

Contra Costa County Board of Supervisors
Airport Committee

Monday, April 6, 2009, 9:00 a.m.
550 Sally Ride Drive
Director of Airports Office

FINAL Minutes

The meeting was called to order at 9:07 a.m. by Supervisor Piepho.

Supervisor Mary Piepho, Chair and Supervisor Susan Bonilla, Vice Chair were introduced. County Staff present: Keith Freitas, Airport; Beth Lee, Airport; and Natalie Olesen, Airport.

2. Approval of Minutes

December 4, 2008 and February 2, 2009 minutes were approved.

3. Public Comment:

None

4. Report by Aviation Advisory Committee

Geoff Logan, AAC Chair, updated the Airport Committee (Committee) regarding some of the upcoming events at Buchanan Field; Collings Foundation and Commemorative Air Force. He reported the Aviation Advisory Committee (AAC) had discussed the Records and Destruction Policy, had discussed and recommend approval of the southwest development project design aesthetics; lease amendments for Seecon, Concord Jet Service and Byron Jet Center; the analysis of the cost benefits of a Foreign Trade Zone designation at the County Airports; and the initiation of a solicitation for the Byron Airport grazing licenses. As requested by the Committee the AAC has also reviewed and discussed the Airport Enterprise Fund Fiscal Year (F/Y) 2008/2009 budget and reviewed two of the three main issues of concern: the increase in Salaries and Fringe Benefits and the Expenses over \$25,000. The AAC will be looking at the third cost item, the Part 139 certificate, at the April AAC meeting.

Tom Weber, AAC Secretary, reported on the Community Input Matrix that was reviewed at a previous Committee meeting. As requested by the Committee, a matrix showing the Optimal Stakeholder Involvement Process was developed to show the most common items of concern and the optimal flow of those issues through the process starting with the Airport Staff up through the Board of Supervisors.

Geoff Logan then reported the AAC had chosen members to sit on a subcommittee that would assist the Airport staff with the grazing license solicitation process.

Supervisor Piepho questioned the geographical make up of the AAC.

Geoff Logan responded that the members are made up of Central County residents. Only one applicant from East County applied for the vacant At-Large position but the most qualified individual had been selected.

Supervisor Piepho stated that in moving forward with selecting future At-Large position members her office would be willing to assist to gather more possible applicants from East County. The Supervisor then directed to have the Input Matrix added to the next agenda for final review and adoption.

5. Silver Pacific Southwest Development Project

Keith Freitas reported Silver Pacific had submitted draft drawings for the southwest development parcel. To date, the aesthetics are fairly similar to those submitted by the previous development team. Tom Sullivan, representative of

Silver Pacific, stated the drawings were still being developed as they refine the site plan. The drawings are being worked on by their engineers and steps are being taken to obtain permits.

Supervisor Piepho questioned whether the current economy would hamper completion of the project. Tom Sullivan stated the aviation environment is weathering the economy very well and has been a positive situation in working through this project.

Supervisor Bonilla requested that once the design drawings are complete that public meetings be held to discuss the aesthetics to give the public opportunity to comment. Keith Freitas reported the public would have opportunity to view and discuss the drawings at a future AAC meeting as well as a future Committee meeting. Supervisor Piepho asked for additional meetings. Keith Freitas responded that meetings could also be held at one of the mobile home parks.

The Committee accepted staff report.

6. Seecon Corporate Hangar Lease Amendment

Keith Freitas reported that Seecon had contacted Airport staff regarding modifying their lease. Seecon has requested a modification to allow for commercial operations in particular Part 135 Charter Operations. Seecon is looking to rent out part of its hangar space but many possible tenants are asking if they would be allowed to perform charter services. The amendment would allow for additional aircraft to be brought to the Airport which is good for the Airport as a whole. Corporate aircraft being put on Part 135 Charter is very common practice, so in order to bring those aircraft to the Airport Seecon would need to modify the lease.

