

COLD BAY AIRPORT MASTER PLAN

SURPLUS LAND ANALYSIS

Prepared for:

State of Alaska Department of Transportation and Public Facilities
P.O. Box 196900
Anchorage, Alaska 99519-6900

Prepared by:

Stephen Pavish
Northern Horizon Co.
P.O. Box 1075
Willow, Alaska 99688

As subconsultant to:

DOWL HKM
4041 B Street
Anchorage, Alaska 99503

August 1, 2010

TABLE OF CONTENTS

	<u>Page</u>
EXECUTIVE SUMMARY	I
1.0 INTRODUCTION	1
2.0 BACKGROUND	1
3.0 NEED FOR AVIATION SUPPORT LAND.....	2
3.1 Determining the Amount of Support Space.....	3
3.1.1 Aviation Support Space at Barrow	6
3.1.2 Aviation Support Space at Kenai	7
3.1.3 Aviation Support Space at Cold Bay	7
3.1.3.1 Aviation Support Space Depth from Runway 14/32	8
3.1.3.2 Exceptions to the Retention/Surplus Line Offset from Runway 14/32	9
3.1.3.3 Aviation Support Space Depth North of Runway 8/26	11
4.0 AIRPORT LAND TRANSFER REQUESTS.....	12
5.0 AIRPORT LAND RETENTION / SURPLUS RECOMMENDATIONS	13
5.1 Requested Properties that Should be Retained for Airport Purposes	14
6.0 PROCESS FOR FAA APPROVAL OF AIRPORT LAND DISPOSALS.....	15
6.1 The Process for Obtaining Federal Approval for the Disposal of Airport Property.....	15
6.1.1 Combined Request for Release of Multiple Parcels	16
6.1.2 Land Survey Needed for a Release Request	16
6.1.3 Appraisal Required for a Release Request.....	17
6.1.4 Processing Timeframe for a Release Request.....	17
7.0 LAND SURVEY	17
8.0 RESERVATIONS FOR AVIGATION EASEMENTS AND ENVIRONMENTAL LIABILITY	18
9.0 LAND DISPOSAL / TRANSFER ALTERNATIVES.....	18
9.1 Direct Sale by DOT&PF	18
9.2 Sale by the Department of Natural Resources	19
9.3 DOT&PF Sale or Trade to the Aleutians East Borough	20
9.4 DOT&PF Sale to the City of Cold Bay	22
9.5 Recommended Disposal Alternative.....	23
10.0 DISPOSITION OF RETAINED LAND UNDER LEASE FOR NON- AERONAUTICAL OR MIXED-USE PURPOSES.....	23
11.0 DISPOSITION OF VACANT NON-AERONAUTICAL LAND RECOMMENDED FOR RETENTION.....	34

TABLE OF CONTENTS (cont'd)

FIGURES	<u>Page</u>
Figure 1: Westerly Aerial View of Cold Bay Airport.....	3
Figure 2: Cold Bay Airport.....	4
Figure 3: Northerly View of Northeast Quadrant Land.....	5
Figure 4: Cold Bay Airport Surplus Property.....	10
Figure 5: Easterly View of Aleut Enterprise Corporation Fuel Tank Farm.....	25
Figure 6: Northeasterly View of Aleut Enterprise Corporation Fuel Tank Farm.....	26
Figure 7: Northerly View of Cold Bay School.....	27
Figure 8: Southerly View of Aleutians East Borough Hovercraft Ramp.....	28
Figure 9: Northwest View of North Apron (Cold Bay Clinic on the Right).....	30
Figure 10: Westerly View of Cold Bay Clinic.....	31
Figure 11: Northeasterly View of Buildings on Parcel A.....	33
Figure 12: Northerly View of North Apron Support Area.....	34

TABLES	<u>Page</u>
Table 1: Land Recommended as Surplus to the Needs of the Airport.....	13
Table 2: Approximate Fair Market Value of Recommended Surplus Property.....	21

APPENDICES

Appendix A.....	February 26, 2009 Letter from AEP Mayor Stanley Mack to DOT&PF Aviation Deputy Commissioner Christine Klein
Appendix B.....	49 USC 47152 & 47153
Appendix C.....	FAA Order 5190.6B, Chapter 22
Appendix D.....	Airport Layout Plan, Cold Bay Airport, 5/26/04, Sheets 3 & 11 of 14
Appendix E.....	Airport Layout Plan, Wiley Post / Will Rogers Memorial Airport (Barrow), 9/24/08, Sheet 1 of 8
Appendix F.....	Airport Layout Plan, Kenai Municipal Airport, 7/9/09, Sheet 3 of 16

LIST OF ACRONYMS

ADFG.....	Alaska Department of Fish & Game
AEB.....	Aleutians East Borough
AIP.....	Airport Improvement Program
AS.....	Alaska Statute
BRL.....	Building Restriction Line
CAA.....	(former) Civil Aeronautics Administration
DNR.....	State of Alaska Department of Natural Resources
DOT&PF.....	State of Alaska Department of Transportation & Public Facilities
FAA.....	Federal Aviation Administration
FBO.....	fixed base operator
FMV.....	Fair Market Value
IFR.....	instrument flight rules
SF.....	Square Feet
USCG.....	United States Coast Guard

FAA DEFINITIONS

1. *Aeronautical Land Use* - Any use of airport land that involves, makes possible, or is required for the operation of aircraft or that contributes to or is required for the safety of such operations. It includes, but is not limited to the following:

Air taxi and charter operations; scheduled or nonscheduled air carrier services; pilot training; aircraft rental and sightseeing; aerial photography; crop dusting; aerial advertising and surveying; aircraft sales and service; aircraft storage; sale of aviation petroleum products; repair and maintenance of aircraft; sale of aircraft parts; parachute activities; ultralight activities; sport pilot activities; and military flight operations.

2. *Non-aeronautical Land Use* – Any use of airport land that is not an *aeronautical land use*.

EXECUTIVE SUMMARY

The purpose of this Surplus Land Analysis is to examine leased and vacant non-aeronautical land on the Cold Bay Airport to:

- A. Determine whether or not any of that land may be considered surplus to the current and future needs of the airport;
- B. Make recommendations for the disposal of any properties identified as surplus to the needs of the airport; and
- C. Make recommendations regarding the disposition of land that should be retained for airport purposes, but which is being leased for non-aeronautical purposes.

Surplus Property Identification

Formerly, the entire Cold Bay community was located on airport land. However, in 1979 the Alaska Department of Transportation and Public Facilities (DOT&PF) sold approximately 100 acres of airport land in the core community area (northeast of the South Apron). In the 1990s, approximately 270 additional acres in the community core area and in the northeast and southeast quadrants of the airport were transferred to the Aleutians East Borough (AEB). As a result of these airport land disposals, most of the Cold Bay community is now located on non-airport land. However, some significant community elements remain on the airport, including the local school, the store, the Post Office, and several private residences. In recent years, the AEB, the City of Cold Bay, and several local residents have asked DOT&PF to surplus these properties.

In order to determine whether or not any Cold Bay Airport land is surplus to the needs of the airport, it is necessary to determine what land must be retained to assure the long-term viability of the airport. This determination was made by considering the current and forecasted demand for land at the Cold Bay Airport and by examining land requirements at other similarly-situated Alaskan airports (i.e., multiple-runway, jet-capable airports situated on relatively flat land and located immediately adjacent to modest sized communities). Wiley Post / Will Rogers Memorial Airport at Barrow (state-owned) and the Kenai

Municipal Airport (city-owned) were selected as being representative of this kind of airport in every way except one: they are single runway fields. So, we supplemented the land use examinations of Barrow and Kenai with some observations of intersecting-runway airports at Bethel, Kodiak, and Nome. The result was an identification of the Cold Bay Airport land that should be retained to assure the operational future of the airport. The airport lands identified as essential and those recommended as potentially surplus to the long-term needs of the airport are shown on Figure 4 in the main body of the report.

A total of 21 lots and undesignated parcels of land, consisting of approximately 450,660 square feet (SF) and having an estimated fair market value of \$270,396.00 were identified as potentially surplus to long-term airport needs.

