

**SAN BERNARDINO COUNTY AIRPORTS COMMISSION MEETING
MAY 28, 2015.**

The meeting of the San Bernardino County Airports Commission was called to order at 10:00 a.m. by Commissioner Larry Asmus. Meeting location: Department of Airports: 777 E Rialto Ave. San Bernardino, Ca 92415

Commission Members Present:

Larry Asmus
Jim Bagley
Roy Cox
William Smith

Commission Members Absent:

Mark Taylor
Bob Cable
Ray Marquez

Staff Present:

James E. Jenkins, Director of Airports
Terry Stover, Asst. Director of Airports
Nicole Leyden, Secretary I
Jeff Laass & Steve Mintle
Carrie Hyke
Bob Velker

Department of Airports
Department of Airports
Department of Airports
Real Estate Services
Special Districts
Department of Airports

Visitors Present:

Carl Scholl
Jeff Aryan
Dan Hill

Aero Trader
Chino Airport Tenant
Mach One Air Charters

Pledge of Allegiance:

Led by Roy Cox.

Report on Posting of Agenda:

James E. Jenkins stated that the agenda had been posted.

Awards, Guest Introductions and Announcements:

Guests introduced themselves.

Action Item - Approval of Commission Meeting Minutes

A motion was carried by Commissioner Smith, seconded by Commissioner Cox and passed to approve the commission meeting minutes from April 23, 2015.

Commissioners Reports/Comments:

Commissioner Smith shared that the Redlands Airport had a successful airshow. They closed the airport from 3pm-7pm. He said that the Redlands Airshow operated much like Chino's, so this year the tenants were very involved in the planning of the event and it worked out better for the users and they were very pleased.

Commissioner Bagley expressed that the Chino Airshow was enjoyable.

Carl Scholl suggested that Chino Airport tenants get discount or complimentary passes to the airshow.

Public Comments:

Carl Scholl asked for status on the S.O.P. release regarding the leased property that Aero Trader occupies. They are standing by with some potential business opportunities. They were informed by Real Estate Services that it has been approved and will be issued by the beginning of next week.

Jeff Aryan said that the Chino Airshow ticket prices were too high. Also, he expressed disappointment for Friday's show that he had to walk across the airport to get in and that there was only one concession stand open. He also shared that he believed that the location of fire department and police department command centers blocked the view of the airshow. Mr. Aryan pointed out that the airshow has been calmer since the county implemented the need for a tenant to have a permit to have a party.

He does believe that pavement is also an issue and hopes it is taken care of soon.

Mr. Jenkins pointed out that airport groups or associations are great assets, yet they form for a single purpose. There is a group formed in Chino originally for pavement issues. He suggested that the group rally around other issues like the airshow.

Bob Velker shared that the mixer was a big success. About 250 people from the Preserve across the street came. Planes of Fame stated to Mr. Velker that the complaints from people across the street came down significantly. On Saturday morning he gave mini tours on the tram by sharing information about the airport and the people were enlightened. He would like volunteers to help with this in the future. He believes that this is a tremendous outreach tool that we can take advantage of.

Mr. Scholl stated that Chino is the premiere Warbird Airshow in the United States and needs to be preserved. It also promotes aviation and honoring veterans.

Mr. Scholl wanted to thank the county maintenance staff for their hard work during and after the airshow.

Information Item: 2015 Chino Airshow Review

Mr. Jenkins shared that the Chino Airshow was a record attendance event with 30,000 people over the three day period. It was a good event with no incident with any significance note. There was one incident of a pilot who broke airspace during the airshow who claimed radio failure and when he landed he was met by law enforcement with guns drawn. There were also very few medical transports. The fire department had their own response unit on the property which might have made a difference on how they responded. There were fewer responses than when AMR was working the airshow.

Mr. Jenkins informed us that in the past we took the airshow license to the County Board of Supervisors in April. We now plan on doing it in the late summer with notice to the airport tenants so it will be open to their comments and their comments may be considered.

Mr. Jenkins briefed us on how the Planes of Fame license the ramp area and airfield. The license began on Tuesday, but next year it will probably begin on the Monday before the airshow. Planes of Fame got an agreement with the sod farmer for parking in the sod area and tiedown tenants on the ramp voluntarily relocate during the airshow. We have a tenant at the base of the tower (airshow center) which is Flying Tigers Aviation, a self-serve fuel facility.

