

We Have A Choice...



*Former
Canton
Golf
Course*



*Or
Overcrowded
Schools*

Should We Make Informed Decisions?

On April 26, 2004, a standing room only crowd of approximately 500 attended a town information meeting about Johnnycake airport. The speakers included

- Ted Scheidel - First Selectmen Burlington
- Marie Knudsen - First Selectwoman Harwinton
- Burlington Economic Development Commission
- Federal Aviation Administration
- Connecticut Department of Transportation
- Meriden Aviation Commission
- Richard Miller – Real Estate Investor

After the scheduled speakers were finished the meeting was opened to comments from the audience. As they left the meeting, Burlington residents were asked to vote whether the Selectmen should investigate the possible municipal purchase of the airport. The meeting voted 182 “yes” and 86 “no” – more than 2-to-1 in favor. The town meeting requested that the Selectmen go get information – there was no authorization to move ahead with reopening the airport or to commit to a major expenditure.

At their next meeting, the Board of Selectmen voted to move ahead with an investigation of steps involved in reopening Johnnycake as a municipal airport. Selectmen from Burlington and Harwinton met with the state and federal officials to discuss the scope of a feasibility study, and determined that, after 98.75% federal and state funding and when split with Harwinton, the net cost to the town is estimated at \$675. Harwinton approved doing the study.

For now and the next 12 months, reopening Johnnycake Airport and preserving it from development was expected to be a matter for research and discussion, with no decisions or commitments being made. Despite this neutral status, ever since that town information meeting the Selectmen have been regularly challenged about the town’s decision. Handwritten and inflammatory flyers have been jammed into mailboxes around the airport. The flyers have a hysterical tone about airport safety and finances, the impact on the surrounding neighborhoods and even about the fertility of those living around the airport.

If the intent was to derail the town’s process, the flyers have had some success, as a \$675 study was turned into \$2500 of meetings and referendum. (This is despite a July mail-in poll of Burlington voters that showed 94.2% favoring an immediate move to a study.) There have been mini-riots at the Selectmen’s meetings, as people declined to discuss whether to do a study and instead protested against opening a jet airport in Burlington. Otherwise respectable and dignified residents have been tossing insults at one another, as anyone offering a countering view is believed to be biased or misinformed. (As Selectman Chard noted, if ever a town needed an expert, impartial and objective study, it is Burlington.)

Getting a study should have been straightforward – instead it has been exaggerated into a liberty-or-death discussion of property rights. An informed town vote on the September 13th referendum requires information. We live near the airport, and under the flight path

– our town, street and taxes will all be affected by decisions about the airport, and we would be greatly affected by any changing real estate values. Neither of us have ever flown a plane into Johnnycake and have no emotional ties to the airport. As a student pilot Preston has seen most of the airports in Connecticut. In general, we have a good picture of general aviation while still being objective, and we object to political bullying.

Right around the time of the April information meeting, we had a kitchen table meeting with a school board member and a member of planning and zoning, and developed a list of questions that should be answered. Add about 100 hours of research on those topics, and another 100 hours of writing up this booklet, having it reviewed by experts, and then rewriting it to make sure that it is reasonably complete, balanced and accurate. We appreciate the help of many, but take responsibility for the contents. The authoritative and expert answers to the questions will come with a feasibility study.

*Paid for by
Liz and Preston Kavanagh
10 South Road
Burlington, CT 06013*

Table of Contents

Why the referendum?	4
Question #1 – Should we get a study?	4
Who pays for this?	4
What are the long term economics?	5
What good are small airports?	7
What’s the impact of an airport on home values?.....	7
What about safety?.....	9
What about terrorists?	10
What about the soccer fields?.....	10
Does an airport fit our plan for economic development?	11
Would jets land in Burlington?.....	12
Who would control it?.....	12
Why more government?	13
How would we work with Harwinton?	13
What about the liability?	14
What’s the history?	15
Are there alternative plans?	16
Question #2 - what’s eminent domain?	16
What’s the threat to my home?	17
Why now and what’s next?	18

Why the referendum?

We are voting again on the issue because of a petition; the town charter allows a small group to petition and force a town meeting on any question. The petitioners put forward two questions and the Selectmen responded by granting the request for a meeting, but then moving the meeting vote to a full town referendum.

There are two questions on the referendum ballot. The first question is one that the town and the Selectmen have answered repeatedly – do we want a study? At a public information meeting in April, the town voted over 2-to-1 to get information about reopening Johnnycake as a municipal airport. In July, a mail-in poll of town voters got almost 900 responses – about the normal turnout for a referendum. In that poll, 94.2% of the responses called for immediately moving to get a feasibility study.

The second question asks if the town should use eminent domain to buy the land for a municipal airport. If the town votes “Yes”, then the town will vote the question again when it has to approve taking the 97.5% state and federal funding to buy the land. If the town votes “No”, the town will then be barred from using eminent domain, regardless of the results of an information study, until another town vote reverses the decision.

Question #1 – Should we get a study?

Most people want informed decisions, and that means getting a study. There are no strings attached to the federal and state grants that would fund the study, and the net cost to the town (estimated at \$675) is not material to a town budget of \$12 million. The town has already voted heavily in favor of getting such a study. The study would be done by a consultant selected by the town from a federal list of qualified and expert firms.

There is a small group in town opposed to a study, first with anonymous flyers, then anonymous web sites, then a PAC. The current runway owner, Richard Miller, is not listed as an officer or member of that PAC, but the PAC signs are on the numerous properties he owns around town. That group may have decided the issue before getting an expert study. This booklet is intended to address the questions that have been raised by the PAC and by those living around the airport – it provides a small portion of the information that would be in an airport feasibility study.