Sal Evola, Seecon representative, stated that the hangar was built primarily to offset the ownership costs of their aircraft and they do not want to get into commercial activities like maintenance or perform like a Fixed Based Operator (FBO). In trying to lease out space to other owners, it was found that those owners often offset their ownership costs by chartering out their aircraft (under FAA Part 135). The current lease would prohibit the tenants from loading or unloading passengers at the hangar.

Keith then stated that this modification would be beneficial to the FBO's by providing additional based aircraft needing maintenance, avionic services or repairs. The other benefit is those same aircraft would generate personal property taxes that go to the County General Fund and schools.

The Committee concurred to move forward with the amendment.

7. Concord Jet Services Lease Amendment

Keith Freitas explained that Concord Jet Services (Concord Jet) had expanded by building a large hangar north of the Airport's Office. That lease had language regarding fuel flowage fees and they constructed a new fueling facility at their adjacent site. Since Concord Jet sold the new hangar, their lease for the first leasehold area allowed for fuel sales but did not include the fuel flowage fee. Concord Jet has been paying the fee according to the informal lease but this item needs to be formalized as part of their lease for this existing facility.

The Committee concurred to move forward with the amendment.

8. Foreign Trade Zone

Beth Lee reported the concept of a Foreign Trade Zone was previously discussed before the Transportation, Water and Infrastructure Committee (TWIC) on three separate occasions. With the current economy, Airport staff would like to bring this topic before the full Board for approval to do a feasibility study, as originally proposed by Supervisor Piepho.

Supervisor Bonilla questioned the costs of doing the study. Beth Lee responded the only costs of the study were those of staff time and resources.

Supervisor Piepho questioned if the foreign trade zone designation would be for both Buchanan Field and Byron Airport or only the Byron Airport. Keith Freitas responded that the designation could be for both depending on whether or not it was feasible.

Staff was directed to move forward with bringing the foreign trade zone item before the Board of Supervisors.

9. Byron Airport Grazing Licenses

Beth Lee stated the current grazing tenants are on a two year license. In the interest of the current grazers and to start the solicitation process, a general letter of solicitation will be distributed to gauge the level of interest. The AAC has been asked to assist in refining an approval process should there be competitive interest.

The Committee concurred to move forward with the solicitation process.

10. Presentation of the 2008/2009 50% Airport Budget

Keith Freitas gave an update on the F/Y 2008/2009 50%, midyear, Airport budget as well as the proposed F/Y 2009/2010 budget. Keith explained the budget is reviewed quarterly to ensure expenses and revenues stay on budget. Keith commented that one Airport Operations Specialist recently resigned and one Lead Airport Operations Specialist is due to retire July 1, 2009, which will reduce the salary and benefit expenses for F/Y 2009/2010; for budgeting purposes those two positions will not be filled.

Supervisor Piepho questioned whether the two positions would remain vacant due to the County's current economic policy or as a discretionary measure. Keith Freitas stated it was following County policy.

Supervisor Piepho suggested showing the trends over the last five years; that additional information would be helpful.

Keith Freitas gave an overview of the Airport goals and targets for 2009.

Supervisor Bonilla questioned whether the Airport had a reserve policy and if not this item should be discussed and set up to ensure funds during hard economic times.

Supervisor Piepho questioned if the reserves were shown on the budget. Keith responded the reserves were part of the operating cash. The Supervisor then recommended the County Reserve Policy be reviewed and that a similar policy be considered for the Airport that addresses how much should be in the reserve, how and when those reserves can be used and how the money borrowed from those reserves will be repaid. This item was then referred to the AAC for a recommendation.

Supervisor Bonilla also agreed there should be a policy. The Supervisor then questioned whether or not the Airport has a maintenance reserve.

Keith Freitas stated that there wasn't a current maintenance reserve fund as many of the maintenance projects like runway repairs and replacement are funded through Airport Improvement Program (AIP) funding which covers 90% of the costs. However, Airport staff is working on a five (5) year budget and those ongoing maintenance repairs will be scheduled into that budget process.

11. Future Agenda Items

- Stakeholder Input Matrix
- Referral of an Airport Division Budget Reserve Policy through the AAC

Meeting was adjourned at 10:50 a.m.