They voluntarily give up their operational rights during the airshow yet there is nothing in their leasehold that says that they have to give up their operational rights for the airshow. It limits their ability to operate with no compensation or off-set for them. Another tenant adjacent to the airshow has a lease on the space currently occupied by Aero Trader. He wanted certain rights in the airshow area, but the county did not grant them since the airshow license had already been granted to Planes of Fame. A number of people have comments about how the airshow ramp and the airshow are managed. These issues will have to be addressed. Planes of Fame need to outreach and engage the airport community. This may become a requirement in the airshow license that they do that. At some point the complaints and concerns by the airport users could shut the event down. Also the aerobatic box is continually getting smaller every year due to development around the airport. The box may eventually become the footprint of the airport as there are more developments around the airfield and Planes of Fame may need a larger area than Chino Airport.

Mr. Jenkins explained that the airshow is a fundraiser for the Planes of Fame Air Museum. The county profit shares in that fundraising. There is a high-bar formula for the amount Planes of Fame attains, and then the county gets compensation. The county had profit-shared about 6 years ago. The finally tally is not in yet for this year.

Mr. Jenkins pointed out that having the airshow as a multi-day event has been a challenge. It's a strain on resources and staff. It has been helpful that The Air Museum has become more organized and now contracts a lot of the services that they utilize during the event. The bicycle fencing has helped greatly also. Mr. Stover shared with the Inland Empire Airport Managers that we have 4,000 lineal feet available to be shared with other airports. The county's mission for the Department of Airports is to support other airports in the region.

The seating issue at the airshow has been commented about and it may need to be addressed. This would be a cost issue which may make ticket costs go up, though.

Information Item: Krey Airfield Reactivation Proposal

Carrie Hyke explained how she sits on the County Development Review Committee to see if properties have any impact on Special Districts or Department of Airports. Through this she found that Krey Airfield is applying for the reactivation of a glider sail-plane operation. It is at pre-application stage where he is looking into all the requirements to do so. He will need to make some small improvements. All the departments gave him the requirements, but our department didn't have any for him. It will come to the Planning Commission next. It is a private airport under new management with 3 sail plane clubs. He wants to have a device to catapult to launch the airplane into the sky. The airfield is southeast of El Mirage Lake and about 20 miles or more from Apple Valley Airport. There is no conflict with airspace utilization or impact on Apple Valley Airport. Carrie Hyke distributed a handout to the commissioners with pictures of the airfield and the land use application questionnaire.

Information Item: APV Master Plan Update

Carrie Hyke passed out the master plan to commissioners, which included a chapter on economic benefits. Carrie Hyke said that this master plan is just an update and in a month she will ask for a recommendation to go forward to the Board of Supervisors. In 1992 was the last master plan, and then in 2006 we did an airport layout plan update, which is a map of all the facilities. This is important because if it's not on the ALP then we won't get federal funding. She explained that in 2009 Coffman and Associates assisted the Department of Airports in reaching out to the tenants and stakeholders so they started a process of taking inventory of everything. Referring to the display boards, she explained that since there is no tower at the airport we don't know how many flight operations there are, so we estimate 46,100. We can grow to 64,000 if we need to so there is no need to increase runway capacity.

Carrie Hyke said that we try to come up with a 20 year plan for the airport by first looking at

what we have on the land side and air side. It shows the forecast summary of recommended development. At the end you come up with a recommendation of what's needed for the airfield and what's there for a capital improvement plan. A recommendation in the long term plan is to extend runway 18/36 400 feet and to extend the crosswind runway by 600 feet.

The layout plan also shows which runways are designated for which aircrafts depending on the wingspan and speed of the aircraft.

Mr. Jenkins shared that the two things that the FAA looks at on the master plan is the forecast and the airport layout plan. Those 2 elements make the master plan. With those they can put us into the system to receive federal dollars from the airport capital improvement plan. This plan helps the FAA prioritize our needs as related to the national airspace transportation needs are and that's how they fund our requirements. Safety and security are first, and then capacity issues are second.