Who pays for this?

The money that would be used to reopen and save Burlington’s town airport would come from the owners and operators of airplanes. While detailed projections will be developed during a federally funded feasibility study, the following facts are available today:

- If the town decides to move ahead to preserve its town airport, federal and state grants are available to pay 98.75% of the costs. The federal grants are for 95% of qualifying expenditures, and matching state grants boost the grant amounts to 98.75% of the totals. The money comes in the form of a grant for which the town is obligated to operate and maintain the airport for 20 years. At the end of the grant term, the land can be purchased by the town for other uses.
- The grant comes from the Aviation Trust Fund. Since 1971, a wide variety of government fees and taxes paid by aircraft owners and operators have been paid into an aviation trust fund. Most of us are familiar with the per passenger fee for using major airports, which airlines are allowed to add to the base airfare shown on passenger tickets. Money is available from the trust fund only for aviation-related matters, including the construction and maintenance of public-use airports and the budget of the Federal Aviation Administration.
- Money not spent in any given year is retained by the trust fund for some future qualifying expenditure. In 2003, the federal trust fund had a beginning balance of \$12.64 billion, cash income of \$9.37 billion, cash outflow of \$9.62 billion, and an ending cash balance of \$12.40 billion. (The FAA is one federal agency that makes a lot of money.)
- In 2003, the fund's cash outflow for airport support was \$2.68 billion. An estimate of the cost of a reopened Johnnycake / Mountain Meadows airport is \$9.2 million. Initial conversations with the staff of the relevant congressional committees indicate that the funding will be available for the purpose.
- The town's share of the cost of reopening the airport is estimated at \$115,000. Building and leasing hangar space would generate a net of \$960,000, leaving the town in a positive cash position. The upside projections show a positive cash flow of \$1.8 million. That cash would be carried on the town balance sheet, improving our liquidity, reducing the town's overall debt load and enhancing our bond rating. Under the grant requirements, the proceeds of airport leases must ultimately be spent at the airport.

Essentially, the town would spend \$9 million of the pilot's money here in Burlington. It is not an expenditure of income taxes or any other general revenue source. If the money is not spent on saving Burlington's town airport, there is no way to get those funds for any other purpose.

What are the long term economics?

Specific numbers will emerge from a detailed plan including the specifics of land acquisition, coordination with Harwinton, and discussions with prospective airport managers (fixed base operators, or "FBO's", who pay for the right to be based at the airport). Until then, a simplified financial model shows the expense of acquiring the land for an airport, improving the site with a new runway and hangars, and contracting with an FBO. For each of the major drivers of economic impact, an upside, best estimate and downside case show the reasonable range of assumed values. Only the immediate direct

economic effects on the town were shown – there are numerous studies pointing to wider beneficial economic effects of airports. (According to the state Department of Transportation, the smaller airport in Danielson, CT generates \$11 million of annual economic value.)

- The proceeds of leasing the right to use airport land or property can be held by the town over the life of the lease, but must ultimately return to the airport. There is no restriction on taxing property built on and located on the airport (planes, hangars, buildings, et al.). The PAC opposed to a study has repeatedly declined to correct their presentation. We regret any confusion they have caused.
- Bottom line cash flow - the upside case shows the town generating \$1.8 million of cash from the conversion. The best estimate shows positive cash flow of \$960,000 and the worst case shows \$150,000.
- The town would bear the costs of maintaining roads up to the airport entrance. Clearing the runways, cutting the grass, et al are services normally provided by the FBO under the terms of their lease. Special equipment that might serve the airport (e.g., fire fighting gear) would be purchased with airport funds, but will be available to the town.
- The construction of hangars and a commercial building would create a tax base without the demand for services posed by residential development. The upside, base and downside estimates of taxable property in and around the airport are \$14.1, \$9.9 and \$6.2 million. The annual property taxes range from \$0.25 million to \$0.1 million. This development comes without increasing the demands on the Region 10 schools. Towns collect taxes (5%) on fuel sales and other commercial activity on the airport. These are not reflected in the projections, and provide additional upside.

The most significant long term effect of a municipal airport is the opportunity to create a current town amenity. Airport planners want to see buffer areas around an airstrip, and the grants cover the purchase of the buffer areas. The buffer areas can be recreational as well as industrial, and the pilot group is preparing plans that include biking and walking trails, playing fields and other amenities.

The FBO building will include at least one large meeting room and could reasonably include a wide range of town facilities. Like the library, the airport should become a center for community life. Most airports do this only in the summer, but some CT airports are sponsors of scout troops, training centers for EMT classes, et al. This is part of the expected use for a reopened Johnnycake airport.

At the end of the 20-year grant restrictions, the land will be available for conversion to other town use by paying the value of the raw land. In 2025, the town could close the airport, buy the airport land and build a hospital, a school, or some other public use not yet identified. Aligning the airport plan with the long term land use plan of the town should be part of any feasibility study.

What good are small airports?

Because it occurs overhead, because it is non-intrusive, because it is focused on the confined footprints of airports, it is easy to overlook all the different ways in which small airplanes and small airports are part of our everyday lives. For the record, small airports and small airplanes are used

- to reach new markets, support business partnerships, and make employees more productive
- to attract commercial and industrial development
- for air ambulance and emergency medevac services
- for public health and safety - from finding lost kids to traffic control to spotting forest fires
- for research and education, schools and scouts programs, et al
- for fish spotting for recreational boaters and fishing
- for disaster relief
- for forestry studies and forest management
- for advertising and marketing
- for wildlife management and radio tracking
- for inspection of telecommunications and energy systems
- for banking and finance (overnight check delivery) and
- for aerial photography.