FAA Rules for Disposal of Airport Land

At airports, like Cold Bay, that are subject to covenants or grant assurances with the federal government, land cannot be disposed of without the approval of the Federal Aviation Administration (FAA). That approval must be in the form of a Release signed by the FAA Administrator after publishing the proposed disposal in the Federal Register. Preparing a request for a Release involves a land value appraisal, land survey, and substantial justification (some of which is provided by this Surplus Land Analysis). Once a complete Release request has been filed, it typically requires about six months for the FAA to complete the release process. (Note: This same release process is required before an airport operator can enter into a long-term (over 5 years) lease of airport land for non-aeronautical purposes.)

Land Disposal Method

Four alternative methods for disposing of surplus airport land were considered:

- Direct sale by DOT&PF;
- Sale by the Alaska Department of Natural Resources;
- Sale or trade to the City of Cold Bay;
- Sale or trade to the AEB.

The recommended alternative is to trade surplus land to the AEB in a value-for-value exchange for AEB land located in the northeast quadrant area. Such a trade would benefit the airport with land that may be needed for aviation and aviation support facilities in the future. The AEB would benefit by acquiring the surplus land without a cash outlay while being able to sell much of the land to existing leaseholders.

Land Recommended for Retention

Not all of the Cold Bay Airport land requested by local governments and private individuals was identified as potentially surplus. Most significant among these properties recommended for retention for the airport are the school and Post Office sites. Both of these properties were determined to be too close to the aircraft operational areas to be considered surplus. It is recommended that the land leases for these facilities be continued for the remaining useful life of the existing buildings. Following the end of the useful lives of the school and Post Office buildings, replacement facilities should be constructed on off-airport sites.

Other non-aeronautical or mixed-use leases exist within the area recommended for retention, including the Cold Bay Clinic and the fuel tank farm. The long-term continuation of the clinic on its apron-accessible lot is recommended due to its strategic use as an emergency medical evacuation facility for the Eastern Bristol Bay / Western Gulf of Alaska / North Pacific region. Long-term continuation of the tank farm is also recommended because 75% to 80% of the fuel distributed through it is aviation fuel and non-aeronautical fuels used for airport purposes. Details regarding the clinic and tank farm leases, and the other mix-use / non-aeronautical properties within the area recommended for retention are presented in Sections 10.0 and 11.0 of the full report.

1.0 INTRODUCTION

The purpose of this Surplus Land Analysis report is to examine leased and vacant non-aeronautical land on the Cold Bay Airport to:

- A. Determine whether or not any of that land may be considered surplus to the current and future needs of the airport;
- B. Make recommendations for the disposal of any properties identified as surplus to the needs of the airport; and
- C. Make recommendations regarding the disposition of land that should be retained for airport purposes, but which is being leased for non-aeronautical purposes.

The assessment involved:

- An analysis of the airport's existing and future need of land for aviation support functions;
- A review of airport land disposal requests by the AEB, the City of Cold Bay, and others;
- An inventory of all non-aeronautical land leases on the airport;
- An inventory of properties identified as potentially surplus to the needs of the airport;
- A review of the FAA requirements for granting non-aeronautical land leases and disposing of surplus airport land;
- A presentation of alternatives and recommendations for the disposal of surplus airport property; and
- A presentation of recommendations for addressing existing non-aeronautical land leases in ways that are consistent with FAA requirements.

2.0 BACKGROUND

Prior to the development of the Cold Bay Airport by the military during World War II, no civilian settlement existed at the site. After the military's departure following the end of the war, the Civil Aeronautics Administration (CAA) took over operation of the airport. The

CAA, the U.S. Weather Bureau, and commercial air carriers occupied various former military buildings for their respective operations and personnel housing. This was the beginning of the civilian community that is now the City of Cold Bay. The entire community and all community functions (power plant, school, etc.) were located on airport land until 1979 when DOT&PF sold approximately 100 acres of airport land in the core community area (northeast of the South Apron). In the 1990s, approximately 270 additional acres in the community core area and in the northeast and southeast quadrants of the airport were transferred to the AEB. As a result of these airport land disposals, most of the Cold Bay community is now located on non-airport land. However, some significant community elements remain on the airport, including the school, the store, the Post Office, and several private residences.

3.0 NEED FOR AVIATION SUPPORT LAND

An airport should provide all the land necessary for facilities directly related to the operation of aircraft. Besides runways, taxiways, and aprons, this includes land for hangars, airline terminals, aircraft parking, fuel storage, and access roads. Perhaps less obvious is the need to provide land for support functions, such as vehicle parking, cargo storage, air freight forwarding, and ground transportation. Typically, these support functions are located on land across a common access road from aviation lease lots. On larger airports like Cold Bay, the failure to provide separate space for support functions can result in these functions being crowded onto valuable aviation lots, thus reducing the capacity of aviation properties for services essential to aircraft operations.

It could be argued that reserving airport land for aviation support functions is less critical when the community served by the airport is immediately adjacent to it, as in the case of Cold Bay, because land owners in the community can provide the needed support facilities. The problem with this is that other land uses perceived to be of higher value by owners of land near the airport can crowd out aviation support functions. Kotzebue provides a classic example of this, where (1) the community is immediately adjacent to the airport, (2) there is no aviation support land available on the airport, (3) vehicle parking space in the air services

area of the airport is severely limited due to large building on small lots, and (4) none of the adjacent private land owners have developed vehicle parking lots. As a result, the airport, aviation service providers, and the traveling public suffer with a persistent parking problem.

3.1 Determining the Amount of Support Space

At an airport like Cold Bay, where a substantial amount of land adjacent to the main runway is relatively flat and easily developed, the expansion of aprons, taxiways, and aviation lease lots tends to occur in linear fashion parallel to the runway. A substantial amount of depth for aviation facilities is not necessary.

In the northeast quadrant of Cold Bay Airport, land suitable for aviation facilities parallels Runway 14/32 for a distance of nearly 9,000 feet (See Figures 1 & 2 and Appendix D). Approximately 80% of that runway frontage consists of undeveloped land (See Figure 2). So, even though terrain conditions and access challenges make the other three quadrants of the airport largely unusable for aviation facility development, there is enough runway frontage property in the northeast quadrant to accommodate a 600% increase in the apron space on the airport. This far exceeds the forecasted need during the 20-year master plan horizon.



Figure 1: Westerly Aerial View of Cold Bay Airport



**Figure 3: Northerly View of Northeast Quadrant Land
(taken from the AEB Terminal building)**

With such an abundance of vacant runway frontage land available for development, it is a virtual certainty that future aviation facility expansion at Cold Bay will continue to follow a linear pattern parallel to Runway 14/32. Accordingly, space for aviation support functions can also be expected to develop in a linear fashion parallel to Runway 14/32 on the community (east) side of aviation lease lots.

To establish the amount of land that should be retained for aviation support functions at Cold Bay, it is instructive to look at other comparable airports in the state that are situated immediately adjacent to their respective communities and where aviation lease lots have been developed in a linear fashion parallel to the runway. In this respect, two airports that serve a mix of heavy and light aircraft like Cold Bay provide useful comparisons: Wiley Post / Will Rogers Memorial Airport at Barrow (state-owned) and the Kenai Municipal Airport (city-owned).

3.1.1 Aviation Support Space at Barrow

In the aircraft apron area at Barrow, the airport boundary parallels the runway, approximately 250 feet north of the Building Restriction Line (BRL) (See Appendix E). The aviation lease lots in this area have a depth of 100 feet behind (north of) the BRL. For most of its length, the adjacent access road right-of-way is 60 feet wide. Across the access road are aviation support lots that are 90 feet deep. Aviation and aviation support needs are being met, but space congestion is a significant problem on both sides of the road.

The 100-foot lot depth provided behind the BRL for the aviation lease lots is inadequate for an airport that serves heavy aircraft, including narrow body jets. To support the operations of larger aircraft on these shallow lots, buildings must occupy a larger proportion of the aviation lots, resulting in a scarcity of space for cargo staging and passenger drop-off parking. This, in turn, results in greater demand pressure on the support lots across the street. Aviation lots with at least 200 feet of depth behind the BRL would more adequately provide for aviation needs and better balance the need for support space.

The shallow 90-foot depth of the support lots across the street further contributes to congestion at the airport. To reduce space congestion, support lots of greater depth (125 to 150 feet) would have been helpful at Barrow.

