

Comments on the Feasibility Study:

October 23,2000 (*Airport Comments added November 2, 2000*)

Hodges final comments added November 16, 2000

Hodges final comments revised May 8, 2001

I presumed that the Airport Board and subsequently the FAA would do an objective evaluation of the recent airport relocation Feasibility Study, but apparently they have accepted the recommendations of the consultant virtually without analysis. Who is the customer here when wildly disproportionate funds are provided by a Federal agency to enable a local Board to lobby that same agency for ever more funds in pursuit of a marginal project? The consultant is only an advisor in this effort and cannot be faulted for continuing to provide carefully couched answers to multimillion-dollar questions. If each answer costs \$1-\$3 million dollars, the professional can only hope that the client doesn't run out of questions and the taxpayers don't go broke. I offer below a different view of the conclusions, which can be drawn from the Feasibility Study itself and a few hours of data gathering from public sources. The topics are from the report - I passed over several peripheral topics such as the detailed environmental reasons for rejecting previous proposals and some boilerplate Federal impact analyses. Attached are comparative airport passenger traffic and airport layout data, which were not included in the report.

(Authority comments: The Feasibility Study was conducted in accordance with specific criteria and work scope approved by the FAA prior to undertaking the work.

FAA analysis of the Study was conducted at FAA's headquarters in Washington D.C., the regional office in Atlanta and their district office in Orlando, The FAA concurred with the recommendations set forth in the Study. Airport Staff and Board Members were directly involved in the work process throughout the Study. In regard to the cost of the Study, an independent cost analysis was required by and approved by the FAA prior to commencement of work. The approved work scope did not include funding for any lobbying activity.)

(Hodges final comment: The FAA did not fund my work, so I am free to characterize the study as I see it. I relied on the FAA and the Authority to come to a recommendation supported by the data in the report, and any other data which could be obtained using a budget exceeding \$2.4 Million. In my opinion, the recommendation to relocate in the timeframe proposed is not supported by the data.)

Airspace: A lot of inventory and discussion, but no unusual or critical airspace restrictions in present or proposed location.

(Authority comments: Agreed. However, analysis of existing airspace reveals safety concerns regarding the crossing of the PFN and Tyndall precision instrument approach paths at two locations, which has been acknowledged by the PFN tower, the FAA, Tyndall and Eglin AFB as a safety and air traffic controller work load concern.)

(Hodges final comment: Almost every airport in a busy area has “safety and controller work load concerns” - nobody is suggesting moving La Guardia, San Diego Lindbergh, or many other busy-airspace airports. This is the purpose of air traffic control, to facilitate safe air traffic if potential conflicts exist.)

Operations: Defined as aircraft movements, as distinguished from passenger traffic.
10% Commercial (of which 8.5% is commuter air carrier), 90% General Aviation.
97,000 operations in 1999 (17,000 commuter air carrier), forecast 141,000 in 2020.

FAA Guidelines: Begin construction for more capacity at 180,000 operations (circa 2030?).

(Authority comments: Agreed, There is no need for additional capacity enhancements today. The relocated airport would provide room for such expansion in the future without condemnation of additional land.)

(Hodges final comment: The only airports in the USA requiring more capacity than two intersecting runways are the major hubs like Atlanta, Dallas, Chicago, and similar. Major airports like La Guardia, Washington/Reagan National, and many others are two-intersecting-runway layouts. Is the Authority contemplating serving more traffic than La Guardia at any time in the future? If not, the land available is irrelevant except to mitigate community noise.)

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Capacity: 200,000 operations, not enhanced by relocation (still a 2-runway airport with intersecting runways).

(Authority comments: Agreed. See above comment regarding availability of land at a relocated airport.)

(Hodges final comment: See above.)

Passenger Traffic: Present Emplanements: **170,000**
2020 Forecast: **324,000**
See attached table of airport rankings by enplanements - in 2020, Bay County will reach approximately the level of Daytona Beach today, but it is unlikely that the regional population will be comparable. Very little mainline scheduled air service will be needed **and none that cannot be served from a 6,308 foot runway.** The report mentions the growth and development of Southwest Florida Regional Airport (RSW-Ft. Myers). **RSW had over 600,000 enplanements in the first year of operation.**

(Authority Comments: The forecasts are based on a 3.1% per year growth rate, which is less than the average annual growth rate for the prior twenty years of 4.9%. The current growth rate in passenger enplanements for the first nine months of this year is 5.8%. Population is a factor in developing forecasts, however, it is not the sole determination, Socioeconomic factors such as personal income, number of visitors, and other regional characteristics must be taken into consideration.)