Pilots are using their own or rented airplanes to fly colleagues to business meetings, to tie their families together, to visit tourist spots, to take weekend trips, to watch fall colors around the state, or to take neighbors to see their homes from the air.

- There are more than 600,000 certificated pilots in the U.S.; most conduct general aviation flight operations. Most of the pilots living in Burlington have commercial licenses and fly as part of their work.
- There are 219,000 general aviation aircraft in the U.S. and they account for 77 percent of all air traffic.
- General aviation accounts for 637,000 jobs, with nearly \$20 billion in annual earnings. The direct and indirect economic impact of general aviation exceeds \$100 billion annually.
- General aviation transports about 180 million passengers annually and an estimated 65 percent of all general aviation flights are for business and corporate travel.

Across the country, 5400 public use airports are being operated by towns, states and individuals. Only 540 of those airports have commercial service – 40% of the country lives within 45 minutes of a commercial service airport, but 98% lives that close to a public use airport. Burlington's decision regarding continued operation of Johnnycake airport will determine whether we gain the benefits of a town airport.

What's the impact of an airport on home values?

There have been numerous studies published on the effect of airports on the value of surrounding housing. Almost all of the work deals with large jet airports (LaGuardia, et

al.). The most informative work for a comparable situation was done for the New Jersey Department of Transportation in connection with Solberg-Hunterdon Airport, a long-standing public-use airport in an area with million dollar homes. That airport was putting in a 5500 foot runway to handle corporate jets. The situation is not a perfect comparison – Johnnycake has a 3400 foot runway and wetlands mean the runway cannot be expanded. Still, the New Jersey report concludes with the following:

- Literature Review: A review of 15 studies suggests that although aircraft noise may have an impact on property values near large international airports, property values may be more substantially affected by neighborhood quality, proximity to and quality of schools, property taxes, crime levels, etc. rather than moderate aircraft noise. The literature does not support any relationship between aircraft noise from small (general aviation) airports and surrounding property values.
- Airport Case Studies: Anecdotal information by local real estate professionals, planners, assessors, and appraisers who have knowledge of the neighborhoods near general aviation airports, suggests that there is no evidence to support a relationship or correlation between airport noise from general aviation airports and a negative impact on residential property values.
- Real Estate Review: A review of the real estate market at New Jersey airports with runways of 5,000 feet or more [longer than the 3,400 feet at Johnnycake and intended to serve business jets] indicated that residential properties immediately surrounding these respective airports have experienced no negative impacts on market value.
- Economic Survey of Airport Region: An analysis of residential real estate sales data for the area surrounding Solberg-Hunterdon Airport indicates that the demand for residential property in the area is high. Residential properties within two miles of the Airport area have experienced greater increases in value than properties beyond two miles of the Airport.

While the situation in Burlington is similar to the one in New Jersey, additional Burlington facts include:

- The airport has been in existence since the 1950's, and virtually all development in the area has occurred during the active operation of the airport. Since those homes were purchased and built during the continuous operating period of the airport, it cannot reasonably be asserted that there has been or will be a loss of value due to its continued operation.
- The homes that have been built in the area of the airport have average values above those of other areas of town, suggesting that the open space of an airport can attract higher value homes and thus pull up the value of existing homes.
- Over the past 20 years Burlington has seen a sharp increase in the number of homes, and most of the new homes are occupied by young professionals. For that demographic group, the single most important factor in home selection is the quality of the school system. Anything that threatens the quality of the school system will reduce the marketability and attractiveness of Burlington residences. Any residential development of the town airport and surrounding property can be expected to crowd the schools and adversely affect home prices. Decisions protecting the property from such development will positively affect home prices.
- Airplanes do generate noise, and that noise can be heard in the surrounding neighborhoods. The level of that noise is surprisingly low, and is comparable to

neighbors having a conversation as they walk past. The noise footprint of an airplane overhead and at pattern altitude ranges from 51 (Piper Cub) to 63 (Beech Bonanza) decibels (“db”). An indoor conversation is 55 db, and outdoor one is between 55 and 60. A vacuum cleaner is 60-85 db and a crying baby is 110 db. Airport noise attracts attention because it is unusual and unexpected, not because it is loud.

- Johnnycake has continued as a privately owned heliport. A complaint regarding helicopter operations has arisen since the airport was closed, suggesting that the attractiveness of airport area residences has deteriorated since the close. An operation under municipal control would be able to respond to and address the issue of helicopter training operations. That control does not presently exist, and suggests that municipal control of the existing airport would be an enhancement of home values.
- Since the airport has closed, pilots have discovered it as a place where they can practice flight maneuvers without concern for traffic in the airport landing pattern. Before the airport closed, air traffic passing overhead had to stay 1500 feet above the runway (500 feet above the pattern altitude). That same traffic now routinely passes at 1000 feet and less above the runway. The flight path of large passenger jets landing at Bradley formerly kept clear of the airspace at Johnnycake airport. Bradley controllers have begun to routinely bring large jets lower over Burlington. Perversely, closing the runway has increased airplane flyover noise for neighborhood residents.