Carrie Hyke shared what has been accomplished so far. We've acquired parcels and put up a fuel facility and drainage study for the entire airport, also a storm water retention area. The plans that are an ongoing development are a wash-rack, entry road improvements, terminal parking lot improvement, and refiguring the taxiways. Mr. Jenkins pressed the engineer to force the basin onto the property that we already own for water flow. We have to acquire property for the basins. There are 6-8 acres acquisition is what we need to accomplish. We have the money to do it since we have about 6 million dollars in the bank. Some of the elements that are shown on the master plan and on the ALP as being federally funded projects we can actually fund internally and for some we plan to use a portion of the money that is in the bank. The fuel dock was one of the investments that we made. Perimeter fencing is one that we will fund. We won't ask for recommendation of road improvements until the town of Apple Valley partner a bit more on that effort.

Mr. Jenkins explained that in 1990 the public believed that airports were contributing to storm water contamination. This was found to be false. There's even less in California because we don't use the de-icing fluids. We monitor what contaminants are on the airport for when there is a storm event and the water is washed through surface flows into the storm water basin system which is designed to polish the water.

Mr. Jenkins said that we are annually updating the 5 year plan to the FAA regarding what our capital needs are for the facilities throughout the system. So this update may change, or we may add to it. We may change our decision of what we need after hearing recommendations from the FAA. The FAA looks at what the needs are locally. For example, they might need a reliever for the air traffic that's going into Southern California Logistics Airport. So what the commissioners sign off on now may not be what the department needs to be signed off a year from now. Mr. Jenkins asked that the commissioners not be concerned if something they'd like to see on the document isn't on there, it may be on next year's.

Jeff Aryan suggested shaded structures for transient parking at Apple Valley Airport and Twentynine Palms Airport to attract more people to the airports.

Director's Reports

Capital Improvement Program

Mr. Jenkins stated that we don't have a capital program report, but we have the ongoing grant projects that we are moving forward on. These are the Twentynine Palms ALP, Needles ALP, Chino pavement project, which includes the northwest ramp, hot spots, and the J hangar paving area. We also have the Chino pavement management plan which will help us prioritize what our grant needs are for our pavement at Chino Airport.

In the coming months we will see 2 projects that have been on hold for Chino. One is the storm water conveyance project which will take the storm water from the north basins to the south basins at Kimball Ave. The other is the Yanks Air Museum paving project which is a separate

project from the northwest ramp, hot spot, and J hangar pavement project. If the AIP program is funded then we expect to see a grant for it this fall which is for 1.8 million.

Board of Supervisors Activity

The only Board of Supervisor activity that we had this cycle was the airshow license. There was a lengthy discussion about it. In the future we plan take it to board sooner and expect more public comments and concerns.

Real Estate

Steve Mintle shared that several SOP's were on hold due to revisions were being made by the CEO on standards of practice. Three will be going on the street next week. He and Jeff are currently working on 20 short-term leases.

Mr. Jenkins shared that there are a couple of major processes happening right now. One is the settlement with Threshold. In a week the last element in the settlement, which is weather-stripping improvement on the hangar doors, will be completed.

Another major process is with Mooney. Last Tuesday there was a meeting with them to determine what their plan is for utilizing commercial hangars 1 and 2. We are removing tenants from hangar 2 to do improvements and then will turn that space over to them. In March we met with Mooney and came to an agreement regarding what we would be accomplishing regarding improvements in hangar 1 and what they would be responsible for. Unfortunately, they don't have the resources to do the improvements agreed upon. The improvements that they have done are very sub-standard. Some recommendations were made to them about how they can move forward with their improvements. Mr. Jenkins explained that Mooney is a start-up entity at crossroads. Their team is new to the business. Their timelines are unrealistic and they are unfamiliar with the processes. We will continue to monitor them and we will also try to help them as much as possible.

Mr. Jenkins stated that another major item that we are working on is with Yancey Enterprises relocating from Rialto Airport to Chino Airport. They are having some challenges with the relocation company. Some problems are with some of the things that they were promised and some of the things that were represented in the solicitation that they responded to. These are things that led us to select them as a proposer that was responsive to our requirements. One important element is fire suppression. The improvement plan received from them didn't include this so we responded to them yesterday in writing.

