

STATE OF THE AIRPORT
MAYOR BILL WIGGINS
MAY 23, 2000
(as presented)

Recent history

It has been several months since Mayor Murphy reported to the public on the status of the negotiations over a new terminal at the Burbank Airport. Much has happened in the last several months and I would like to take some time tonight to report to you on those developments and tell you about a deadline that the City will allow to expire as of tomorrow morning.

As most Burbank residents know, Council members Murphy and Golonski signed a *Framework for Settlement* with the Airport Commissioners Carl Meseck and Starbird last August. The *Framework* set forth the outline for a deal that was designed to provide a permanent resolution to the airport debate that has occupied our city's attention on-and-off for going on 30 years now.

The first formal Council action contemplated by that *Framework* was a series of agreements with the Airport Authority that allowed it to complete the condemnation lawsuit against Lockheed for the B-6 Property. Last November, the City Council and the Airport Commission approved these agreements. They allowed the Airport Authority to take title to about one-third of the B-6 Property but prohibited any construction on the property without City approval. The rest of the property has been held in a Trust until such time as the City and the Airport Authority can agree to a final deal for a new terminal. Those agreements, which we call the Title Transfer Agreements, set a deadline of May the 24th – tomorrow – for the parties to reach a final agreement for a new terminal. Unfortunately, that deadline will expire tomorrow without an agreement and I'll talk later about the consequences of that deadline.

Attempt to get FAA involvement

Over the last nine months, we have spent literally dozens and dozens of hours with FAA staff and the FAA Administrator, Jane Garvey. We tried to convince the agency that the *Framework* is a delicate balance which protects our residents while complying with the many federal laws that regulate airports. We believe that the *Framework* respects every federal, state and local law, but the FAA has continued to disagree.

I cannot possibly catalog all the concerns that the FAA staff has had with the *Framework*, but I want to comment on two items in particular. The *Framework* was premised upon an important compromise: let the Authority build a terminal without the need to go through the FAA's time-consuming Part 161 study process but limit that terminal to a replacement of the existing 14-gate terminal. We agreed on a measure – the closing of the terminal at night – that all parties thought could provide meaningful noise relief without a 161 study. The FAA rejected that approach. They said that, since our intent was to limit use of the Airport at night, the Authority would have to prepare a Part 161 study. Try as we might, neither the Authority nor the City could convince the FAA to allow the Authority to avoid the Part 161 process and still have meaningful noise relief. All sides came to recognize that we would have to comply with Part 161 study to get any real noise relief for the Airport's neighbors.

The FAA's second major objection was to setting forth all the terms of a final deal in a formal Development Agreement. FAA staff was concerned that the Development Agreement was not the legally appropriate tool for an agreement between the City and the Authority over limits on Airport operations. Again, though we disagreed with the FAA staff, we have been discussing alternative mechanisms to memorialize an agreement. We believe that we have identified alternative approaches that satisfy all of the FAA's legal concerns.

As a result of the FAA objections, the City Council and the Airport Authority Commission concluded that we had to revise the *Framework*. We had to accommodate the FAA staff's view on federal law – even though we may disagree with them.

We have spent the last several months discussing revisions to the *Framework*. The City Council's Airport Committee – made up of Council members Murphy and Golonski – have met many times with the Airport Commission's Negotiations Committee – made up of Commission President Carl Meseck and Commissioner Chris Holden. In addition, our respective staffs have met formally and informally at least every week for the past few months. We have brainstormed, exchanged ideas and approaches to allow a terminal to be built but also guarantee the noise and traffic relief that we so desperately need. These revisions to the *Framework* are a work-in-process. We are working to ensure that any proposal satisfies the FAA's legal and policy concerns. When it is completed, we hope that the proposal will offer a realistic way to build a new terminal, to protect Burbank residents permanently from excessive noise and traffic and to contribute to improving safety at the end of the runways – an issue made all the more real by last March's incident with Southwest Airlines. The Council has already decided that that proposal or any other final agreement will be subject to voter ratification.

Through the most recent round of talks, we made a lot of progress. But one of the greatest sticking points remain. Very simply, it was: The City insisted that, before any terminal can be built, the Authority must show that it has implemented a legally-enforceable curfew. Both sides recognize that a curfew would require a detailed technical study and formal FAA approval. The Authority, though, wanted some indication from the FAA that the study would not be a waste of time. Since federal law changed in 1990, no airport in the United States has tried to adopt a curfew and the Authority was naturally worried that the FAA would not approve a curfew here.

