member RTA)
Fred Tabak (former Supervisor)
Daniel Cupertino (Chairman, TPW Committee)
Susan Baldwin
*Robert Jackson (County Board Chairman)
Roger Quindel
Sheila Aldrich
Thomas Bailey
Richard Bussler
Richard Nyklewicz
James Koconis
David Zepecki
Daniel Diliberti
Anthony Zielinski
Anthony Czaja
Thomas Meaux
Leanne Launstein
Mark Borkowski
Lynn DeBruin
Dorothy Dean
Penny Podell
Richard Kuzminski (explanatory letter sent)
Terrance Pitts (explanatory letter sent)
Nathaniel Stampley
*Lee Holloway
Elizabeth Coggs Jones

*Telephone conversation providing short description of project and invitation for face-to-face meeting.

Airport Administration

Barry Bateman (Airport Director)
James Kerr
Anthony Snieg

Federal

Congressman Gerald Kleczka
Thomas Gaudynski (Cong. Jerry Kleczka)
David Meeker (Sen. Bob Kasten)

State Legislators

Sen. Gary George
John Plewa
Brian Burke
Barbara Ulichny
Thomas Barrett
Margaret Farrow
Lynn Adelman
Rep. Tim Carpenter
Richard Grobschmidt
Stephen Loucks
Rosemary Potter

Other State

Robert Packee (WISDOT)
Sherry Steffels (DOA Land/Boundaries)
Armondo Bras (Director of Economic Development)
Timothy Lawless (Administrator-DOD)

Airlines

Timothy Hoeksoema (CEO, Midwest Express)
George Marinos (Former MKE Station Manager, Northwest Airlines)
Daniel Hindes (Chairman, MKE Airline Airport Affairs Committee
representing Northwest Airlines)
Michael Wesche (American Airlines MKE Properties Representative)
Jerome Barnack (USAir MKE Properties Representative)
Rod Mayer (Midwest Express MKE Properties Representative)

FBO

Timmerman Airport
John Lotzer, President, Gran-Aire, Inc.
Christopher Wodushek, Asst. Manager, Gran-Aire, Inc.
Waukesha Crites Field
Peter Schoeninger (Airport Director & FBO)

Other

Walter Farrell, Professor, UWM

Peter Drahn, Airport Director, Dane County Regional Airport

Richard Sokol, Airport Director, Wittman Regional Airport

James Hansford, Airport Manager, Central Wisconsin Airport

George Mitchell, George Mitchell Company