In summary, studies show home prices are depressed by the operations of international jet airports, but other factors are more important. Home prices are neutral to or benefit from proximity to general aviation airports. There is Burlington-specific evidence suggesting that neighborhood property values would be enhanced by a decision to leave the property as an operating airport.

What about safety?

Accident statistics are ghoulish, and yet decisions are best based on facts, like the following:

- In the United States, in the 15-year experience from 1980 through 1995, a total of 1318 deaths were attributed to lightning (average: 82 deaths per year).
- In the United States, in the 15-year experience from 1987 to 2002, a total of 25 deaths of off-airport bystanders were attributed to injuries created by small airplanes (average: 1.7 deaths per year). Combining the two measures, a bystander is 48 times as likely to be killed by lightning as by an airplane or airplane part.
- In 2002, 42,815 people were killed and 2,926,000 people were injured in 6,316,000 police-reported motor vehicle traffic crashes. Also in 2002, general aviation aircraft had 312 fatal accidents, killing 518 people during 25,500,000 hours of operation and an estimated 100,000,000 takeoffs and landings.

Auto deaths and injuries are measured in the millions and are so frequent that the news item is buried on the inside pages, while airplane accidents are rare and make front page

news. Increasing the safety of Burlington citizens can come from reducing speeding on Route 4, creating better road signage, and use of safety belts. There is going to be no meaningful impact on the safety of Burlington citizens, property or schools arising out of any decision about the airport.

What about terrorists?

Some perceive that aircraft of any size are the potential tools of terrorists. Assuming that terrorists want to attack Burlington, facts include the following:

- The typical GA aircraft (Cessna 172) weighs 2,400 pounds and carries 56 gallons of fuel. A Boeing 767 can weigh more than 400,000 pounds and carries 25,000 gallons of fuel. A report¹ by an internationally recognized nuclear security and safety expert concluded that a small aircraft could not cause a release of radiation from a nuclear facility.
- Following the September 11 attacks, the federal government grounded all aviation in September 2001, then incrementally restored flight operations after careful security review. Eight different federal agencies have specifically examined general aviation flight operations in all parts of the nation and have approved continued GA flight under current regulations (with minor exceptions for two airports very close to the nation's Capitol). The 9/11 commission report makes recommendations on many things, but does not call for any change in GA operations or regulation.
- On May 17th, the TSA released their guidance for the security of general aviation airports. Their recommendations are flexible and tiered, allowing local decisions that consider the airport's characteristics and usage to determine the appropriate level of security. The needs at Johnnycake could be met by video surveillance; municipal airports are not required to have perimeter fences. 98.75% of the costs of security measures are eligible for federal and state funding.

While not discounting the sincerity of the concern, there seems to be little or no reason to believe that decisions about restoring the operation of the airport will have any effect on the local, regional or national risk of a terrorist act. Certainly the federal government is encouraging the continued operation of small airports and small aircraft as a central part of the national aviation system.

What about the soccer fields?

Currently, the most common use of the buffer space around Johnnycake airport is the use of fields for the recreational soccer programs. Every previous Fall weekend, the fields were crowded with children playing while parents watch and airplanes operated in the background. This has not been a safety concern or a conflicting issue in the past.

The plans for the re-opened airport (as set forth in speculative discussions) include major benefits for the town apart from economic development. Of the 237 acres on the Burlington side, only 1.3% is runway, and the balance is open space. The airport requires

(and federal and state funding will pay for) buffer areas, and the plans include public access to park-like areas, bicycle trails and guaranteed long-term access to the playing fields in the current airport footprint.

Does an airport fit our plan for economic development?

Local examples show how airports attract commercial enterprise, and a re-opened airport operated in a rational manner would attract desirable businesses to Burlington. Facts include the following:

- The closest airport is Robertson Field in Plainville. The airport is ringed with occupied commercial buildings, and those businesses are attractive additions to the town. The airports at New Haven and Meriden, though laid out in residential areas, are homes to vibrant businesses both serving the general aviation fleet and businesses for which access to a small airport and easy travel is essential. Pioneer businesses are those that demand access to the airport, quickly followed by those that provide other commercial services. That pattern of development would preserve the center of Burlington for retail businesses.
- Aerosance is a Teledyne subsidiary bringing advanced technology to general aviation aircraft – it has said it would move to Burlington’s town airport if there were a stable airport operation. The pilots association knows two other businesses ready to move to the airport should the airport have a stable and predictable future. Thus, there is good evidence that commercial property would be built on the site, and that property would be leased and active, creating jobs and paying taxes without demanding residential and school system services.
- The airport itself is a business, generally embodied in the fixed base operator (“FBO”). The FBO signs a concession lease with the town and is allowed to levy certain charges on the resident aircraft, sell aviation gasoline, provide repair services, maps and supplies. The lease arrangement with the FBO is structured to cover any and all the costs to the town of having an airport – the town seeks to break even – while leaving the FBO enough profit margin incentives for a vibrant service business. Local airports seem to be doing well in this – there are few if any local airports without an FBO operator, and those airports are not a drain on the municipalities. The FBO operator formerly at Johnnycake now operates the Meriden FBO, and has expressed an interest in returning to a stable and predictable Johnnycake.
- An attractive airport would also create positive economic ripple effects in town. Any business serving customers outside of major cities has a strong inducement to locate close to a small airport - airlines serve only 540 of the nation’s 5,400 public use airports. Small airports and small airplanes are the capillaries of the national system - 180 million passengers a year fly on the small airplanes of general aviation, traveling to meet customers, deliver parts, provide emergency and medical transportation, etc.