We have petitioned the FAA for a non-aeronautical release of property for non-aviation use at Chino Airport. The application is based on an inquiry and is for 47 acres on the northeast portion of the airport and 2 other parcels. The revenue would start at 1.3 million dollars annually and it is intended to be a 50 year agreement. We want this to be a ground lease. The FAA initially said that they would require us to sell the property if this moved forward. We argued that our system of airports would benefit with the ongoing revenue in which they agreed. The FAA agreed to endorse our application to release the 47 acres. We now have to present an appraisal of what the fair market value of that property is. Then the application is published in the federal register and the public gets to comment on it.

Commissioner Asmus asked about the transition of management at Needles Airport. Mr. Jenkins stated that we have accepted the request for assignment by Paradise Aviation and it's been fully executed.

Mr. Jenkins was asked about the individual that was planning on bringing a hangar to

Twentynine Palms Airport. Mr. Jenkins replied that we are in support of this and if he is successful then we will encourage others to do the same. The fire agency has not required him to do fire suppression.

Mr. Jenkins mentioned that Glendale Airport has some shade structures that they are giving away. We are sending a team over to evaluate them and perhaps erect them at our various desert locations.

Financial Report

Mr. Jenkins pointed out that we are at 89 percent of the year. For expenses we are at 71 percent, so we are below. On the revenue side we are at 101 percent, which is above target. Reasons for the revenue generated being up is we don't budget every dollar that we expect to generate in the year and we don't budget it for expenses. Also there's been an increase in collections. We've been successful in pursuing some debt.

The Chino number is the number to look at because it supports everything else. We use that as the milestone for where we are with the balance of the system.

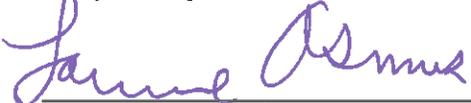
The County Counsel charges are 6,000 percent above budget as a result of going after bad debt. Our revenue although is up. We've got a 3rd quarter adjustment of \$162,000 which we are removing from reserves and we have other revenues that we generated. We need to re-appropriate those dollars to be able to spend them. Even though we have the money in the bank we have to get the authority from the board to reallocate those monies to spend them. Overall we are on target. Next year will be a transition year for budget. We will finally defease the bond at the commercial hangar complex and we will only have about \$500,000 next year to pay. We have the revenue to support that. Two years from now there will be another \$865,000 that we will have available to the system of airports. With that we would like to add an additional staff member which will bring us to 21 coming from 30 members 6 years ago. We had to go down to 19 staff members when we found out that we had to make an \$865,000 bond payment for 5 years that we didn't anticipate. We had to also defer a lot of projects, we decimated our capital budget and we had groundwater clean-up. Some of those obligations and responsibilities are going away and we will have more money, so we'd like to reestablish the size and efficiency of our organization so we have the ability to respond to the needs of the system.

Date, Time and Place of Next Meeting

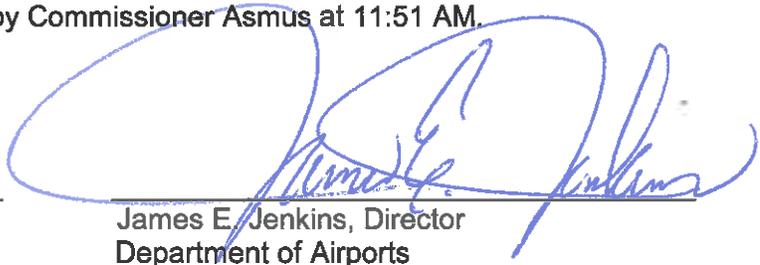
The next meeting will be held on Thursday, June 25, 2015 at 10:00 a.m. at Barstow-Daggett Airport, 39500 National Trails Hwy, Daggett, Ca 92327

Adjournment: Meeting adjourned by Commissioner Asmus at 11:51 AM.

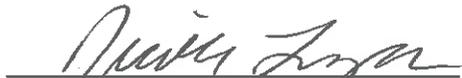
Respectfully submitted,



Larry Asmus
Airports Commission



James E. Jenkins, Director
Department of Airports



Nicole Leyden, Secretary
Department of Airports