

February 16, 2022
Andrew Sambrook
Middlebury, VT

Testimony relating to Airport Master Permitting S.162 (Act78) submitted by Andrew Sambrook on February 16, 2022

Dear Chairman Mazza and Senate Transportation Committee Members:

My name is Andrew Sambook and with my wife, Andrea, I reside at 287 Airport Road, Middlebury.

I am pleased to be able to provide testimony on the Airport Master Permitting process currently being undertaken by the Vermont Agency of Transportation. I believe you are also receiving testimony from Mr Delabrue and Mr Ireland representing Messrs McFarland Johnson on February 17.

Background and Disclosures:

I am writing to urge you and your Committee to provide some additional oversight to this work. The Master Permitting process was undertaken by the Agency of Transportation following the passage of S.162 (Act 78) in the 2019-20 session – “An Act relating to promoting economic development”. This was Signed by the Governor on June 19, 2019.

For purposes of full disclosure, we came across this Act after the VT Agency of Transportation (AOT) submitted its Master Permitting Application 9A0158-12 on 4/19/2021 for a proposed extensive Hangar development at Middlebury State Airport. We are impacted as an adjoining property holder. While we do have serious concerns and questions about the detailed actual proposed development at Middlebury, we will address these in the Act250 and local permitting process. *That is not the purpose of today's testimony.* Today we wish to address the AOT's narrow interpretation of their S162 mandate and its implications based upon interviews with AOT principals and consultants.

A note about S162:

Contrary to your Committee Agenda today, S162 as passed by the House and Senate and signed by the Governor, does not describe the Master Permitting process as the “Aviation Hangar Master Permitting Project”. This is not just semantics but goes to the heart of our concern. S162's brief was wider and more ambitious. This has been confirmed by a recent discussion with a State Senator whose recollection about S162 is that the intent went well beyond Hangar permitting into electrified aircraft and technology. This seems intuitive. Hangars could and have been built since Airports existed and it seems that a specific Hangar building directive from the legislature was unnecessary. The Senator's view is that something more ambitious was intended. Perhaps the Committee has the same recollection.

Further, at S162, Sec 3 under Applications for Master Permits it states “ The Agency of Transportation...is encouraged to obtain, as swiftly as practicable, all permits in the State owned airport master permit necessary for **growth, development and facility upgrades at each State-owned airport**. State-owned airport permit master plans **shall** include charging stations for electrified aircraft, and when practicable, renewable energy generating plants that advance the State’s preference to utilize all roof space for photovoltaic installations.” (emphasis added)

Summary of concerns:

This testimony expresses fundamental concerns about AOT’s narrow interpretation concerning the spirit and intent of S162. We are concerned that by further limiting the Master Permitting to **Hangar** development, that this has wasted a valuable economic development opportunity and it does not achieve the primary purpose of S162 “to attract and retain businesses, enhance workforce development, spearheading crucial technology advancements and growing commerce essential to Vermont’s future.” It is hard to interpret this *call to arms* as a need to build more Hangar storage.

Instead of using the Master Permitting process to selectively target economic development where it could be best achieved, encouraging new aviation technologies, the AOT and its consultants have taken a broad untargeted approach to development that focuses on very old technology – the Hangar – and even then, ignores any Airport specific needs based assessment about Hangars. It’s clear that many of the Hangar projects that are being proposed will be vastly uneconomic and may consequently never materialize because of high associated infrastructure costs – rather than seeking to place them at more accessible and cheaper, quicker to build alternative spaces. Nor has the AOT team sought evidence from airport users that more Hangars are needed.

The Permitting effort also seems to be slow and is expensive. After spending \$1m in the Master Permitting process and after almost two years, as of this week, ONE master permitting plan has been filed (Franklin) – and that as recently as 2/4/2022; one application (Middlebury) was referred back by the Act250 State Coordinator for major reworking and according to the Act 250 State Coordinator, has yet to be resubmitted or any communication been forthcoming. There was no obvious application of a Master permit application prioritization among airports.