The facts seem to show that the economic development of Burlington will be more attractive, better controlled and done with lower taxes if the town continues to have a local airport. The availability of federal and state funding is a surprising extra incentive atop what is already a compelling package of economic benefits.

Would jets land in Burlington?

No one wants to have a large international jetport operating at Johnnycake / Mountain Meadows - regardless of the actual noise signature of the aircraft, any jet is regarded as too big and too loud to be appropriate for the character of the town. The availability of federal and state funds for the purchase of the airport presents an opportunity to upgrade the facility and some residents fear this will attract jet traffic. The following addresses the question of runway length and use by jets.

The current 3400 foot runway would be appropriate for a re-opened airport and extension may be impossible - the current owner has repeatedly sought and failed to lengthen the runway. The FAA provides standards for the minimum runway length appropriate for various sizes and weights of aircraft – their standards are as follows:

<u>Runways to 3500 feet</u>	<u>Runways to 4000 feet</u>
Beech Bonanza	Beech Baron
Cessna Skywagon	Cessna 340A
Piper Cherokee Six	Piper Navajo

None of these are jets, which the FAA believes should operate at runways of 5000 to 12,000 feet. Insurers agree with the FAA, and either surcharge, require special training or decline to cover operations on shorter runways. A runway of less than 5000 feet may be economically unavailable to jets, and would not be attractive. A town-controlled airport could also decline to sell jet fuel and refuse to build hangars large enough to shelter jets. Either additional measure would make it impractical to base a jet aircraft in Burlington. Note that the emergency or other extraordinary use of the airport is possible, and jets cannot be forbidden from the airport.

The PAC which opposes obtaining a study continues to claim that the state and federal authorities are planning to expand Johnnycake into a major jet facility. The listed officers of the PAC have been present at public meetings where state and federal authorities have said that this is untrue. They continue to make the claim, but have not said how they reconcile it with the facts.

Who would control it?

For everything that matters to the town, the governance of municipal airports rests with the town. Most municipal airports are supervised by “aviation commissions” appointed by the town and representing a cross section of the community. That group is responsible to the town council or selectmen for the operations and planning for the airport. Creation of the commission and any material changes in the airport would normally be subject to referendum.

The Federal Aviation Administration requires that grant recipients abide by the terms of the grants. The terms are expressed in “grant assurances”, and the expected compliance is spelled out in the “Airports Compliance Handbook”. The FAA requires that airports operate in compliance with federal laws (e.g., non-discrimination in hiring and wetlands

protection), and that the property be maintained. The state agencies follow the federal guidelines and focus on safety.

The expectation for Johnnycake is reopening and retaining a small airport, similar to the operations in the 1980's. There is no record of the FAA or state forcing runway extension or other unwanted changes in the operating profile of municipal airports. Fears of a large airport capable of jet operations require believing in a conspiracy between the federal, state and local government. The feasibility study should address this matter.

Why more government?

The current owner spent 10 years owning the runway half of a public use airport, and has now closed it. The Selectmen have introduced alternatives and buyers that would preserve a small airport for the community, but those have been rejected. Now, keeping the airport will require converting it to a municipally owned facility. Governing it would require an airport commission.

The town currently has several similar boards and commissions that report up to the Board of Selectmen. (There are 14+ boards and commissions reporting to the Selectmen – it takes a lot of volunteers to make this town run!) An airport commission would have a distinct physical footprint in town, and could be compared to the library, with its Board of Directors. Since the principal job of the airport regulators would be negotiating and enforcing a contract with an airport operator, it is comparable to the Advisory Council that supervises the cable company. Since the airport is expected to have recreational facilities in the runway buffer zones, it would work closely with Parks & Recreation. Since the airport is expected to generate cash for the town, it would work closely with the Board of Finance.

Other towns handle their airports with commissions of five to seven members, drawn from across the town. As with any new undertaking, there should be close supervision from the Selectmen and other town boards and commissions for the first year or two, while the commission focuses on establishing smooth operation and maximizing services to the town.

How would we work with Harwinton?

A reopened Johnnycake is expected to occupy the same footprint as it has for the past 50 years. Straddling the town line, a portion of the airport is in Harwinton. Governance, taxes and authority will be done in coordination with Harwinton, much as is the proposed feasibility study.

The logical approach would be to share the rights and responsibilities associated with the airport in proportion to the total acreage of the airport. Rather than quarrel over the location of hangars on the east or west side of town line, all property taxes would be

pooled, then allocated based on a formula. This approach has worked for Region 10 – the costs of the school district are allocated based on student counts. In the same way, there would be a survey setting a ratio, which would drive the sharing of municipal airport cash flow and the pool of annual property taxes.

What about the liability?

All municipal airports in the area have active fixed base operators (“FBO’s”), running small businesses on the airport under the terms of a lease signed by the town and/or a town airport commission. As part of that lease, the FBO is required to have insurance covering all their operations. No matter how carefully crafted the lease terms and insurance requirements, municipalities generally choose to carry excess liability insurance protecting against the possibility of a claim where governmental immunity is set aside and where the damages are greater than the limits available under the FBO’s policy.