Even the 60-foot wide road right-of-way between the aviation and aviation support lots is narrow when space for driving surfaces, drainage, snow storage, and utilities is considered. An 80-foot width would have resulted in less land use congestion.

In general concept, the congestion at Barrow indicates that a 250-foot total depth behind the BRL for aviation lots, aviation support lots, and an access road right-of-way is inadequate to meet the needs of a major airport in rural Alaska. The Barrow example suggests that a total depth of 430 feet behind the BRL is more suitable for an airport serving heavy aircraft (200 feet for the aviation lots, 150 feet for support lots, and 80 feet for the road right-of-way).

3.1.2 Aviation Support Space at Kenai

The Kenai Municipal Airport is similar to Barrow in that Kenai has a linear arrangement of operational aprons and aviation lease lots. However, Kenai has a much different lot depth situation in that the aviation lots in Kenai's main apron area run 400 feet deep behind the BRL (See Appendix F). The adjacent access street has a 100-foot right-of-way, and the lots across the street are 150 feet deep. Nearly all of the lots across the street from the aviation lots have been sold into private ownership by the City of Kenai (with the approval of the FAA). Very few of the lots that were sold are being used for aviation support purposes. The deep aviation lots appear to be accommodating, not only all of the aviation needs of the leaseholders, but also most of the support needs, as well. In the main apron area of the airport, no aviation support lots, as such, remain in airport ownership.

In the Kenai example, the needs of aviation and most aviation support functions are being accommodated on the unusually deep aviation lots. Taking the 400-foot lot depth, and adding to it a 100-foot wide access road right-of way, suggests that a total depth of 500 feet behind the BRL would be adequate to provide for aviation and aviation support needs.

3.1.3 Aviation Support Space at Cold Bay

Both Barrow (population: 4,500) and Kenai (population: 7,500) have much larger community populations than Cold Bay (population: 80). This fact might suggest that the Cold Bay Airport would have a comparably smaller need for aviation support space. However, the amount of land needed for aviation support purposes on a major Alaskan airport tends to be influenced more by the amount of land being actively used for aviation than by the local community's population.

The airports at Barrow and Kenai occupy land that is virtually flat, while most of the topography at Cold Bay descends away from the air operations areas. This terrain difference does not materially impact the usefulness of comparisons made among the three airports, except that sloping ground can be somewhat less efficient in accommodating development and land use. This is because some space must be used for back slopes above cuts and for angling roads and utilities to maintain proper grade. Generally speaking, more sloped land than flat land is required to provide for a given land use.

Establishing the depth of land necessary to provide for aviation and aviation support needs at Cold Bay is the first step in determining what airport land might be surplus to the future needs of the airport. When considering how much land should be retained for the operation of a fully functional airport well into the future, it is important to take a very conservative approach. The impact of the proposed King Cove Road on the nature and volume of air traffic at Cold Bay may prove to be significant. Furthermore, since federal Airport Improvement Program (AIP) funds have been expended for capital projects at Cold Bay Airport, the FAA must approve any disposal of airport land. In order to obtain the FAA's approval, DOT&PF will need to provide sound justification that the lands being retained will be adequate to support the present and future needs of the airport.

3.1.3.1 Aviation Support Space Depth from Runway 14/32

At Cold Bay, the existing BRL on the east side of Runway 14/32 is 900 feet from the runway centerline (See Appendix D). Considering the examples of Barrow and Kenai discussed previously, the depth of property that should be retained on the east side of the Runway 14/32 BRL to adequately serve aviation and aviation support functions would be between 400 and 500 feet, or 1,300-1,400 feet from the runway centerline. However, the North Apron pavement extends approximately 40 feet east of the BRL, and DOT&PF has restricted leaseholder building construction to the lot area east of the pavement edge (effectively moving the BRL to 940 feet). Applying this 40 feet of additional depth to the conclusions drawn from Barrow and Kenai results in a range of 440-540 feet as the minimum depth of property that should be retained behind the BRL. This suggests that a nominal 500 feet of depth behind the BRL should be retained to adequately serve aviation and aviation support functions at Cold Bay.

Adding 500 feet to the 900-foot BRL results in an outer boundary for essential airport land at 1,400 feet east of the Runway 14/32 centerline. However, using a 1,400-foot offset boundary line to identify potential surplus property would split a number of lots and pass through several buildings. On the other hand, a boundary placed at 1,500 feet from the 14/32 centerline would result in minimal disturbance of existing lot boundaries and road rights-of-way. A 1,500-foot offset also provides some additional depth to account for the reduced land

use efficiency of the sloped topography in the North Apron area. This extended depth is more conservative from the standpoint of airport land retention and is, therefore, more susceptible to FAA approval.

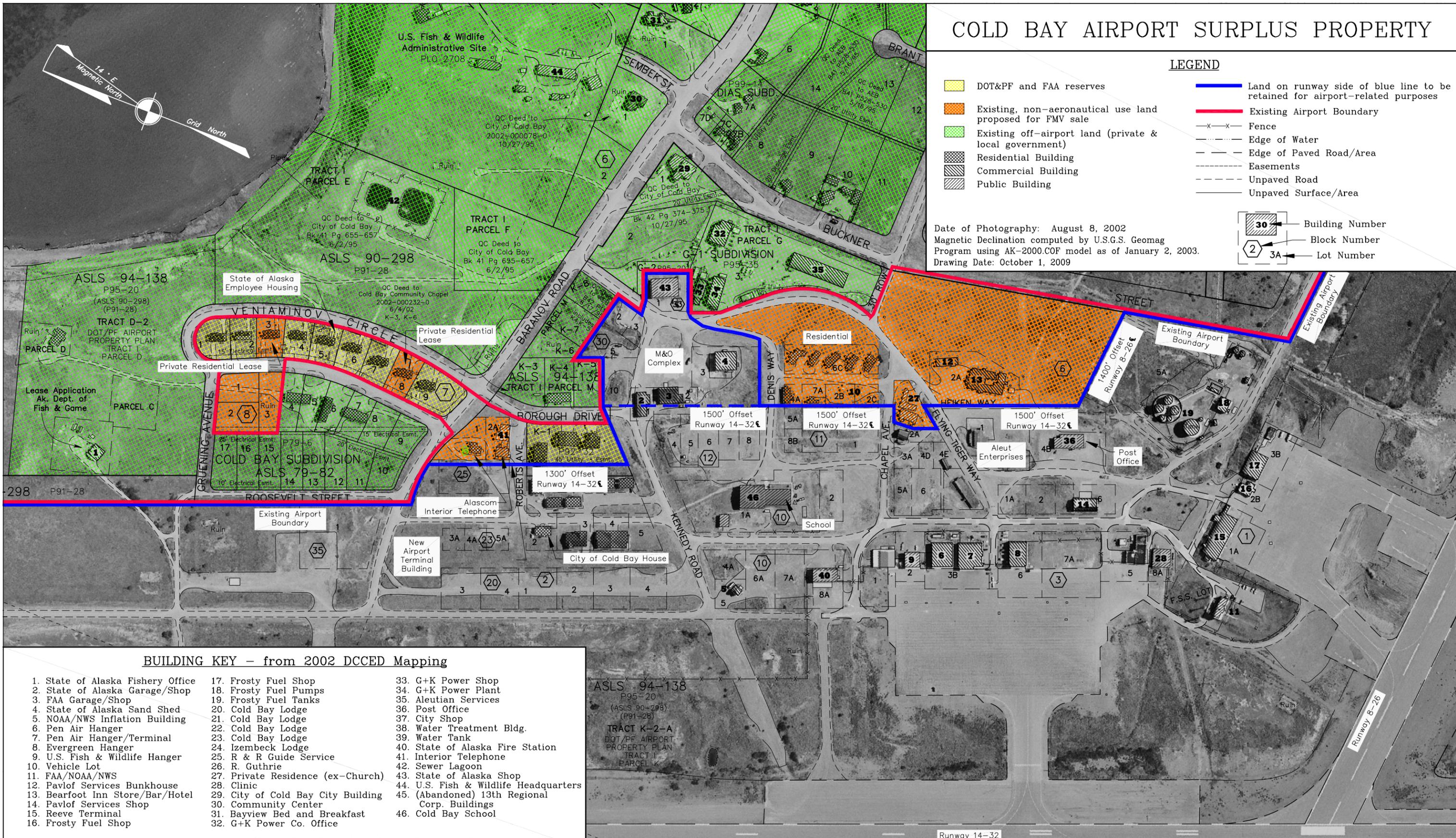
Recommendations: Subject to the exceptions described in Section 3.1.3.2, we recommend a line 1,500 feet east of the Runway 14/32 centerline be considered the boundary between the airport land identified as essential and the land recommended as potentially surplus to the long-term needs of the airport (See Figure 4, next page).