(Hodges final comment: We have simply reached different conclusions from the same data. There are several past years with declining traffic. I submit that the traffic forecast does not support a larger airport, regardless of the socioeconomic factors. Although I have not studied these factors in depth, I doubt if Bay/Walton counties are more affluent or likely to stimulate air travel than Daytona Beach, Tallahassee, Montgomery, or similar markets which are losing mainline jet service. Why has the study invoked a non-comparable airport - Ft. Myers - and ignored these comparable facilities?)

Passenger Profile: Bay County = 87%, Walton = 2.4%, Okaloosa = 2.4%
Trip Origins: Predominantly EAST of Hathaway Bridge
Travel Purpose: 53% Personal, 37% Business, 10% Military (say
50/50 personal/employment)
Passengers are 37-50 percent local residents (seasonal)

(Authority Comments: Correct. However, the Study noted that the survey of passengers was taken during mid-December and reflected off-season travel conditions.

This resulted in a lower share of out-of- town visitors and a lower number of passengers overall in comparison with conditions experienced during the summer.)

(Hodges final comment: As I recall, the survey was during the Thanksgiving-to-Christmas holiday period, not exactly "off-season" for volume, and the raw data indicated 50 percent local residents; the consultant commented that the summer mix was 37 percent local. I just combined these into the comment "37-50 percent local (seasonal). Does the Authority now have data showing the summer traffic significantly exceeds 63 percent for non-local? The passenger survey also makes no adjustment for the relocation 30 miles nearer to a lower-fare airport (VPS), which will drain more traffic from the new location than the existing.)

Airline Comments: NO COMMENTS from incumbent airlines, who presumably have most to gain from improved airport.
Very equivocal comments from American Eagle: "May be difficult to justify", "less than 8,000 feet could necessitate restrictions, may not be possible to ensure or sustain viability"... **FACT: "big" American flies B-757's 2000 miles from Orange County, CA (5,700 feet and not expandable), along with Delta, United, Northwest, Continental and America West.**
Other: One tour operator with no demonstrated record, one "potential" cargo flight to Venezuela.

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(Authority Comments: American Airlines, American Eagle and Spirit Airlines indicated interest in serving Panama City. However, they concluded that the length of the existing runway was insufficient to support the type of aircraft in their fleet that would be compatible with the passenger market in Panama City.)

*(Hodges final comment: The airport supported B-737's and B-727's daily in the past. If Bay county ever generates 600,000 enplanements, it will be served by mainline jet aircraft, whether at the present airport or a new one. For the next 20 years, the prospect is for regional jet service, presently 50-seats, requiring 5800 feet at most. The derivative 70-seat R-jet requires even less airfield. A new airport is desirable, but the opening date should be after 2020, not 2006-2008. **The relocation advocates insist that mainline service will come earlier than the 2020 time frame, so provisions may be made to relocate earlier, but NOT 2006)***

Airport Comparisons; Second shortest air carrier runway in Florida - **Key West is 4,801 feet, has 250,000 enplanements.** (What is the significance of this? The FAA manages a national aviation system, not state by state, and PFN has comparable or better service than several "bigger" airports (Montgomery, Augusta, Dothan,Gainesville).
FACT: There is no correlation between runway length and air service. There IS a strong correlation between population/passenger traffic and air service. (See the attached package of airport diagrams and traffic statistics). There is no correlation between the development of Alliance Airport - Forth Worth and Bay County - except that both are clients of the same consultant. Bay County has existing vacant industrial park space adjacent to the existing airport (operated by both the Airport Authority (north) and private developers (west)).