- Mr. James Woodside of Arthur J. Gallagher is an insurance agent serving the South Carolina municipal risk pool. He noted that municipal liability coverage for airports was widely available - he noted three markets that would be able to give immediate quotes. In his experience, the annual premium would be \$10,000 for \$5 million of coverage. He noted that most municipalities found it more efficient to have the exposure separately rated during the underwriting of a larger municipal liability policy, and to then charge the premium back to the FBO through the lease.
- Ms. Carol Laughlin is the Assistant Director of the Texas intergovernmental risk pool, which insures numerous municipal airports with similar operating profiles – no commercial service to the airport, a 3400’ landing strip, and 30 to 50 single engine aircraft based on the airport. Coverage is not a problem. She has characterized their municipal airport experience as “excellent”.
- The Connecticut Interlocal Risk Management Agency (CIRMA) is a nonprofit, tax-exempt association of Connecticut municipalities and public agencies. Mr. Bruce Wollschlager is the Chief Operating Officer and, while there are no Connecticut towns that currently buy this coverage through the CIRMA pool, he is ready and willing to underwrite and price it.

Other Connecticut towns are operating their municipal airports, comfortable that the airport is neither uninsured nor a significant demand on the insurance program of the town. The intermittent use of 3400' of asphalt is less of a hazard and financial risk than a single school playground. For the past 50 years private individuals have owned the airport property and felt comfortable with the liability, despite an aging and decaying infrastructure.

What's the history?

Johnnycake Airport has been located on the Burlington- Harwinton town line since it was created from a cow pasture in 1955. Throughout the 60's, 70's and 80's, the airport operated on a handshake agreement between the runway owner and the owner of the hangars. At its peak, there were three businesses based at the airport and employing between 20 and 30 people. In 1993 the runway was acquired from the estate of the co-founder by Mr. Richard Miller, for less than \$1 million. (Mr. Miller is a local real estate speculator who owns eight parcels and several hundred acres in town.) Since that time, the airport operation has had inconsistent direction.

Initially, Miller focused on lengthening the runway and expanding the airport into a jet-capable operation. He

- received pro bono services from an engineering company and met with the CT DoT to pursue possible federal and state funding for airport improvements.
- sought to create a “mini-hub” for use by Federal Express or UPS package sorting. A required runway extension was not possible.
- requested that airport personnel find a source of fill and begin lengthening the runway. The personnel believe the requested fill area is a protected wetland and the request was refused.

Subsequently, he looked for other ways to profit from owning the airport. He

- sought and obtained approval to construct additional hangars on the property. He declined to make the investment himself, and could not reach agreement with any other party.
- used the land as a parking lot for tractor trailers and as a warehouse staging area.

Frustrated by the lack of progress and the threatened loss of a community resource, the town introduced state experts and outside consultants to advise on the profitable operation of an airport, most recently in 2002. Miller declined to make any of the suggested investments or changes. He also moved the current users of the airport onto a month-to-month lease at an sharply increased rate. In April of 2004, he closed the runway to public use. The airport continues as a helicopter operation located solely in Harwinton.

The facts support a view of the current owner as initially pursuing airport expansion to accommodate jets and large scale commercial operations. Unable to extend the runway, he resolved to end the operation of the airport. At the April 26 airport information meeting, he declared his desire for residential development on the property. Since that time, he has received a “cease and desist” order related to the unauthorized dumping of large quantities of fill, as he prepares for development of the property.

Are there alternative plans?

At a recent riotous Selectmen's meeting, the owner distributed a chart showing a possible development of the site. It featured corporate office buildings, senior housing, recreational trails and large residential lots. While distinctly different from other development plans that he has also shown for the property, it is an appealing combination of town amenities and a diversified tax base.

The problems affecting the alternative plan are

- Lack of an experienced and credible developer. Mr. Miller has presented other projects to the Selectmen and subsequently declined to deliver on the promises. Most recently, a plan for a large grocery store on the site has fizzled.
- Lack of a market for the envisioned commercial development. There are vacant commercial buildings in Farmington, Bristol and Avon, and no clear reason for office tenants to prefer the new location.
- Lack of easy access. The Johnnycake airport site is not convenient to major roadways, and a convincing office park would require widening Route 4, increasing the speed limit and installing traffic lights. It might also be necessary to greatly increase the capacity of Routes 72 and 69, and to convert Johnnycake Mountain Road into a through North –South connector.
- Lack of capacity for septic systems. While described as Johnnycake “mountain”, most of the site is subject to seasonal flooding. Development of the site may require extensive and expensive engineering for septic systems, or installation of a town sewer line.

Despite those apparent faults, a separate feasibility study may show that the alternative is viable, and the Selectmen have offered to work with the landowner to get such a study, in parallel with an airport study.

Question #2 - what's eminent domain?

Eminent domain is a process refined over the full 225 year history of the United States, a process that reconciles the rights of property holders (central to the Constitution) with government of, by and for the people (central to US history). Eminent domain was used to create the interstate highway system, most of the railroads, most hospitals and schools and the Carnegie public libraries.

Almost everyone approves of these projects, so how did eminent domain get such a bad name? In 1981, the City of Detroit took people's homes for “public benefit” and gave the land to a commercial developer. This was the first shift from “public use” to “public benefit” in using eminent domain, and it put the legal limits of eminent domain on a slippery slope. The attempted abuses were remarkable - in Arizona, one town invoked eminent domain when it tried to replace a brake shop with a hardware store. In New Jersey, a town tried to take oceanfront homes from the present owners so that a developer could build expensive new condos. This Spring, the Connecticut Supreme Court voted 4-

3 to support the City of New London in taking homes so that a developer could build an office building. Those are very good reasons to oppose the abuse of eminent domain for “public benefit”. On July 30th, the Supreme Court of the United States revoked the Detroit precedent, and we are back on the safe ground of eminent domain available only for “public use”, not “public benefit”.