I would urge your Committee to challenge Mr Delabruere and the Permitting Project Manager Mr Ireland in their testimony today to provide some information that goes beyond providing a Hangar permitting process update to the Committee. I fear that a Sunk Cost fallacy may be at work here, and because \$1m has been spent to date, that the team may feel it is too late to change course. It is not too late, however, for the relevant Committees to redirect the permitting work to better reflect the intent of S162. If that is beyond the Transportation Committee remit today we urge you to consider referring to Chairman Sirotkin’s Committee. They could then charge the team to be more ambitious or selective. Scarce resources should be applied where they are needed and the *scattergun* approach taken by AOT is wasteful and not helpful to

economic development. Advances in aviation technology is exciting – Its hard to understand how building more Hangars advances this.

We have had extensive discussions with Ms Boomhower, Mr Delabruere and Mr Ireland among others and addressed some of these issues. Much of that has informed us, but also raised some serious questions about how we got to where we are, and how the AOT is implementing its S162 mandate. We are limited in what we can do as individuals potentially impacted by the permitting, but trust that proper legislative oversight will result in the intent of S162 being implemented.

Thank you for reading this testimony. I've included some additional information in the Appendix. With respect, I have also included questions that I would ask this Master Permitting team if I had the opportunity.

Questions for Airport Master Permitting Team

1. How did the permitting mandate for S162 get interpreted as an “Aviation Hangar Master Permitting” mandate by the AOT since there is no specific mention of Hangars in S162
2. How has the technology advancement focus specifically mentioned in S162 been reflected in your Master permitting applications or plans?
3. Given the key indicators for demand for hangars is a. The number of airplanes based at an airport and b. The number of airport departures and arrivals, what would a negative growth rate for both of these (per the Vermont Airport System Plan (2021)) indicate about the likely need for future Hangars at a particular Airport? Would you still undertake a Hangar permitting plan for an airport even if that airport was forecasting negative growth against these two measures of Hangar demand?
4. Is there any evidence that private Hangars were not being built without the current Master Permitting effort?
5. What evidence do you have that the Master Permitting will help in cases where there is a tangible user demand and a viable economic case for the building of a Hangar at a particular airport?
6. Why do you think that the commercial aviation hangar market needs a further permitting cost subsidy by the State in addition to no local property tax assessments and low non-market rents currently given?
7. If the developer still needs to go through the Act 250 process, how does Master Permitting help? What's challenging about the Act250 process for a simple hangar build in an existing airport within the current footprint of an Airport?
8. Can you give an example of any Hangar build at any airport in Vermont that has been accelerated by the Master Permitting process?
9. What's a good estimate of or description of the types of the economic development created by a small or medium or large hangars that are used for cold storage of planes?
10. How would you judge or quantify the success of the Master Permitting process? What is the economic incentive for Messrs McFarland Johnson to make the effort smarter or more focused or more realistic in having an actual build after permitting?
11. Is there an AOT mechanism to change course and reprioritize permitting efforts based upon learnings while undertaking the Act 250 process?

12. What would trigger the AOT to stop the Master permitting process at a particular airport? Is there any review process or evaluation that takes place to decide that the permitting costs outweigh any potential economic benefits?
13. If there is no reasonable expectation that a Hangar would be built because it needs too much surrounding capital infrastructure (e.g. new taxiway – substantial access road – new septic system – new water mains access) or because the airport already has sufficient hangars, would the Master permitting be halted?
14. Why has the Master Permitting plan for an airport not been delayed until the Master Plan for that airport (as required by the FAA) has been completed? Is it possible that given that each of these projects– the Master Permitting and the Master Plan– is managed by two separate consulting firms that there may be a situation where the Master Plan calls for a different Hangar design than the Master Permitting plan? What would happen in that case?