3.1.3.2 Exceptions to the Retention/Surplus Line Offset from Runway 14/32

While we believe a 1,500-foot offset from Runway 14/32 would provide for the retention of adequate land for the airport's immediate and future needs, we recommend the following exceptions for the reasons given (Refer to Figure 4 for property locations):

- **Lot 1A, Block 4** – The 1,500 foot line would nearly bisect this lot and a building located on it. The property is being used for non-aeronautical purposes and, because of its low elevation relative to the North Apron, it is not likely to be desirable or necessary for any essential airport purpose. We recommend wrapping the retention/surplus line around the west side of Lot 1A and designating the entire lot as surplus to the future needs of the airport.
- **Airport Maintenance Complex** – Nearly all of the airport maintenance complex located in Blocks 12, 30, and 33 falls east of the recommended retention/surplus line. This property must be retained for the airport until such time as the complex is relocated closer to Runway 14/32. At that time, airport land east of the 1,500-foot offset line in Blocks 12, 30, and 33 could be considered surplus to the needs of the airport.

COLD BAY AIRPORT SURPLUS PROPERTY



LEGEND

- DOT&PF and FAA reserves
- Existing, non-aeronautical use land proposed for FMV sale
- Existing off-airport land (private & local government)
- Residential Building
- Commercial Building
- Public Building
- Land on runway side of blue line to be retained for airport-related purposes
- Existing Airport Boundary
- Fence
- Edge of Water
- Edge of Paved Road/Area
- Easements
- Unpaved Road
- Unpaved Surface/Area

Date of Photography: August 8, 2002
 Magnetic Declination computed by U.S.G.S. Geomag Program using AK-2000.COF model as of January 2, 2003.
 Drawing Date: October 1, 2009

30 Building Number
2 Block Number
3A Lot Number

BUILDING KEY - from 2002 DCCED Mapping

- | | | |
|-----------------------------------|------------------------------------|---|
| 1. State of Alaska Fishery Office | 17. Frosty Fuel Shop | 33. G+K Power Shop |
| 2. State of Alaska Garage/Shop | 18. Frosty Fuel Pumps | 34. G+K Power Pumps |
| 3. FAA Garage/Shop | 19. Frosty Fuel Tanks | 35. Aleutian Services |
| 4. State of Alaska Sand Shed | 20. Cold Bay Lodge | 36. Post Office |
| 5. NOAA/NWS Inflation Building | 21. Cold Bay Lodge | 37. City Shop |
| 6. Pen Air Hanger | 22. Cold Bay Lodge | 38. Water Treatment Bldg. |
| 7. Pen Air Hanger/Terminal | 23. Cold Bay Lodge | 39. Water Tank |
| 8. Evergreen Hanger | 24. Izembeck Lodge | 40. State of Alaska Fire Station |
| 9. U.S. Fish & Wildlife Hanger | 25. R & R Guide Service | 41. Interior Telephone |
| 10. Vehicle Lot | 26. R. Guthrie | 42. Sewer Lagoon |
| 11. FAA/NOAA/NWS | 27. Private Residence (ex-Church) | 43. State of Alaska Shop |
| 12. Pavlof Services Bunkhouse | 28. Clinic | 44. U.S. Fish & Wildlife Headquarters |
| 13. Bearfoot Inn Store/Bar/Hotel | 29. City of Cold Bay City Building | 45. (Abandoned) 13th Regional Corp. Buildings |
| 14. Pavlof Services Shop | 30. Community Center | |
| 15. Reeve Terminal | 31. Bayview Bed and Breakfast | |
| 16. Frosty Fuel Shop | 32. G+K Power Co. Office | |

Note: Not all buildings listed above are displayed on this map.

The base mapping and Orthophoto was prepared by the Aleutians East Borough in cooperation with the Alaska Department of Commerce, Community, and Economic Development (DCCED), Division of Community and Advocacy, using funds provided by Aleutians East Borough, Denali Commission, DCCED, Alaska Department of Transportation and Public Facilities (DOT&PF), U.S. Department of Agriculture - Rural Development, National Oceanic and Atmospheric Administration, and the Bureau of Indian Affairs. The original AutoCAD drawing has been revised as described: Land use on or adjacent to airport property annotated to reflect a DOWL HKM June 2009 Inventory of Surplus Land conducted for the DOT&PF Cold Bay Airport Master Plan Update.

* Airport lease lots are shown as dashed lines and text, they were approximately located based on Alaska DOT & PF Airport Leasing Drawing dated 2/21/1984

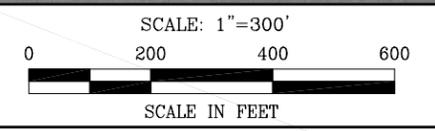


FIGURE 4

- **Reduced Offset North of the Maintenance Complex** – The existing 900-foot BRL on the North Apron was established to accommodate the heavy jet aircraft for which the apron was originally designed. Given the significant changes in traffic at Cold Bay since that time, a need for additional heavy jet apron space is not projected. However, being liberal and allowing for a future doubling of heavy aircraft apron space by expanding the North Apron to the north and south, there would be no need for a 900-foot BRL much beyond the north end of Block 10. North of that point, the BRL could be dropped back to 750 feet to make better aeronautical use of the land in Blocks 20, 21, and beyond. With a 750-foot BRL in the area north of Block 10, a retention/surplus boundary with a 1,300-foot offset from Runway 14/32 would provide more than adequate space north of the airport maintenance complex for the future aviation support needs of the airport.
- **DOT&PF and FAA Reserves** – There are several properties (designated by yellow shading on Figure 4) located east of the retention/surplus line and north of the airport maintenance complex that are in active use by DOT&PF and the FAA. Specifically, these include state employee housing in Block 7 and the FAA housing on Lot 6, Block 22. These must be retained as part of the airport for as long as they are necessary for the operation of the airport.

3.1.3.3 Aviation Support Space Depth North of Runway 8/26

At the southerly end of the Cold Bay community, some additional considerations impact the property depth determination for aviation support functions. The fuel tank farm that serves the airport and the upland terminus of the fuel transport pipeline from the dock is located in this area. Fuel supply being critical to aircraft operations on the airport, the land retained at the pipeline terminus should be sufficient to accommodate the existing tank farm as well as future expansion. The existing tank farm and pipeline terminus facilities are located on Lot 5A, Block 6. Lot 5A, Block 6 and the airport land immediately east and west of the lot could accommodate a doubling of the existing fuel facilities, which should be adequate to provide for any future expansion needs. The northerly boundary of this expanded tank farm site is approximately 1,400 feet from the centerline of Runway 8/26.

In addition to the tank farm considerations, the converging of the aviation lots in Block 1 (South Apron) with those of Block 3 (North Apron) in this area necessitates the retention of more land depth for aviation support functions than might otherwise be needed. This is because the convergence concentrates more aviation use in a given area at the expense of aviation support space. Similar converging apron situations at Bethel, Kodiak, and Nome indicate that a depth of approximately 600 feet behind the BRL is necessary for adequate aviation support space. The BRL for Runway 8/26 is 750 feet. Adding 600 feet to the BRL would result in a retention/surplus line at 1,350 feet north of the Runway 8/26 centerline. This is consistent with the 1,400-foot offset determined by tank farm needs.

Recommendations: We recommend a line 1,400 feet north of the Runway 8/26 centerline be considered the boundary between the airport land identified as essential and the land recommended as potentially surplus to the long-term needs of the airport (See Figure 4).