The Selectmen have kept to a higher standard. The unwritten rule in town is that eminent domain will be used only where there is existing, explicit statutory authority. Water ways, widening roads and airports are all effectively pre-approved in state statutes, approved as justified uses of eminent domain. (Attacks on the Selectmen on this topic have consistently ignored this important distinction.)

This is a “public use” matter, and consistent with past uses of eminent domain by the town. If the study is favorable, and if the town then votes to take the grants and then votes to create a public use municipal airport, the Selectmen would approach the landowner. If they cannot agree on a price, then three valuation studies are done. The town would then have a final conversation with the landowner and, if there is no agreement, would use the town vote on eminent domain to support the purchase of the land for public use (the appropriate use of eminent domain).

What’s the threat to my home?

This is not a matter of homes and a homeowner’s rights – this is about an airport and airport law. Airport law, including the airport-related use of eminent domain, is a distinct and separate body of laws that specifically enable the town to preserve or protect an airport. A use of eminent domain for an airport is not a precedent for use of eminent domain for other purposes. Because this statute is a separate and distinct section written for airports only, there is little or no reason to see this as a precedent for other town decisions. Also, the law is clear and well settled and there is little or no prospect for an extended legal battle.

Airport property rights are different than for other real estate. Airport law was in effect when the property was purchased and was reflected in the property value at that time – the current owner got a bargain price on 237 acres because he bought an airport, the right to operate an airport, and promised to continue to operate it as an airport. When the current owner bought an airport runway, he bought something vested with as much public interest as any road. When the airport was closed, something was taken away from the town by a real estate speculator. If the town needs to defend its own rights, most voters would say it should do so. The laws governing eminent domain protect the town from loss of its rights and provide the town with some control over its future.

The process guarantees the seller full compensation at fair market value, and ensures fair and rapid settlement of any disputes over valuation. Because the law is clear, legal counsel can provide significant comfort at modest cost. Such an opinion should be part

of any feasibility study. Rather than argue over these issues, most would prefer an agreed value transaction.

At a recent town meeting, town counsel Charles Bauer stated that the property rights of homeowners around the airport and elsewhere in town would not be affected one iota by the reopening of the airport – they would have the same protections they have always had, and the same protections as homeowners elsewhere in town. The Federal Aviation Administration has said that the town purchase of this property would be a “one-time grant”, with no future funds for the purchase of additional land or expansion of the airport. The PAC opposed to a feasibility study has stated that the homes around the airport would be subject to seizure. There is no explanation for how or why the claim continues to be made despite the known facts.

Why now and what's next?

The schools referendum demonstrated the costs of residential development, and the search for a new school site demonstrated the need for better land use planning. If, as reported, there are plans for intensive development of the property, there are high stakes and only one chance to get this right. Airport land can be set aside from residential development at little or no current economic cost to the town. This preserves town capital for the upcoming land use issues raised by the sale of large parcels of water company land.

An airport also looks like a good way to achieve the most desirable kind of economic development for the town – one that benefits many, lifts the tax burden of all, and makes few or no demands for municipal services. It can do this without changing the character of the town, unlike all alternatives for development of the airport site.

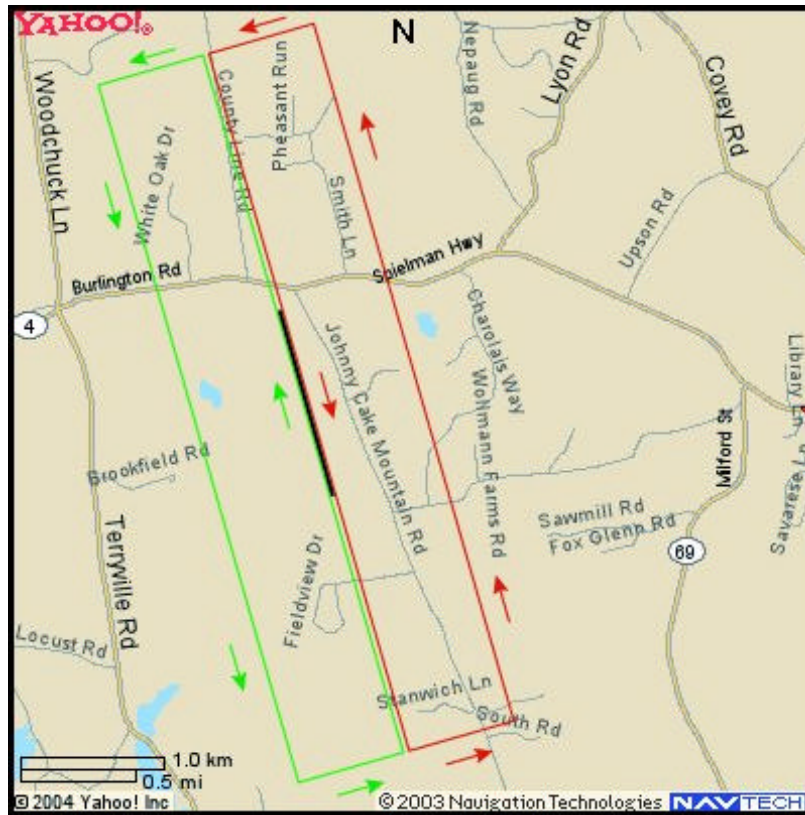
The current expectation is that the September vote will be followed by an application and October approval of the study funding. The Selectmen will publish a request for proposal for the work of the study, then interview and retain an impartial and expert party who will conduct the study. In 2005, after the Selectmen are familiar with the contents of the study, they are likely to call for a town information meeting, where the study findings and recommendations will be presented. That information meeting would then be followed by a referendum on whether to move forward in accepting federal and state grants to purchase the airport land, a vote on forming an airport commission, et al.