Supplementary Information - Appendix

Detailed concerns and data:

Here is a brief summary of my concerns. I would be willing to provide more information if required.

- **The current Master Permitting plan was non selective. All airports irrespective of size or stage of development were equally included.** There was no priority filter or resource prioritization of the Act 250 permitting effort to focus on certain State Airports that required specific or additional development. The approach was a Hangar-blinkered approach. This may have been easier but it limits desired economic development.
- **The current Master Permitting plan does not promote the economic development that was called for and intended by S162.** The Airport permit Master plans do not include charging stations for electrified aircraft as specifically required by S162. They are also silent on the desire in S162 to call for renewable energy generating plants to utilize roof space for photovoltaic installations.
- **The current Master Permitting plan does not suggest that any economic development will be forthcoming or even includes a broad estimate of the economic development.** The Middlebury State Airport s250 application states that “the project will not generate additional tax revenues or new employment.”
- **The current Master Permitting conflicts with the clear language of S162 excluding permitting for activities associated with general airport operations like airplane storage.** The clear intent of S162 was to be ambitious and the language included – indeed the only required development specifically included in the language of S162 focused on technology enhanced development including charging stations for electrified aircraft. There is no mention of Hangars in S162.
- **The current Master Permitting plan has not been based on any market assessment of the development or user needs of an individual Airport.** This has resulted in an unfocused and broad brush master permitting application which neither fits the current profile or level of operations of the Airport. This is contrary to what the FAA requires in its Master Plan guidance which states the following in its Advisory Circular 150-5070-6B – *“Planners should determine what, if any, additional facilities will be required to accommodate forecast activity. This task begins with an assessment of the ability of existing facilities to meet current and future demand. Aircraft Storage Facilities – Physical requirements of GA users vary from tie-down aprons to large conventional hangars with major maintenance services and transient aircraft aprons. Conventional hangars and T-hangars protect aircraft from the weather and provide security against vandalism or theft. Planners should evaluate the demand for outdoor aircraft parking versus covered aircraft parking and storage facilities in t-hangars or enclosed hangars. Planners should analyze existing and forecast activity, including based aircraft activity and transient aircraft operations, and the types of users when assessing future facility requirements at GA airports.”*

- **The current Master Permitting plan may be in conflict with the 2022 Master Plan for the Airport.** The current Master Permitting Plan is out of sequence with the Master Plan of the Airport. This effort is still in process and will not be completed until Fall 2022 at the earliest. The Master Plan would include Hangar development and location and quantity. It is entirely possible that this would differ considerably from the Master Permitting that has already been submitted without a full 5-10-15 year analysis of the needs of the Airport that is being undertaken by the Master Plan process. This would make the entire current Master Permitting plan moot and a waste of resources.
- **The current Master Permitting plan is in conflict with Directives of the FAA.** In conversations AOT confirmed that they had “no data” beyond anecdotal about the existing and forecasted needs. The AOT refused to say from whom or when the needs were forthcoming. The FAA in its Advisory Circular regarding planning states that planners should analyze existing and forecasted activity when assessing future facility requirements.
- **The Current Master Permitting at Middlebury exclusively focuses on developing more Airport Hangars – rather than other infrastructure that was being requested by users.** The current users of the airport have expressed their opinion in a survey conducted by AOT in the Vermont Airport System Plan published as recently as August 2021 and they did not mention Hangars as a need. [This was different at other Airports where Hangars were identified as a need.]
- **The Master Permitting plan exhibits the Sunk Cost Fallacy and continues to misallocate valuable State Economic development resources and is reluctant to change course.** The Master Permitting plan continues even though 2 private Hangars were permitted in the current airport footprint but outside of the Master Permitting plan. These were financed by private individuals. A 3rd Hangar has been proposed. Irrespective of these. None of these have changed any permitting plan proposed by the AOT. They continue to propose an additional 9 Hangars to an airport that is projecting a negative growth rate in terms of Airport operations and planes based at the Airport.