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(Authority Comments: A comment was made in the Study that Panama City has the shortest runway at a commercial service airport that is served by jet service in the State of Florida. As a point of clarification, it was noted that Key West is a commercial service airport with a shorter runway. However, because of runway constraints, it is currently served only by airlines operating turbo-prop aircraft. In regard to the comment that there is a strong correlation between population/passenger service and air service, Key West is a perfect example that factors other than population also can have a significant impact on the number of airline passengers in a community. Key West has a population of only 24,832, yet they generate more than 250,000 enplanements. There is a direct correlation between runway length and air service if the runway is deficient to the extent that it restricts airline operations. Again, Key West is an excellent example. They are unable to adequately accommodate passenger demand because of the restrictions due to the length of their runway, Hillwood Development Corporation is the developer of Alliance which is a large residential, commercial and industrial development in the Dallas-Ft. Worth area that includes the Alliance Airport. Hillwood is not a client of the consultant referenced, Bechtel Infrastructure. They were retained by Bechtel as a subconsultant to provide expertise in the area of industrial development that may be associated with an airport.

Please note that the Airport Authority is also an industrial district. The Authority does operate the two industrial parks referenced, however, it should be noted that most of the available land has been developed.)

(Hodges final comment: My point is that Key West, constrained and busy as it may be, is not comparable to Bay County as an airport - no doubt if Key West had a 6308 foot runway, they would have R-jet service. If their traffic doubled to 500,000 enplanements and they had a 6308 foot runway, they would probably have mainline jet service. Some airport will always have the shortest runway. This is academic if the short runway is adequate to serve the market.

I am misinformed about the relationship between Bechtel and Hillwood, and my remark was wrong.

I will let the public form its own opinion on the comparability of the Dallas/Ft. Worth Metroplex and Bay County - as to population, industrial development potential, and airport needs. They may wonder, as I do, why a consultant from that background was selected.)

Reasons for Recommending Relocation:

- I. Lowest overall cost (This assumes a need for expansion, which is arguable and not proved in this report. We have never seen a reasonable, palatable alternative for extension of: 492 feet with renewal of the FAA waiver, 612 feet to eliminate safety area waiver or 1,108 feet to achieve 6,800 feet and remove a waiver. The rejected extension was 2,046 feet.)

(Authority Comments: Relocation of the Airport had the lowest overall cost of the alternatives that were studied. Extension of the runway to 6,800' and to remove the waiver is Alternative 2A in the Feasibility Study. To achieve a 6,800' runway requires a 500' extension, while the safety areas are short by 1,000'. Therefore, the length of extension required is 1,500', not 1,108'.)

(Hodges final comment: My comments relate to alternatives NOT studied. Extension of the runway and renewing the waiver on both ends requires a 492 foot extension, extension of the runway and removal of the waiver on the northwest end of 14-32 requires 1,108 feet, and removal of the northwest end waiver only would require 612 feet. The southeast end waiver alone could be removed by realigning SR 390 - it has no effect on approach profiles or community impact if the usable runway is not extended. I do not have the resources to evaluate any of these alternatives in detail, but they are all academic for the next 20 years. After reviewing the FAA position on Runway Safety Areas, I agree that any expansion of PFN should address this problem. I have developed at least two alternative designs which accomplish this without resorting to the alternatives proposed by Bechtel. I have also analyzed the cost estimates, and I am confident that NO cost saving accrues to relocating, much less \$111 Million. The Bechtel analysis finds the cost of expanding PFN by 500 feet to be \$276 million, a figure bloated by "wishful thinking" projects in the Master Plan (seaplane port, international terminal, relocation of south General Aviation/Cargo facilities) and huge contingencies and property acquisition costs. These costs are driven by the total absence of "value engineering" in the design – the design is a "straw-man" set up to maximize cost, not minimize it.)

2. No property acquisition, donated land. (Landowner has advertised these pinelands in 100,000-acre parcels, with no viable bids. Donation of the airfield portion only, with concomitant public enhancements of \$250 million, will greatly enhance the value of the peripheral industrial property. **There is nothing wrong with this, if the \$250 million is a necessary or desirable investment by the taxpayers.** If not necessary or timely, the landowner can set aside the property for an airport to be developed if ever needed - there is no disclosed intent to develop this property before 2010-2020 anyway.

(Authority Comments: We cannot speak for the property owner's intent. The land to be donated will provide space for current and long-term Airport needs and we, therefore, chose to consider the benefit of that donation in the long-term need of the Airport.)

(Hodges final comment: Agree. That only leaves the justification for spending \$250 million instead of \$275 Million!)