It was a curfew issue that led to our meeting last Friday with FAA Administrator Jane Garvey. Going into that meeting, we knew that federal law would not allow Ms. Garvey to promise to approve a curfew. But we had heard so much criticism from the FAA that

we also knew we needed a strong statement of support for the curfew before we could move forward negotiating any deal.

Successful meeting

It was exactly that strong statement of support that we finally received last Friday from Ms. Garvey.

Putting aside many private and public criticisms of the *Framework*, Administrator Garvey finally told us what we can and what we cannot do. For the first time, Ms. Garvey acknowledged that what we have been urging for years: *a critical element of any new terminal will be the imposition of a curfew.*

Although it would have been improper for her actually to endorse a curfew today, she did tell us that, based on review of preliminary data, her staff has concluded that a curfew has the potential to provide meaningful noise relief. She cautioned, however, that a curfew would also present impacts on businesses that would have to be addressed in the Part 161 study.

Perhaps most importantly – and most unusually – Ms. Garvey personally committed to help expedite the required study of the curfew. This could mean that the study will be completed in as little as 18 months instead of the 3 to 4 years predicted by the Authority’s consultants. We know that it is very unusual for the FAA to agree to help an airport expedite such a study and to cooperate to make sure it is completed efficiently, effectively and legally. This was a crucial offer from the FAA that should break our months-long log jam.

We are deeply grateful to Ms. Garvey and her colleagues, including Associate Administrator Woodie Woodward and her colleague, Catherine Lang, for their leadership in helping us navigate the maze of federal requirements. We are sorry that it has taken so

long and disappointed that we do not have a final deal today, but that does not temper our appreciation for the FAA's willingness to help craft a legal, enforceable local solution.

The FAA has done its part. Now is the time for the Airport Authority to join the City in crafting a proposal that includes a curfew and other permanent noise relief, financial guarantees, and environmental and traffic mitigation that meets all of the FAA concerns.

Deadlines

Now even with Ms. Garvey's pledge of support, we have a lot of work to do.

Last autumn, we thought that we could reach a deal by this time. We committed to our residents that we would try to reach a deal but would not continue down that path forever. And, most of all, we committed that we would not sign a deal unless the Council was convinced that it was a fair deal for Burbank today and for the Burbank of the future. Since then, we have also committed to let the voters decide whether a deal makes sense and that we would not finalize any agreement without voter ratification. We won't waver from these commitments.

At the beginning of my talk, I referred to the Title Transfer Agreements and the deadline of May the 24th for reaching a final deal with the Authority. We have repeatedly stated that the City would consider extending the deadline – but only if there were tangible signs that we were close to a deal with the Airport Authority. Unfortunately, we have not made enough progress today to meet that standard. Neither the City Council nor the Airport Commission concluded that it would be appropriate to extend the deadline.

So what happens tomorrow? Under the terms of the Title Agreements, the deadline triggers certain legal actions. First, the City has 60 days to decide whether to buy part or all of the B-6 Property. We have instructed staff to begin analysis of redevelopment opportunities and financing structures for the acquisition of at least some of the B-6 Property. We will report to you within the next 60 days on their conclusions and the City

Council's decision on how to proceed. Subsequently, the Authority must start trying to sell to a third party any property that the City does not purchase. That could take a very long time. We hope that we can reach an agreement with the Authority before that property is sold.

Despite these deadlines, we are willing to continue negotiations with the Authority. But we need to see significant progress from their side of the table. Our recent dramatic progress with the FAA has removed many of the remaining impediments to an agreement. Now we need to see immediate and dramatic progress in talks with the Airport Authority.

In conclusion, we are not where we expected to be nine months ago. We have, though, worked through huge FAA concerns that blocked completing the deal outlined in the *Framework*. We remain convinced that we should be able to reach an agreement. But it takes two to negotiate. We need a tangible signal from the Authority that it will join us in redoubling our efforts to reach a final agreement in time to present a deal to the voters.

Both the residents of Burbank and the users of the Airport have much to gain from a deal and nothing to gain from letting this dispute fester for months and/or even more years. My colleagues on the Council and I will continue to work to reach an agreement to protect Burbank's long term needs.

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