Sources

All sources are believed to be accurate and impartial – verifiable statistics were selected over reports of opinion, and actual rules and regulations over third party reports. While most government information is available on internet sites, some of the government information was provided by personnel at the reporting agencies. Hard copies of the data set have been provided to the Selectmen.

- Airports and real estate values – New Jersey Department of Transportation report on extension of a runway at Solberg-Hunterdon Airport
 - Airplane accident statistics – 2003 Nall Report at http://www.aopa.org/asf/nallfaq_03.html
 - Auto accident statistics – National Highway Traffic Safety Administration at <http://www.nrd.nhtsa.dot.gov/departments/nrd30/ncsa/AvailInf.html>
 - Lightning deaths – Center for Disease Control at <http://www.cdc.gov/mmwr/preview/mmwrhtml/00052833.htm>
 - General aviation unsuitable for terrorism – http://www.aopa.org/whatsnew/newsitems/2002/020621_homeland_security.html
 - Aircraft noise – www.aopa.org
 - Airport history – articles in Hartford Courant and Connecticut Magazine, filings at the Burlington Town Hall and interviews and signed statements of airport personnel.
 - FAA data on runway requirements for jet aircraft – <http://www.faa.gov/arp/aso/sponsorsguide/rwlenjus.htm#3500>
 - FAA grant assurances – www.faa.gov/arp/financial/aip/assurances.cfm
 - Aviation Trust Fund balances and cashflows www.airtransport.org/econ/files/trustfund.pdf
 - Airport liability costs – as noted in text
 - Airports and eminent domain – Connecticut General Statutes Section 13b-43 at [www. Search.cga.state.ct.us](http://www.Search.cga.state.ct.us)
1. A report - <http://www.aopa.org/whatsnew/newsitems/2002/02-2-160.html>

Johnnycake Airport Area and Traffic Pattern



Simplified Model of Airport Economics - Impact on Burlington Finances

	Upside	Base	Downside
Purchase Price of Airport Land	4,500,000	6,000,000	9,000,000
Required Improvements			
Runway	1,000,000	1,800,000	2,500,000
Taxiways	250,000	750,000	1,250,000
Edge lighting	50,000	75,000	150,000
Aprons	100,000	300,000	600,000
Fencing, security	100,000	300,000	600,000
Costs, Eligible for Grants	6,000,000	9,225,000	14,100,000
Federal & State Funding			
Federal Grant	95.00%	5,700,000	8,763,750
State Grant	3.75%	225,000	345,938
Total Grants		5,925,000	9,109,688
Outflow to Purchase and Improve Land	(75,000)	(115,313)	(176,250)
Proceeds from leasing space for airplane hangars			
Number of hangar buildings constructed	5	4	3
Number of parking spaces per building	10	10	10
Number of spaces available for lease	50	40	30
Retail sale of each 20-year hangar lease at	\$ 50,000	\$ 40,000	\$ 30,000
Proceeds of hangar lease	2,500,000	1,600,000	900,000
Less cost of hangar construction	(700,000)	(640,000)	(525,000)
Net cash from building and leasing hangars	1,800,000	960,000	375,000
FBO Lease, negotiated by town, pricing targets breakeven after all incremental town costs			
Annual rent based on			
- airplanes hangared + number of tiedowns			
- 3-7% of FBO revenues, incl. fuel sales, instruction and maintenance			
FBO allowed to collect monthly maintenance fee for hangars, space rental for tiedowns			
FBO required to provide insurance for all airport operations			
FBO required to maintain grounds, town required to maintain road up to airport entrance			
Airport lease priced for no loss to town after all incremental costs			
FBO Cashflow to Town, Net of All Incremental Costs	50,000	25,000	(50,000)
Summary of Cash Flows At Inception			
One Time Purchase and Improvement	(75,000)	(115,313)	(176,250)
One Time Hangar Cashflow	1,800,000	960,000	375,000
FBO Cashflow to Town (immaterial)	50,000	25,000	(50,000)
Year 1 Direct Cash Impact on Town	1,775,000	869,688	148,750
Annual Property Tax Flow to Town			
Value of Taxed Property Placed on Leased Airport Property			
Hangar Buildings	(700,000)	(640,000)	(525,000)
Airplanes in Hangars and Tiedowns	3,250,000	2,750,000	2,250,000
FBO Building	3,000,000	2,000,000	1,000,000
FBO Hangar	1,500,000	1,000,000	500,000
subtotal, airport operations	7,050,000	5,110,000	3,225,000
Office Building			
sq. footage	25,000	20,000	15,000
construction cost/ft	\$225	\$175	\$125
subtotal, small business tenants	5,625,000	3,500,000	1,875,000
Value of Taxable Property	12,675,000	8,610,000	5,100,000
Assessed Value (70%)	8,872,500	6,027,000	3,570,000
Mill Rate, Commercial Property	0.0255	0.0255	0.0255
Annual Property Taxes	226,249	153,689	91,035
Reduction in Bonding Requirements	1,775,000	869,688	148,750
Debt Service Supported by Annual Property Taxes	3,215,538	2,184,283	1,293,826
Bonding Relief	4,990,538	3,053,970	1,442,576