3. New Airport can be ready in 2006 instead of 2009. (This is irrelevant. **According to the Study, no mainline jets will be operated before 2020 and even then the likely stage length can be served from 6,308 feet.**)

(Authority Comments: Airlines make their own business decisions. Having the Airport ready in 2006 may mean that another airline (see American Airlines letter) could serve PFN at that time.)

(Hodges final comment: The whole point of this commentary is that AIRPORTS too should make prudent if not businesslike decisions. Taken to its logical conclusion, having the airport ready in 2006 may mean that 40 airlines COULD serve PFN, but given the traffic forecast, it is very unlikely that ANY will, least of all American, given their national hub locations. If they were interested in this region, they would be in Pensacola or Tallahassee before PFN.)

4. Airspace improved and air carrier operations expanded by eliminating operational limitations. (This is a statement without any supporting data - there are no capacity limitations at either location and the airspace limitations only require coordination between Tyndall and FAA controllers, a routine procedure at many airports.)

(Authority Comments: We cannot speak for Tyndall, but it is our opinion that greater separation from Tyndall does improve airspace. Analysis of existing airspace reveals safety concerns regarding the crossing of PFN and Tyndall precision instrument approach paths at two locations, which has been acknowledged by the PFN Tower, the FAA, Tyndall and Eglin AFB as a safety and air traffic controller work load concern.)

(Hodges final comment: See my comments under "Airspace"; separating air traffic safely is the routine purpose of air traffic control. Without question this project improves everything about PFN, but it will be the most expensive public works undertaking in the history of the region, with NO tangible benefits achieved for at least 20 years. All the cost is front-loaded, and the benefits are either incremental or deferred far into the future.)

5. Achieves compliance with FAA design standards for Runway Safety Area. (This requirement has been waived by the FAA and the FAA has stated it would consider renewing the waiver for an extended runway, **if an extension** is necessary. Why has this request (492 foot extension, renew the waiver) never been made before spending \$3.4 million on relocation studies?)

(Authority Comments: It is the FAA 's policy to meet design standards for runway safety areas. The FAA, as the result of two recent accidents involving runways with safety areas that that did not meet FAA safety standards, is reviewing current waivers. Regardless, it is the position of the Airport Authority that we provide the highest level of safety for the traveling public. The Airline Pilots Association (ALPA) has gone on record specifically in regard to the non-standard runway safety areas here in Panama City. Gary Donovan, Southern Regional Safety Chairman for the ALPA, made the following comment in correspondence to Airport officials - "Aircraft approaches to Runway 14 have almost no margin for error in the event of an undershoot. Aircraft, which overrun Runway 32, have only a few feet to stop before entering the waters of North Bay. The current situation presents an avoidable hazard which clearly should be addressed to provide the traveling public the safety margins it expects and deserves.")

(Hodges final comment: If the FAA or the Authority's concern requires compliance, then shorten the runway now to 5700 feet and keep on operating like Orange County CA. Alternatively, two of the unstudied alternatives would address this, and no doubt the Authority would seek full funding by the FAA or divert the imminent \$1.50 per ticket (50%) increase in the PFC tax to this purpose. FAA will have a huge problem if they cancel these waivers everywhere, and I cannot imagine they could do it selectively. ALPA is a labor union and has no more standing in FAA rulemaking than any other interested party. Did ALPA volunteer this comment, was it solicited, or was it submitted after independent review of the proposed expansion?)

At the present time (May 2001) the Airport has accepted a grant to refurbish Runway 14-32, with the stipulation that Runway 32 be derated to 5441 feet "declared distance" for Landing Distance Available (LDA), effectively shortening 32 to 5441 feet for landing. In my opinion, this action jeopardizes the viability of the existing airport with no assurance of relocation. Although mainline aircraft can operate on 5441 feet, airline internal standards may deny new service. I urged the Director to reconsider accepting this grant, to no avail.)

6. Fewer environmental impacts. (Again, this is arguable - a modest extension on both ends of Runway 14-32, **if ever necessary**, may well be less impact than developing 4,000 acres of pinelands and wetlands PLUS redeveloping the existing Airport as mixed-use with golf courses, waterfront condos and residential amenities. The present Airport has minimal estuary and noise impact.)