4.0 AIRPORT LAND TRANSFER REQUESTS

According to DOT&PF records and staff, there has been an on-going interest by local government and private parties in the acquisition of additional airport property in the community core area. One of the latest expressions of such interest was a February 26, 2009 letter addressed to DOT&PF Aviation Deputy Commissioner Christine Klein in which AEB Mayor Stanley Mack asked the department to consider selling some currently leased commercial and residential properties to the existing leaseholders (See Appendix A). The Mayor also requested the conveyance of the Cold Bay School site to the borough.

In addition to the AEB's interest in an airport land disposal, during the first Cold Bay Airport Master Plan public meeting in Cold Bay on May 14, 2009, representatives of the City of Cold Bay expressed interest in obtaining title to Lot 2, Block 22, which the City uses for employee living quarters. At the same meeting, a few individual leaseholders expressed interest in buying the lots they currently lease for residential or non-aeronautical business purposes.

All of these expressions of interest were considered in the preparation of the land retention/surplus recommendations presented in this report.

5.0 AIRPORT LAND RETENTION / SURPLUS RECOMMENDATIONS

Considering the long-term future needs of the airport, as described in Section 3.0 and the expressions of public interest in the disposal of additional airport land in the community core area, as summarized in Section 4.0, we recommend that the DOT&PF consider the properties listed in Table 1 and shown in orange on Figure 4 as surplus to the airport.

Table 1: Land Recommended as Surplus to the Needs of the Airport

Block	Lot	Existing Lessee	Size (SF)	Annual Rent	(Potential Annual Rent)
4	1A	Connie Newton	15,460	\$742.08	--
6	2A	CK Enterprises	46,500	\$21,633.87*	--
Remainder of Bl 6, N. of Lot 5B		Vacant	193,500	--	(\$9,288.00)
7	3	Aleutian Service, Inc.	12,502	\$600.08	--
7	8	Mark Munson	12,502	\$600.10	--
8	1	Vacant	13,285	--	(\$637.68)
8	2	Vacant	14,462	--	(\$694.18)
8	3	Vacant	14,462	--	(\$694.18)
11	2B	Alan Ellis	7,000	\$336.00	--
11	2C	Alan Ellis	5,600	\$268.80	--
11	4A	Aleut Enterprise Corp.	4,200	\$201.60	--
11	11	Paul Schaack	7,395	\$550.00**	--
11	6F	Vacant	4,840	--	(\$550.00)**
11	6H	Alan Ellis	6,355	\$550.00**	--
11	6I	Aleut Enterprise Corp.	7,137	\$342.58	--
11	6J	Patrick Walker	7,260	\$550.00**	--
11	7A	Aleut Enterprise Corp.	5,600	\$268.80	--
11	9	Vacant	30,000	--	(\$1,440.00)
Undesignated area between the streets N. of Lot 9, Bl 11		Vacant	16,000	--	(\$768.00)
25	1	Alascom	15,000	\$720.00	--
25	2A	Interior Telephone	11,600	\$556.80	--
Revenue Loss (Potential Loss)				\$27,929.71	(\$14,072.04)
Total Revenue & Potential Revenue Loss				\$42,001.75	

* Recent 12-month total per DOT&PF Aviation Leasing; land rent of \$2,232.00 / year, plus percentage of gross payments.

** Minimum annual rent for airport land leases.

5.1 Requested Properties that Should be Retained for Airport Purposes

With four exceptions, land that has been the subject of interest by public and private entities, as summarized in Section 4.0, is included in our list of recommended surplus properties. The exceptions, which we strongly recommend be *retained* by DOT&PF for long-term airport purposes, are:

- **Lot 1A, Block 10 (Cold Bay School Site)** – The school site is located directly across the street from Lots 4A - 8A, Block 10, which are situated immediately north of the North Apron. The future development of aprons and / or taxiways between the AEB terminal building and the North Apron would logically result in the direct aviation use of most of the land across the street from the school. Providing space to support these aviation uses may necessitate a reconfiguration of Lot 1A or a complete relocation of the school, itself. Having a school facility so close to an active aircraft operations area presents some obvious safety and security challenges for both the airport and the school. Given these considerations, the school site should be retained by DOT&PF for long-term airport purposes. Recommendations regarding the ultimate disposition of the school are presented in Section 10.
- **Lot 4A, Block 5 (Post Office site)** – The Post Office is situated in the convergence area between the North and South Aprons. The lot is about 1,300 feet from the Runway 14/32 centerline and 1,200 feet from the Runway 8/26 centerline. The lot is too close to the runways and aprons to consider it surplus to the future needs of the airport. Therefore, the lot should be retained as airport property. Recommendations regarding the ultimate disposition of this lot are presented in Section 10.
- **Lot 2A, Block 22 (City of Cold Bay House Site)** – All of the land immediately west of this lot can be developed for direct aviation uses. Like the school site, Lot 2A will ultimately be needed for aviation support functions. Therefore, the lot should be retained as airport property. Recommendations regarding the ultimate disposition of this lot are presented in Section 10.

- **Parcel “A” (Charles Neering Lease Property)** – This parcel of land is located approximately 700 feet southeast of the eastern end of Runway 8/26 (not shown in Figure 4). Located immediately adjacent to the BRL along the south side of the runway, this property is too close to Runway 8/ 26 to be considered surplus to the airport. The property should be retained as part of the airport. Recommendations regarding the ultimate disposition of Parcel ”A” are presented in Section 10.

6.0 PROCESS FOR FAA APPROVAL OF AIRPORT LAND DISPOSALS

AIP grant funds have been expended for capital improvements on the Cold Bay Airport. The Sponsor Assurances that DOT&PF made as a condition of the AIP grants have a duration of 20 years and include a requirement that the airport sponsor (DOT&PF) may not “...sell... or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A...without the approval of the Secretary (*of Transportation*)”. The Exhibit A for the Cold Bay Airport includes all of the land that is recommended as surplus in Section 5.0. Therefore, DOT&PF must obtain federal approval prior to disposing of any of the recommended surplus properties.

6.1 The Process for Obtaining Federal Approval for the Disposal of Airport Property

The process and requirements for obtaining the approval of the Secretary of Transportation for the disposal of airport property encumbered by AIP grant assurances is found in 49 USC 47152 & 47153 (See Appendix B) and FAA Order 5190.6B, Chapter 22 (See Appendix C). In summary, the law and the order provide that:

1. The airport sponsor must request the Secretary’s release from the obligation to retain title to airport land. The request must be in writing and incorporate a long list of required information, including:
 - a) A metes and bounds description of the property for which the release is being requested;
 - b) The purpose of the requested release (in this case, the disposal of land);

- c) The facts and circumstances that justify the release;
- d) The fair market value (FMV) of the property (supported by a current appraisal);
- e) The anticipated net proceeds from the sale of the property and the sponsor's proposed use of the proceeds; and
- f) A comparison of the relative advantage or benefit to the airport from the sale of the property, as opposed to retention of the property for rental revenue.

Since the Cold Bay Airport Layout Plan (ALP) does not identify the proposed properties as surplus to the needs of the airport, an updated ALP must be submitted for FAA approval simultaneously with the request for a release by the Secretary.

- 2. If the Secretary does not reject the release request, a notice of the proposed release must be published in the Federal Register for 30 days. The Secretary must consider all public comments received in response to the notice before executing a release.
- 3. Upon receiving the Secretary's release, the property sale must be for FMV and the proceeds, less the expenses of the sale, must be accounted for and used by the DOT&PF for airport purposes.

6.1.1 Combined Request for Release of Multiple Parcels

Release requests for airports in Alaska must be submitted to the Airports Division, Alaska Region, FAA. A single release request may combine multiple parcels, but the descriptions, valuations, and justifications must be presented for each individual property.

6.1.2 Land Survey Needed for a Release Request

It appears that DOT&PF does not currently have sufficient survey data on which to base an accurate metes and bounds description for all the recommended surplus properties. Therefore, some land survey work will be required prior to submitting a release request to the FAA.

6.1.3 Appraisal Required for a Release Request

A release request must include the FMV of proposed release property. The only form of FMV the FAA will accept in support of a release request is a current real estate appraisal. A single appraisal report covering multiple parcels is acceptable as long as the report presents and supports the FMV of each individual parcel.

