



Contra Costa County

To: Board of Supervisors
From: AIRPORTS COMMITTEE
Date: December 17, 2019

Subject: Status of the Implementation of the Strategic Plan for the County Airports

RECOMMENDATION(S):

ACCEPT the report regarding the status of the implementation of the strategic plan for Buchanan Field Airport and Byron Airport.

FISCAL IMPACT:

The continued growth of County airports will have a positive impact on the local economy and the County's General Fund.

BACKGROUND:

Background:

The County owns and operates two airports, Buchanan Field Airport in Concord and Byron Airport in Byron. To be eligible for grant funding, the Federal Aviation Administration requires public airports to be as self-sufficient as possible. For that reason, operating the County's airports is similar to operating a business (albeit a business that operates within a governmental framework). Revenue generated by ground leases, hangar rentals and usage fees provide funds that pay for the airports' operating expenses, including airport management, operations, and facility maintenance. In addition to being self-funded, airport operations benefit the entire County by contributing revenue to the County General Fund

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **12/17/2019** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: December 17, 2019

David Twa, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

Contact: Beth Lee, (925)
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cc:

and to other public entities through possessory interest taxes, sales taxes, and other taxes.

Over the last ten years, the airports have contributed between \$1.7 million and \$2.3 million annually to the County General Fund from possessory interest tax and other taxes. The most recent annual revenue generation we have is for fiscal year 2017-2018, which shows that airport operations contributed around \$2.2 million to the County General Fund, \$883,000 to local schools and \$249,000 to other public entities. In addition to their contribution to the public good through tax revenue generation, the County airports benefit the local economy. In 2016, the County airports contributed to the local economy (in the form of direct and indirect impact) by generating approximately \$106 million in total annual economic output, which includes 828 jobs, \$8 million in state and local tax revenue, and \$10.2 million in federal tax revenue.

These economic impacts do not happen by accident. The County's airports operate in a competitive marketplace in which airport users can choose among multiple airport options in the region.

BACKGROUND: (CONT'D)

Economic Development Incentive Program:

In 2014, the Airports Division embarked on a path to identify ways to retain existing, and attract new, business and tenants to the airports. The goal was to create and then implement a tenant/business attraction and retention program to strengthen, diversify and grow the airports. The result was the creation and implementation of the Economic Development Incentive Program (EDIP), which was designed to best position the Airports Division to react and behave more like a business in order to successfully compete for market share in the region.

In developing the EDIP, Airport management worked with a diverse 48-member group representing leasehold tenants, County hangar and tie-down tenants, businesses, flight clubs, and the Aviation Advisory Committee to identify key issues, projects and programs to best position the County airports (together and individually) to attract new and retain existing tenants/businesses. The result was the creation of the following specific goals:

- Distinguish the County's airports as the preferred general aviation airports in the San Francisco Bay Area for pilots and businesses.
- Improve the financial well-being of the airports by increasing and diversifying the revenue base.
- Improve regional marketing to increase awareness of the airports and what they have to offer.
- Increase community knowledge of, interest in, and support of both airports.
- Attract business aircraft and aeronautical businesses.
- Attract general aviation aircraft and pilots.
- Cultivate an environment that encourages staff to deliver better customer service, increase creativity and lower turn-over (all of which benefit our customers).
- Cultivate an environment that fosters tenant and business retention. (Trust, confidentiality, reliability and fairness are baseline roots.)
- Let our tenant and business community know that we appreciate that they call the Contra Costa County airport system home.
- Position the County's small airport system to become an industry model and leader.

Strategic Plan Development:

Following the creation of the EDIP, the Airports Division got to work updating its strategic plan in order to carry out the EDIP. As with the development of the EDIP, there was a lot of "stakeholder" involvement in the development of the strategic plan, which was completed in August 2017. The overarching goal of the strategic plan was to create and implement an effective business retention/attraction program to strengthen and grow the County's airports. Through the development of the strategic plan, the EDIP goals were refined as follows:

- Improve the County's ability to compete for business and development opportunities by streamlining the Airport Division's development and entitlement process.

- Operate premier facilities, which requires providing timely responses to facility maintenance and improvement needs.
- Identify and implement additional economic development initiatives, to more readily attract and retain tenants and businesses.
- Increase and diversify both airports' revenue base to optimize their financial performance.
- Improve staff performance through cross-training and implementation of a staff development program.
- Improve both airports' communications with all stakeholders, including local communities.

Plan Implementation:

The Airports Division began its efforts to improve the regional competitiveness of the County's airports even before the EDIP and the strategic plan were complete. The fruits of those efforts and the success of the plans are in evidence. Attachment A shows the economic development initiatives that have been implemented by the Airports Division since 2014. In addition, the Airports Division has (i) developed and implemented new rates and charges for both airports to make hangar and tie-down rental rates more regionally competitive, (ii) initiated the development of a new terminal building at Buchanan Field, (iii) positioned the County's airports to be a leading server to a unique and emerging Unmanned Aerial Systems (UAS) aeronautical market niche (see discussion of BAATTS, below), and (iv) proactively sought new development opportunities. In addition, the Airports Division is working on five new development projects at Buchanan Field Airport and three new development projects at Byron Airport. Together, these completed and upcoming projects reflect diverse, and sometimes new, uses of the airports. The upcoming projects include:

Buchanan Field Airport

1. Light Industrial Park. A light industrial business park on approximately 3-acres at the northeast corner of Marsh Drive and Sally Ride Drive has been approved by the Board of Supervisors. The developer is nearing completion of its environmental mitigation requirements in order to submit applications for building permits. The developer anticipates starting construction in 2020.
2. New Fire Station. The Fire District has expressed an interest in constructing a new fire station, with crew quarters for aviation staff and an aircraft ramp, on approximately 3-acres generally on the west side of the airport, where Willow Street, Center Avenue and Marsh Drive intersect. The California Environmental Quality Act (CEQA) analysis is underway and should be completed in early 2020. The Fire District anticipates starting construction in 2020.
3. Self-Storage Facility. A developer has expressed an interest in developing a self-storage facility on four and a half acres at the northwest corner of Marsh Drive and Solano Avenue. The developer has submitted a development plan application, which is under review by the City of Concord. The developer anticipates starting construction in 2020.

4. Aircraft Rescue and Firefighting Facility. The County is interested in constructing an Aircraft Rescue and Firefighting (ARFF) facility, administration office and general aviation terminal to replace the existing terminal facility on John Glenn Drive immediately south of the Air Traffic Control Tower. The site plan is nearing completion and the project has a categorical exclusion for the National Environmental Policy Act and a categorical exemption for CEQA. The ARFF component is eligible for Federal Aviation Administration (FAA) grant funding; the FAA provided a grant for the ARFF design. The project is expected to start construction in 2021.
5. Light Industrial. A developer has expressed an interest in constructing a light industrial development on approximately sixteen acres on the east side of Marsh Drive and immediately north of the light industrial business park noted above. The CEQA process has started and a development application is expected to be submitted to the Department of Conservation and Development in early 2020. The developer anticipates starting construction in late 2020 or early 2021.

Byron Airport

1. Light Industrial. A developer has expressed an interest in constructing a light industrial development on approximately thirty-six acres on the northwest side of the airport. This project is on hold pending the completion of the Byron Airport General Plan Amendment process.
2. Aircraft Rescue and Firefighting Storage Facility. The County is in process of constructing an ARFF Storage Facility on land adjacent to the Airport office, on the west side of Osprey Court. The construction plans are nearing completion and will be submitted for building permits when done. It is anticipated that this project will start construction in early 2020.
3. Aviation Development. A developer has expressed an interest in constructing an aviation development on approximately three acres on the northwest corner of Falcon Way and Osprey Court. The developer is refining the site plan and will be meeting with the various County agencies to discuss the project in advance of submitting a development plan application. This project is anticipated to start construction in 2020.

In addition to the above-described projects, the Airports Division has also implemented a business attraction program at both airports. The focus of the program, known as BAATTS (Bay Area Aviation Technology Test Site), is to appeal to developers and tenants who are UAS (also commonly referred to as drones) aviation technology innovators. Because many Bay Area companies are developing aviation-related technologies and products, the Airports Division is proactively promoting our airports and services to attract these businesses to the County's airports. Because of the restricted and crowded nature of Bay Area airspace and neighborhoods, these companies have been traveling to remote locations, including out-of-state locations, to perform UAS testing. Buchanan Field and Byron Airport offer a compelling alternative to these companies by

providing two welcoming aviation-testing sites in close proximity to San Francisco and Silicon Valley. And because Buchanan Field is in a dense suburban environment and Byron Airport is in a rural environment, our airports offer these businesses a unique opportunity to design, develop, and test in both types of environments in the heart of the Bay Area.

To facilitate UAS testing at the County airports, the Airports Division is exploring partnering with an Federal Aviation Administration (FAA) designated UAS Flight Test Site. A partnership would allow Buchanan Field and Byron Airport to quickly become operational as an FAA designated satellite UAS test site. The Airports Division is also working to secure a Certificate of Authorization (COA) from the FAA to authorize specific types of UAS operations. Prospective UAS businesses would have to submit separate COA applications to the FAA for their specific operations at the County airports. Any public or private UAS proposal that the County receives will be vetted with various County stakeholders. (See Attachment B)

Summary of Benefits of Airport Development:

As more fully described above, each new development, business, and aircraft based at a County airport equates to increased revenue for the County General Fund. In addition, increased activity at County airports has a positive impact on the local economy through jobs creation and tax revenue. What may be less clear, but is equally true, is that the Airports Division's ability to increase revenue generation at the County's airports improves the likelihood of future airport growth and success. One example of this is that County's airports are eligible for significantly higher grants from the FAA's Airport Improvement Program (AIP) when annual passenger enplanements from a County airport exceed 10,000. One of Buchanan Field Airport's tenants, JSX (formerly Jet Suite X), recently exceeded that threshold. As a result, Buchanan Field Airport has been elevated from an allocation of \$150,000 of AIP funds per year to \$1 million of AIP funds per year. Airport development that increases and diversifies the airports' revenue stream also supports the County's mandate from the FAA, which is to operate the airports in a manner that enables the airports to be as self-sufficient as possible.

ATTACHMENTS

Attachment A

Attachment B

BOS Presentation 2019