(Authority Comments: Noise impacts are becoming a greater problem today. The impacts considered in the Feasibility Study were those of condemning 300 homes and 26 businesses versus development in an area that has been a timber operation for years. The environmental impact associated with extending the runway into the bay was well documented in the 1996 Environmental Assessment Study along with major opposition by state and federal regulatory agencies and environmental groups.)

(Hodges final comment: I agree that noise resistance has increased, but the Authority has made NO proposals to mitigate the night noise yet. This is certainly not a \$250 million problem. There is no reason to extend the runway into the bay or into the community for any new aircraft requirement before 2020. It is a bit strange that the Florida DOT recently drove several hundred pilings in North Bay and built the new Bailey Bridge without removing the old bridge, with no perceptible environmental opposition.)

Environmental activists have informed me that the bridge projects were evaluated, and that replacing (duplicating) the pilings in close proximity to the old pilings was an acceptable compromise. I urge the "fast-track relocation" environmentalists to review their complicity in the present project as it is planned: a massive industrial park/airport hastily sited between two sequestered tidal creeks (Burnt Mill and Crooked Creeks), and subsequent redevelopment of the present airport WITHOUT FAA's deep pockets to assure mitigation. Asked how he would handle the environmental mitigation at the new site, the project manager said: "Whatever way will get the dirt moving fastest." Is that the attitude we want on the biggest project in our history? FAA has said it will have no interest in how the present site is developed once it is no longer an airport.

7. Serves the long-term growth and expansion goals of the community.
(Who in the community? Not the military, most of the business or the east-of-Hathaway air passenger. Certainly not the existing general aviation activities, which comprise **at least 73%** of the operations and provide in-town employment for 100-plus people. The anticipated large-scale residential/light industry growth is expected to be west of Hathaway, but not necessarily enough to bias the total trip origins to the west - more data is needed to reach this conclusion and the landowner expected to generate this growth has not provided any data.)

(Authority Comments: The comment in the Feasibility Study pertains to the ability of a relocated and unconstrained Airport to better meet the future needs of our community versus the existing Airport site which is constrained. The Study did not identify a location, but made the recommendation that we proceed with a formal Site Selection Study as the next phase of work. Therefore, the above commentary is premature. The site selection process that is currently underway will take into consideration aeronautical suitability, air space issues, ground access, environmental, flood zones, and many other criteria.)

(Hodges final comment: My review, done at my own expense, is not constrained from assuming the outcome of this process. I agree that the Burnt Mill creek site is nearly ideal and should be the site if relocation of PFN proceeds. You can't have it both ways, citing unspecified universal benefits and then saying it is "premature" to evaluate specific benefits. I think it is "PREMATURE" to proceed beyond Site Selection - that is why I am trying to inform the public that this study was SELECTIVE IN ASSUMPTIONS , BASED ON VERY IMPRECISE COST ESTIMATES, and EITHER IGNORED OR WAS NOT CONCERNED WITH ECONOMIC JUSTIFICATION. From a pure aviation standpoint, this \$250 million is being spent NOW to facilitate the RE-INTRODUCTION of four or five narrow body jet flights per day sometime near the end of 20 years. The project is marginally desirable, certainly not urgent, and should proceed at a normal pace, competing with all the other infrastructure needs of the county for the \$15 to \$40 million local share.

I have heard the litany of benefits from similar projects over the history of the county. To wit: The marinas would bring economic development - they sat in decline for 35 years until rescued by emergency relief funds after Hurricane Opal. Panama City Mall - A private development, but very destructive to the town's character and overall development. I am simply asking the public and the county commission to give serious consideration to the relative cost and value of this project to the entire county.)

As of May 2001, the Chairman of the Authority has assured me that no local funds will be requested. The site selection speaks for itself, and I invite the public to review the exchange above and decide who is credible. The bill for all that "Site Selection", which I predicted for free, was \$1,026,655.00.

8. Increase competition of air service. (**Absolutely not supported by the report or external data.**)

(Authority Comments: Improved Airport facilities allow the opportunity for other airlines to provide service to meet the forecast passenger demand. Such competition is more conducive to lower air fares and better service. As noted in letters from American Airlines, American Eagle and Spirit Airlines, the existing runway length precludes them from operating in Panama City even though they have expressed an interest in providing service here.)