6.1.4 Processing Timeframe for a Release Request

The FAA's processing of a release request can take six months or more, including the 30-day public notice period. The whole process can take considerably longer if the FAA requires additional information for their deliberations. Therefore, it is to the advantage of the requesting airport sponsor to carefully prepare the request and coordinate closely with the FAA Airports Division before submitting the request in order to avoid delays resulting from factual errors or incomplete information.

7.0 LAND SURVEY

To obtain a release from the FAA to sell Cold Bay Airport land and, ultimately complete sales transactions, land surveys will be required on two levels. Initially, a survey sufficient to support accurate metes and bounds descriptions will be necessary to obtain a release from the FAA. After the necessary release has been obtained, a subdivision survey with complete property monumentation and a recordable subdivision plat will be required before the properties can be sold.

All of the properties recommended as surplus to the airport are located within the municipal boundaries of the City of Cold Bay. For the subdivision of land within the City of Cold Bay, the AEB has delegated local platting authority to the City. The City does not have a platting commission, so plat approval decisions are made by the City Council.

The City of Cold Bay has not adopted a set of subdivision survey or plat standards. City officials indicated that the City would accept a subdivision survey and plat that were completed according to the standards the Alaska Department of Natural Resources (DNR) applies to the subdivision of land in the unorganized borough.

8.0 RESERVATIONS FOR AVIGATION EASEMENTS AND ENVIRONMENTAL LIABILITY

We recommend that, in any disposal of airport land, DOT&PF retain an avigation easement over the property that will allow aircraft operations over the property, allow aircraft noise, and prohibit the use of the property in any way that will constitute a hazard to, or is not compatible with, aircraft operations. This will be particularly important in the case of Cold Bay because all of the properties recommended as surplus are situated relatively close to existing or future aircraft operations areas.

As the site of a World War II military base and subsequent long-term operations by government agencies, soil contamination of one degree or another is considered almost universal at Cold Bay. In a land sale transaction, the most risk-free position for DOT&PF would be to transfer all environmental liability to the purchaser. However, under the circumstances at Cold Bay, taking such a position would likely chill interest in the property or reduce its value to near zero. A better approach might be for DOT&PF to establish an environmental baseline for the surplus properties, as of the date of sale for vacant property and as of the beginning date of the lease for leased property. In the sale transaction, DOT&PF would then retain responsibility for all pre-baseline contamination and the buyer would assume responsibility for all post-baseline contamination.

9.0 LAND DISPOSAL / TRANSFER ALTERNATIVES

Most of the demand for the purchase of Cold Bay Airport land is from existing leaseholders. One of the significant challenges involved in the disposal of airport land to the private sector is finding a way to sell the land without disrupting the existing leaseholder's use of the land or putting leaseholder-owned improvements at risk. There are four possible ways for surplus Cold Bay Airport land to be conveyed into private ownership.

9.1 Direct Sale by DOT&PF

DOT&PF appears to have sufficient legal authority under Alaska Statute (AS) 02.15.070(b) to sell airport land directly to private parties. However, the statute does not identify the method or methods of sale to be used. Although DOT&PF has conveyed state airport land to

local governments on a few occasions, the sale by DOT&PF of state airport land directly to private parties has been exceptionally rare. In fact, a 1979 FMV transaction involving the sale to the leaseholder of a lodge site on the King Salmon Airport was the only case we could find of a direct sale of airport land to a private entity by DOT&PF.

Although AS 02.15.090(c) provides a means by which an existing leaseholder may obtain a lease term extension or new lease without exposure to competition by others, there does not appear to be a similar method explicitly provided in statute for DOT&PF to sell leased land to the leaseholder without competition.

Although a DOT&PF sale of Cold Bay Airport land directly to the existing leaseholders would be an efficient way to dispose of occupied surplus property, the absence of a specific statutory process by which the sale could be completed without competition is problematic and may put the existing leaseholders' land use and improvements investment at risk. DOT&PF should have a thorough legal analysis of this subject performed before considering the direct sale of surplus land at Cold Bay to the existing leaseholders without competition.

The competitive sale of unoccupied surplus airport land by DOT&PF appears to be far less problematic than the non-competitive sale of a lease lot to the existing leaseholder because the process would be consistent with the state's Procurement Code. However, there does not appear to be any specific guidance in AS 02 relating to the competitive sale of surplus airport land, so DOT&PF should obtain a Department of Law confirmation of the legal viability of a competitive sale before proceeding.

9.2 Sale by the Department of Natural Resources

AS 02.15.080, in part, authorizes DOT&PF to engage the assistance of another state agency in selling airport land. DOT&PF could transfer the surplus Cold Bay Airport land to the DNR on the condition that DNR sell the land. DNR has authority to sell state land at auction and to allow an existing leaseholder to purchase the land by meeting the high bid. This appears to be a better way of getting leased land into the ownership of an existing leaseholder than may be available to DOT&PF. About 25 years ago, DNR sold some Cold Bay Airport

land under this arrangement and it seemed to work satisfactorily. However, the DNR auction process is time consuming to arrange and expensive to conduct.

Having another state agency perform the sale would remove the project costs, sale procedures, and sale timetable from DOT&PF's direct control. DOT&PF would have to reimburse DNR for its sale expenses, and DNR would have to convey all the proceeds of sale to DOT&PF for airport use. The FAA may object to the DNR sale option if the cost of completing the sale consumes too much of the sale proceeds or if DOT&PF loses too much control over the sale process. (The FAA is interested in maximizing the amount of the sale proceeds that return to the airport sponsor for airport purposes.)

9.3 DOT&PF Sale or Trade to the Aleutians East Borough

DOT&PF could sell all of the surplus lands to the AEB for subsequent resale to existing leaseholders and other private parties. Although some of the same legal questions discussed in Section 9.1 would appear to have application to a non-competitive sale of airport land to the AEB, DOT&PF has conveyed airport land to local governments in the past without going through a competitive process. Most notable among these conveyances were the transfer of Cold Bay Airport lands to the AEB in 1995.

The AEB's real estate acquisition and disposal ordinances permit the borough to acquire real property interests and to sell AEB real property. The ordinances provide several methods for the sale of land, including direct negotiated sale to individuals. The ordinances provide that such transactions be at FMV, but competitive means do not have to be used. Therefore, it would be possible for the AEB to acquire the surplus properties from DOT&PF and sell individual parcels to the existing leaseholders without exposing the property interests and improvements of leaseholders to the risks involved in a competitive sale.

Under FAA rules, any conveyance of airport property to the AEB would have to be a FMV transaction, either by cash purchase or by a value-for-value trade for land needed for airport purposes.

As shown in Table 2, the latest real estate appraisal information available to DOT&PF for the Cold Bay Airport indicates that the total FMV of all the recommended surplus properties would be approximately \$270,400. That may be more money than the AEB could commit, all at once, to the purchase of the land.

Table 2: Approximate Fair Market Value of Recommended Surplus Property

Total Square Footage Area, All Listed Properties (Table 1)	450,600
Total FMV, All Listed Properties (450,660 SF x \$0.60/SF*)	\$270,396.00

* Based on DOT&PF’s latest Rural Airport Market Survey, the FMV of non-aviation lands on the Cold Bay Airport is 60 cents per square foot (SF).

A value-for-value land trade with the AEB may be a better alternative for both the borough and DOT&PF. There are two parcels of AEB land that are candidates for a possible land trade; both are located adjacent to the northeast quadrant of the airport:

Alternative (A) From approximately Runway Station 50+00 to Station 90+00, the distance between Runway 14/32 and the eastern airport boundary is insufficient to adequately provide lease space for aviation and aviation support functions. This is particularly true if the BRL remains at the current 900 feet from the runway centerline. The existing airport boundary in this area is approximately 1,250 feet from the runway centerline. Subtracting the 100-foot public road easement inside the eastern airport boundary leaves a useable depth of only 1,150 feet.

As discussed in Section 3, the minimum useable depth from the runway centerline should be 1,300 feet in the case of a 750-foot BRL and 1,500 feet in the case of a 900-foot BRL. Besides being inadequate for aviation and aviation support development, the existing 1,150-foot useable depth will potentially allow incompatible land uses to develop close to the airport. Although aviation facility development in this area is not expected to be necessary during the 20-year master plan horizon, now may be an opportune time to acquire the necessary additional airport property depth. The AEB land is undeveloped and of much lower value than would be the case after development occurs. By trading surplus airport land in the community core area to the AEB, DOT&PF could obtain

adequate airport property depth between Runway Stations 50+00 and 90+00 at minimal expense.

