SUBJECT:	Authorizing governmental entities to contract for longer-term aviation leases
COMMITTEE:	Transportation — favorable, without amendment
VOTE:	6 ayes — Alexander, Siebert, Edwards, Hawley, Hill, Uher
	0 nays
	3 absent— Finnell, Hartnett, Pickett
WITNESSES:	For — Bill Clayton, State Aircraft Pooling Board; Jesus Garza, City of Austin
	Against — None

BACKGROUND: The City of Austin is currently in the process of building a new municipal airport on the site formerly occupied by Bergstrom Air Force Base. Robert Mueller Municipal Airport, the current airport, is scheduled to be closed and all flight operations transferred to the new Bergstrom location by April 1999. Mueller Airport also has been home to the Texas Air National Guard as well as the State Aircraft Pooling Board, the state agency that provides air carrier service to a variety of state agency officials, employees, and state university personnel.   The State Aircraft Pooling Board, the Air National Guard, and the City of Austin are now negotiating the use of airport space and facilities to handle the agencies' future operations.

While negotiations continue, the parties have mutually concluded that any agreement between them should be open-ended or extended in duration to at least a 99-year term. However, the Texas Transportation Code places a 40-year limitation on any aviation contract, lease or other arrangement involving operation of an airport or air navigation facility between the state and a local government.

DIGEST: HB 979 would remove the current 40-year limit on aviation-related contracts and leases between local governments and the state and federal government agencies.

HB 979 would take immediate effect if finally approved by a two-thirds record vote of the membership in each house.

SUPPORTERS
SAY:

HB 979 would provide the flexibility necessary to successfully conclude negotiations aimed at securing a permanent home for both the State Aircraft Pooling Board and the Air National Guard. The bill would ensure a fair, efficient and timely transition from Mueller Airport to Bergstrom, something local residents have long requested. Indeed, Austin voters approved a referendum to move the airport over five years ago in order to remedy noise, traffic and safety concerns, as well as to remove the obvious burden upon their property values caused by their proximity to the airport's ever-increasing operations. Further, the FAA also favors moving Mueller in view of both safety issues and the anticipated growth in population and, therefore, air traffic in the Central Texas area over the next 20 to 25 years.

Allowing a long-term agreement is in the best interests of the state of Texas for a number of reasons. A longer-term lease or contract would establish consistent and predictable costs and assure the State Aircraft Pooling Board of reserved space for its aircraft fleet at the Austin airport, even as total air traffic at Bergstrom increases with the anticipated population growth in Austin.

OPPONENTS
SAY:

The statutory changes authorized by this bill, even though limited to a simple revision of the Transportation Code, should not be made until the State Aircraft Pooling Board, the Air National Guard, and the City of Austin have reached a final agreement clearly outlining a plan for their operations at the new airport. Any uncertainty concerning the Aircraft Pooling Board's future location and its working contractual relationship with the City of Austin should be resolved before the Legislature is asked to take substantive action, since locking the board into a 99-year contract may present real fiscal consequences for Texas taxpayers.

The Legislature should proceed cautiously before allowing any state agency to enter into a contract for longer than 40 years, no matter how limited the subject area. This bill could open the door to allowing long-term contracts for other services, with few safeguards to prevent contractual arrangements that may not currently be anticipated or intended.