(Hodges final comment: Airlines are not reluctant to operate into markets where their aircraft and crews can be configured and trained to meet the local operating environment. Are you suggesting that American is violating its own policy by operating into La Guardia (7000 feet- 11.4 Million passengers, Orange County (5700 feet - 3.7 Million passengers), and Washington (6869 feet - 7.5 Million passengers)? Is it possible that American gave you a "courtesy" answer? Has American, Southwest, Airtran, or any other mainline carrier made an UNSOLICITED request to operate into PFN, then abandoned that request? The Authority has stated that Delta left PFN for economic ("business decision") reasons - Delta made no reference to airport deficiency while serving PFN or as a reason for leaving.)

The airport Director has answered my question about unsolicited requests for service being abandoned – there have been none. It is not intuitive, but the short runway does not necessarily forestall mainline service – a LONGER runway will enable the R-jets to "leapfrog" hubs and bleed away traffic to Washington, New York, and Canada someday, lessening the likelihood of a low-fare operation to a nearby hub (Southwest-Birmingham or AirTran-Atlanta; even Delta would discount seats on a larger airplane to Atlanta, but not on an R-jet past the hub.)

If this relocation project does not go forward, what is the alternative?

(Authority Comments: Refer to Alternatives IA and IB set forth in the Feasibility Study.)

(Hodges final comment: See my comments above re: unstudied alternatives. These remarks are intended to give another perspective on the future of the airport in its present setting, not the viewpoint (encouraged by the report) of a facility better served by replacement than improvement.)

Since the above exchange, more alternatives have emerged, most concerned with extending the schedule and being more careful with the environment. THERE IS NO HURRY – the artifact to be built is PERMANENT – LET’S BE CAREFUL WITH OUR MONEY AND OUR BAY!

This project is attempting to solve a problem which is either intractable or has already been solved by the aviation industry. Small city jet air service is not economically viable, but an acceptable surrogate is provided (at a price) by the regional jets recently introduced to these markets. Almost daily, additional small to medium-size cities are losing mainline jet service to these R-jets. The reality is that small markets must accept R-jet service until they become larger markets through classical economic development. There is no shortcut to that economic "critical mass" which has occurred in places like Orlando and Ft. Myers. If Bay County's economic development is accelerated by massive real estate development, air service will follow and the existing Airport is more than adequate to support expanded air service. If not, the community must accept that it has other positive qualities such as natural beauty and human-scale infrastructure optimized for aesthetics and surface travel.

(Authority Comments: The Feasibility Study concludes that the current aviation demand for Panama City can be met utilizing regional jets. Passenger forecasts indicate the need to transition to larger narrow body aircraft within the twenty-year planning period as passenger levels increase. The recommended runway length and other facility requirements set forth in the Study were determined based on current FAA design standards. The FAA concurred, with the conclusion set forth in the Study that it is far more economical to provide the required facilities at a new site versus expansion at the existing Airport.)

(Hodges final comment: The forecasts show traffic growing to approximately half the volume to assure mainline service in 20 years, based on the public domain data attached to this commentary. When forecasts show 500,000-plus enplanements in 20 years (12 years from now assuming 4 percent growth subsequent to 2020), the existing airport IN ITS PRESENT CONFIGURATION can comfortably serve a 6-8 year transition to the new facility. This scenario can be met with the growth of R-jet service and re-introduction of 5 to 10 mainline flights per day to PFN. In the interim, the community can enjoy more than adequate facilities for all the aviation interests involved, not just the airlines who operate less than 10 percent of the traffic, and the beach development interests who generate less than half the traffic.)

When the present terminal building debt is retired, cash flow should be directed to enhancing the aesthetics of the grounds and the street approaches to the Airport. If we have learned anything from the *Seaside/Rosemary/WaterColor* developments, it is that high aesthetic standards pay off in customer and public satisfaction. The existing air terminal meets these standards and the surroundings can be upgraded without relocating the entire complex. A passenger arriving in Panama City should perceive that he/she has arrived in a clean and beautiful prosperous small city. We cannot offer more than that. If the Airport-to-Hathaway corridor is aesthetically inadequate, begin with a landscaped approach boulevard connecting the terminal building to Frankford Avenue, bypassing the distressed properties along Lisenby Avenue north of State Road 390. From Frankford/highway 390, develop a phased streetscape project similar to the efforts along Harrison Avenue and the St. Andrews waterfront. If more capital is needed, consideration could be given to selling off the western and northern Airport property for private development.