Alternative (B) Although the potential of future offshore oil development in Bristol Bay is less likely due to the recent federal decision to cancel the lease sale, both AEB and DOT&PF personnel have expressed concerns that adequate Cold Bay airport land be reserved to support the cargo aircraft and helicopter operations that would be a consequence of offshore oil development. For noise and safety considerations, industrial helicopter operations should be based in an area somewhat remote from the core community. The AEB land in the northeast quadrant of the airport between the projected northward extension of Roosevelt Street and tidewater would provide an ideal location for an industrial aviation area. A taxiway could be extended to the area from Runway 14/32 to provide access for fixed-wing cargo aircraft, and helicopters could depart the area to the northeast, directly over the bay. A value-for-value trade of the surplus airport land in the community core for some of the AEB's land in the northeast quadrant may be an advantageous transaction for both agencies.

Of these two land trade alternatives, we believe Alternative (A) would better serve the long-term future needs of the airport. While Alternative (B) would provide adequate space for industrial aviation operations, the now significantly reduced likelihood of offshore oil development in Bristol Bay renders Alternative (B) difficult to justify. In addition, Alternative (B) would not solve the problem of inadequate airport property depth in the remainder of the area between Runway Stations 50+00 and 90+00. On the other hand, Alternative (A) would, not only solve the entire property depth problem, but could also provide space to accommodate industrial aviation operations in the event that need ever arises.

9.4 DOT&PF Sale to the City of Cold Bay

DOT&PF could sell all of the surplus lands to the City of Cold Bay for subsequent resale to existing leaseholders and other private parties. However, conversations with City officials indicate that the City has neither the administrative and financial resources, nor the ordinance

authority to complete this kind of land acquisition and sale. Furthermore, the City does not own any land needed by the airport to trade for surplus airport land.

9.5 Recommended Disposal Alternative

Of the four surplus land disposal alternatives listed above, we recommend the value-for-value land trade with the AEB discussed in Section 9.3. Specifically, we recommend a trade for the strip of AEB land adjacent to the existing airport boundary between Runway 14/32 Stations 50+00 and 90+00. Such a land trade would be good from the AEB's perspective because the borough would not have to come up with funding to purchase the surplus land. The AEB also has the administrative capability and ordinance authority to smoothly handle the sale of lots to existing leaseholders and other members of the private sector. This is a good disposal alternative for DOT&PF, as well, because the department would gain additional land depth in the northeast quadrant of the airport, while being spared the administrative cost of selling surplus properties to individual leaseholders and the public.

10.0 DISPOSITION OF RETAINED LAND UNDER LEASE FOR NON-AERONAUTICAL OR MIXED-USE PURPOSES

The recommended surplus disposal of non-aeronautical use land on the airport will resolve some issues of potential noncompliance with FAA airport land use requirements. However, the airport land recommended for retention includes several lots that are currently under lease for non-aeronautical purposes or mixed uses. DOT&PF will need to obtain the FAA's approval to continue these leases in accordance with FAA guidelines.

With the FAA requirements in mind, the following are our recommendations for the disposition of each non-aeronautical / mixed use lease involving land to be retained for the airport. [Note: With the exception of Lot 8, Block 3 (the City of Cold Bay Clinic), none of the properties discussed in this section have direct access to aircraft operating areas.]

Alaska Department of Fish & Game (ADFG)

Lots 2 & 7, Block 7: ADFG owns a house on each lot that is used for housing employees.

Recommendation: Sell the lots to ADFG or continue to lease on a short-term basis with FAA approval.

Alaska Department of Public Safety

Lot 1, Block 7: Public Safety owns a house on this lot that is used for housing employees.

Recommendation: Sell the lot to Public Safety or continue to lease on a short-term basis with FAA approval.

Aleut Enterprise Corporation

Lot 5A, Block 6: Under the DOT&PF land use classification system, this fuel tank farm site is designated as an aviation use. Aviation fuels, diesel fuel, automotive gasoline, and heating fuel are stored on this site. Strictly speaking, this is a mixed use property that, by the FAA's definitions, involves both aeronautical and non-aeronautical land uses. Due to the small population of Cold Bay, the demand for petroleum products is not large enough to justify a separate, off-airport facility for the storage of fuels used for non-aeronautical purposes. In fact, the handling of all fuel types in this single facility provides some efficiencies of scale that make it economically viable for the lessee to provide aviation fuel services at the airport.

According to the tank farm owner, Aleut Enterprise Corporation, the total throughput of all fuels through the facility averages 926,000 gallons per year. Over half of that total, approximately 471,000 gallons per year, is aviation fuel (aviation gasoline and jet fuel). Of the approximately 455,000 gallons of non-aeronautical fuel throughput, 250,000 gallons per year is diesel fuel delivered to the Cold Bay power utility, which furnishes all

of the electric power for the airport and airport tenants. Much of the non-aeronautical fuel is also consumed by DOT&PF for airport maintenance equipment and for equipment storage building heating. Likewise, airport tenants use non-aeronautical fuel for building heating and ground vehicle operation. Finally, many of the people living on off-airport property and using non-aeronautical fuel are employed on the airport.



Figure 5: Easterly View of Aleut Enterprise Corporation Fuel Tank Farm

It is estimated that 75% to 80% of all fuel distributed annually through the tank farm consists of aviation fuel used in aircraft and non-aeronautical fuel consumed directly or indirectly for airport purposes.

With its long runway, Cold Bay serves as a fuel stop and designated alternate landing location for most of the aircraft operating on North Pacific routes. Having aviation fuel available at the airport is critical to this function. However, it may not be financially feasible for Aleut Enterprise Corporation to continue to maintain the fuel storage capacity and aircraft fueling capability necessary for servicing large jet aircraft if the company were to be prohibited from also storing and selling non-aeronautical fuels from this lot. According to Aleut Enterprise personnel, the cost of building and managing a separate

off-airport storage facility for non-aeronautical fuel, including tanks, pipeline connections, and truck loading apparatus, while also operating the existing on-airport tank farm, would make the whole fuel enterprise at Cold Bay prohibitively expensive.



Figure 6: Northeasterly View of Aleut Enterprise Corporation Fuel Tank Farm

Recommendation: Continue to lease the tank farm for the existing use as a combined fuel storage facility for both aviation and non-aeronautical fuels; because of its primary function as a storage facility for fuel used for aviation and airport purposes, the tank farm site should continue to be considered an aviation (aeronautical) use.

Aleut Enterprise Corporation

Lot 6, Block 2; Lot 7B, Block 4; and Lot 1, Block 5: DOT&PF has designated this lease as non-aviation. However, most of the equipment and vehicles stored on the property are directly involved in the lessee's aviation fuel and fixed base operator (FBO) business on the South Apron. In reality, it is another mixed use property that is necessary for the lessee's aeronautical-related businesses. The lease certainly should be allowed to continue.

Recommendation: Reclassify as an aviation (aeronautical) use and continue leasing the properties.

Aleutians East Borough

Lot 1A, Block 10: This is the Cold Bay School site. As explained in Section 5.1, this property must be retained for the future needs of the airport. The school is clearly a non-aeronautical land use. However, a school has been operated on this site for many years without generating any conflict of record with aviation activities. There are substantial improvements on the premises and the school performs an essential public service. Politically and practically speaking, it is not possible to remove the school at this time. However, when the useful life of the building is exhausted or when any major renovation or expansion becomes necessary, the school should be relocated to an off-airport site.

Recommendation: DOT&PF should obtain an estimate of the school building's remaining useful life and request the FAA's approval to lease the property for that period of time, with the condition that the school will be relocated to an off-airport site when the lease expires.