(Authority Comments: The Florida Department of Transportation is providing funding to improve the Lisenby Avenue corridor. It is against Federal law to divert Airport funds for off-Airport projects.)

(Hodges final comments: I am aware that the Authority cannot directly invest off the property, and I did not make that distinction above.

My remarks are directed to what can be done legally (improve the approach streets on Airport property), and perhaps better uses of the \$15 to \$40 Million which will be requested from the community to accelerate relocation. If a fraction of this money is spent on beautification outside the Airport, it may well be a better investment than burying the same amount in invisible sitework and concrete at the new location. The new terminal is not likely to be a \$15-\$40 Million improvement over the present one.)

As growth occurs, additional amenities can be added such as food/bar service, near-Airport hotel - perhaps on the waterfront Airport property to the west, and hovercraft or conventional water taxi service to the south shore of West Bay (a projected growth area), Bay Point/Anderson Marina and ultimately any densely developed waterfront (north shore of West Bay, East Bay/Tyndall). Such service would enable a resort or beach-community passenger to bypass Panama City with a unique travel experience, without forcing **all** air passengers to the extreme northwest corner of Bay County.

(Authority Comments: At such time that the demand for such services would warrant providing it, we would be happy to consider it.)

(Hodges final comment: If that approach were used to consider relocation, the project would be back in the "Master Plan" phase where it belongs!)

Another alternative would be to pursue a strategy to aggregate enough regional air traffic to attract more air service - by combining efforts with Ft. Walton/Okaloosa to relocate both the Eglin and Bay County operations to an airport in Walton or Washington County in approximately 2020. Such an airport would reach viable mainline traffic levels much sooner than either operation would separately, at the expense of inconveniencing both communities somewhat.

(Authority Comments: We do not believe that this could be accomplished.)

(Hodges final comment: I agree, I just wanted to know if this has been considered; proceed to the next comment.)

If Bay County's intention is to compete head-on with Ft. Walton/Okaloosa, we will probably lose in the long run (they have almost a 2-1 traffic advantage and jet service to start), and the result for Bay County will be an expensive, marginally located commuter Airport which serves the Bay/Walton Beach communities for 30 more years with the same service available now at PFN and forever relegates Panama City to an inconvenient Airport, which bypasses the historic small city and surrounding communities. I would love to be proved wrong on this and I invite further discussion.

(Authority Comments: It is our intention to serve our markets. Our forecast 3J% growth does not include taking traffic away from Ft. Walton/Okaloosa.)

(Hodges final comment: See my comments above on traffic forecasts and the time frame they imply. One of my purposes in making these comments is to draw out answers to why the project is being accelerated, other than the "target of opportunity" of the free land and federal/state surplus funds. The county has NO surplus funds to support this project.)

I believe that the decision on relocating the Airport should be made after these alternatives are reconsidered and the debate should include the distinction between aviation needs and the pressure or desire to relocate the economic nexus of the region to the west This shift is not certain to accelerate economic development but it is certain to swallow \$250 million of public funds before the private interests risk anything, simultaneously distorting the underlying real economy with these millions flowing narrowly to professional fees, financial services and construction interests. If this artificial stimulation is positive to the public interest of the region, it should go forward immediately on its merits, not disguised as solving an air travel service problem.

(Authority Comments: We believe that the relocation is the best means of providing for the long-term needs of our Airport, as demonstrated in the Feasibility Study.)

(Hodges final comment: I agree, but we are far apart on the meaning of "long-term needs". I believe that this community has far more urgent needs for \$15 to \$40 Million of local funds (not to mention \$200-plus Million diverted from state and federal priorities) over the 2000-2020 period. My only motive in raising these questions is to assure that the public hears another plausible if not better recommendation for consideration. If placed before the public along with all other competing local priorities, this project may well be premature.)

I will post this document on my personal web site:

<http://www.ecoastlife.com/pcairportcomments.htm>

Don Hodges

Bay County Resident

Retired Professional Engineer

Delta Air Lines

Participant in many airport
development projects nationwide