Figure 7: Northerly View of Cold Bay School

Aleutians East Borough

Lot 1A, Block 36: This parcel of land, located at tidewater southeast of the east end of Runway 8/26, is the borough's hovercraft landing ramp. The hovercraft provides surface transportation between the City of King Cove and Cold Bay Airport. DOT&PF classes the lease as non-aviation. Under the FAA definitions, the land use is non-aeronautical. However, the hovercraft is a substitute for road access to the airport and, as such, is an important asset to the operation of the airport. The hovercraft service will need to continue providing this alternative access to the airport as long as there is no road link between King Cove and Cold Bay. Although a road between the two communities has been proposed, opposition by environmental groups and project challenges could delay its completion for a decade or two. This lease expires in 2059, but has not been approved by the FAA.

Recommendation: DOT&PF should request the FAA's approval to continue this lease at least until the King Cove – Cold Bay road link becomes a reality.



Figure 8: Southerly View of Aleutians East Borough Hovercraft Ramp

City of Cold Bay

Lot 8A, Block 3: This is the location of the Cold Bay clinic. The clinic performs the dual role of (1) an emergency medical facility for the emergency treatment and stabilization of medical-evacuation patients transported in and out by air, and (2) a clinic providing medical services to the local Cold Bay population. Some have argued that the clinic is a non-aeronautical land use and should not only be removed from the apron area, but removed from the airport, entirely. However, the clinic serves an essential life safety function for a vast portion of the Eastern Bristol Bay / Western Gulf of Alaska / North Pacific region. Performing that function requires a location immediately adjacent to an aircraft apron.

The trauma centers and comprehensive hospitals located nearest to the Cold Bay region are in Anchorage, 650 air miles away. Rapid transport of patients requiring emergency care can only be accomplished by jet or turboprop, fixed wing aircraft. On the other hand, most water rescue and emergency medical recovery is accomplished by long range U.S. Coast Guard (USCG) helicopters. Interfacing USCG rescue helicopters with high performance fixed-wing medical evacuation aircraft in this region of notoriously bad weather requires an instrument flight rules (IFR) airport with low approach minimums. Cold Bay has the best IFR airport in the region.

Due to the long distances involved, it is almost never possible to so closely coordinate aircraft operations that a patient can be transferred directly from a rescue helicopter to a fixed-wing medical evacuation aircraft. As a result, it is essential to have a medical facility at Cold Bay for initial trauma care and patient stabilization, pending the arrival of fixed-wing medical evacuation aircraft.

The success of medical evacuation operations at the Cold Bay depends heavily on having a medical facility adjacent to an aircraft apron that can service both USCG helicopters and medical evacuation aircraft. Close proximity of the medical facility to the aircraft involved allows patients to be moved directly between aircraft and the facility in the

shortest possible time with minimum disturbance of the patient. The existing Cold Bay clinic is situated immediately off the southeast corner of the North Apron. Both helicopters and fixed-wing aircraft can be parked within 250 feet of the clinic, making its location ideal for rapidly and safely moving patients between the clinic and aircraft.



Figure 9: Northwest View of North Apron (Cold Bay Clinic on the Right)

The existing clinic occupies a small lot between the North and South Aprons (Lot 8A, Block 3). Unless the two aprons were to be joined with a continuous apron surface, Lot 8A cannot be used for a direct aeronautical use, such as an aircraft hangar. It is unlikely that the two aprons will be connected by more than a taxiway in the foreseeable future. The AEB airline terminal building is located north of the North Apron and any future apron expansion is more likely to occur in that direction. Therefore, the presence of the clinic in its current location does not interfere with current or future aeronautical use or development.

The operational security of the North Apron is not compromised in any way by the presence of the clinic at the apron's southeast corner. Like all the other buildings on the North Apron, the clinic building forms part of the access barrier, with the airport fence connecting to both sides of the building on the north and south. In accordance with DOT&PF's requirements for all lessees of apron access lots on the airport, the City controls access to the air operations area through the clinic building.

The Cold Bay Clinic could not successfully perform its critical life safety function as a medical evacuation transfer facility without a location immediately adjacent to an aircraft apron. Its existing location adjacent to the North Apron does not hinder any current or likely future aeronautical development. For these reasons, the clinic should be permitted to remain as currently located.

One criticism of allowing the clinic to remain immediately next to an aircraft apron is that it also serves as a local clinic for the Cold Bay community. However, given the small local population of Cold Bay (less than 100), it is not feasible to have two clinics, one off the airport for local services and one on the apron for medical evacuation services. The medical evacuation function of the clinic requires it to remain in its current location adjacent to the North Apron. Providing medical services to the local population is incidental to the clinic's primary role as a medical evacuation facility. Under the unusual circumstances existing at Cold Bay, the clinic's incidental role as a local medical facility does not justify removing the clinic from its existing location.



**Figure 10: Westerly View of Cold Bay Clinic
(Old Flight Service Station in left background)**

Recommendation: DOT&PF should assert that, although the clinic is a non-aeronautical use under the FAA's land use definitions, the clinic serves an essential regional life safety function that requires a location immediately adjacent to an apron suitable for both long range helicopters and high performance fixed-wing aircraft. Therefore, the clinic should be allowed to continue to operate in its location adjacent to the apron. DOT&PF should request the FAA's approval to continue leasing the existing clinic site to the City on a long-term basis.

City of Cold Bay

Lot 2A, Block 22: The City of Cold Bay maintains an employee residence on this lot. The land use is clearly non-aeronautical in nature and the location is immediately adjacent to land suitable for future aviation uses. However, the City's house is located immediately north of two relatively new FAA employee quarters buildings that are actually closer to future aviation use property. Development of aviation facilities on the adjacent land is probably many years away, so there is no urgent need for the City's house to be removed. It serves a local function and provides rental revenue for the airport. There is no practical reason why the house should be removed as long as there is no pressing aviation need for the land and the FAA quarters units remain next door.

Recommendation: DOT&PF should request FAA approval to continue leasing the property on a short-term basis until adjacent aviation development necessitates the removal of the house.

Michael Harned

Lot 4E, Block 4: The lessee uses this property to maintain a conex storage unit for his seasonal guiding business. The land use is non-aeronautical, but highly temporary in nature. The conex storage unit can be easily moved. Its presence on the property hinders no existing aviation function and the lease produces some revenue for the airport.

Recommendation: DOT&PF should request FAA approval to continue leasing the property on a short-term basis at least until land recommended as surplus is made available for public sale.

Charles Neering

Parcel A: This property is located approximately 700 feet southeast of the eastern end of Runway 8/26. Located immediately adjacent to the BRL along the south side of the runway, this property cannot be considered surplus to the airport. The lessee's two buildings are well below the elevation of the runway, pose no air navigation hazard, and occupy land that is not suitable for aviation uses. The buildings have been in this location for several decades and have caused no problems for aircraft using the airport.

Recommendation: DOT&PF should request FAA approval to continue leasing the property on a short-term basis.



**Figure 11: Northeasterly View of Buildings on Parcel A
(East end of Runway 8/26 situated on top of the hill to the left)**

U.S. Postal Service

Lot 4A, Block 5: The Post Office is a non-aeronautical use. However, it is impractical (and probably politically impossible) to require its relocation to off-airport land. It is a

substantial facility with a significant remaining useful life. The Post Office is 450 feet from the nearest edge of the North Apron and 550 feet from the edge of the South Apron. In addition, its location is well below the elevations of the two aprons, so it is extremely unlikely that any aviation development will ever extend to it. The Post Office provides an important local service and produces rental revenue for the airport.

Recommendation: DOT&PF should request the FAA's approval to continue this lease on a long-term basis for at least the remaining useful life of the building.



Figure 12: Northerly View of North Apron Support Area
(North Apron hangars, left background; Aleut Enterprise Corporation building on Lot 6, Block 2, center foreground; Post Office, right foreground)

11.0 DISPOSITION OF VACANT NON-AERONAUTICAL LAND RECOMMENDED FOR RETENTION

Between the lease lots that front on an existing or future aircraft apron and the blue land retention line shown of Figure 4 are several parcels of vacant land. These currently unleased properties, including both designated lots and unsubdivided land, are unlikely to be required for direct aeronautical use during the foreseeable future. Although demand is not anticipated to be high, making this land available for non-aeronautical leases on a short-term, interim basis would generate revenue for the airport without hindering aeronautical development.

Recommendations: DOT&PF should request the FAA's approval to lease these properties on an interim, short-term (5 years or less) basis until such time as they may be needed for an aeronautical purpose.