

AGENDA
AIRPORTS COMMISSION -- SAN BERNARDINO COUNTY

JUNE 28, 2012, 10:00 A.M.

APPLE VALLEY AIRPORT
21600 CORWIN ROAD, APPLE VALLEY, CA 92307

1. Call To Order – *Chairman Jim Bagley*

Jim Bagley, Desert at Large, Chair	_____
Larry Asmus, Valley At Large, Vice-Chair	_____
Bob Cable, Second District	_____
William Smith, Third District	_____
Ray M. Marquez, Fourth District	_____
Roy C. Cox, Fifth District	_____

2. Pledge of Allegiance

3. Report on Posting of the Agenda

4. Awards, Guest Introductions and Announcements

5. Action Item – Approval of Budget Presentation Meeting Minutes – May 16, 2012:

Motion:

Second:

6. Action Item – Approval of Commission Meeting Minutes – May 24, 2012:

Motion:

Second:

7. Action Item – Approve Resolution to Present a Certificate of Achievement to Wild Willie's Smokehouse

8. Commissioner's Reports/Comments

9. **Public Comments**

Visitors are requested to make comments or ask questions only on those items not identified in the agenda.

If there are questions concerning an agenda item, please wait until that item comes before the Commission. There is a 5-minute time limit per visitor.

10. **Information Item: Budget Presentation Review/Update**

11. **Monthly Updates**

- **Capital Improvement Program**
- **Board of Supervisors Activity**
- **Real Estate**
- **Finance**
- **Monthly Reports**
- **Miscellaneous – Chino Airport Operations**

12. **Time and Place of Next Meeting – August 23, 2012, 10:00 a.m. Location: Twentynine Palms Airport, 78569 Highway 62, Twentynine Palms, CA 92277**

Note: Commission will be Dark, July 2012

13. **Adjournment**

THE MEETING FACILITY IS ACCESSIBLE TO PERSONS WITH DISABILITIES. IF ASSISTIVE LISTENING DEVICES OR OTHER AUXILIARY AIDS OR SERVICES ARE NEEDED IN ORDER TO PARTICIPATE IN THE PUBLIC MEETING REQUESTS SHOULD BE MADE THROUGH THE SAN BERNARDINO COUNTY DEPARTMENT OF AIRPORTS AT LEAST THREE (3) BUSINESS DAYS PRIOR TO THE MEETING. THE DEPARTMENT OF AIRPORTS TELEPHONE NUMBER IS (909) 387-8810 AND THE OFFICE IS LOCATED AT 777 EAST RIALTO AVENUE, SAN BERNARDINO, CA 92415-0831.

SAN BERNARDINO COUNTY AIRPORTS COMMISSION MEETING
Special Budget Briefing
May 16, 2012

The meeting of the San Bernardino County Airports Commission was called to order at 1:00 p.m. by Chairman, Jim Bagley. Meeting location: 777 E. Rialto Avenue, San Bernardino, CA

Commission Members Present:

Jim Bagley, Chair
William Smith

Commission Members Absent:

Larry Asmus, Vice - Chair
Bob Cable
Ray M. Marquez
Roy C. Cox

Staff Present:

James E. Jenkins, Director of Airports
Terry L. Stover, Acting Assistant Director
Carrie Hyke, Airports Planner
Gailyn Watson, Secretary I
Steve Mintle
Sharon Leon
Wayne Thies
David Slaughter

Department of Airports
Department of Airports
Department of Airports
Department of Airports
Real Estate Services Department
Real Estate Services Department
Regional Parks
Real Estate Services Department

Visitors Present:

Joe Noyes
Bob Velker
Brian Boyer
A.J. & Charlotte Ursic
Jeff Aryan

Chino Airport Tenant
Planes of Fame
Planes of Fame
Chino Airport Tenants
Chino Airport Tenant

Pledge of Allegiance:

Led by Chair Jim Bagley

Report on Posting of Agenda:

James E. Jenkins, Director of Airports, stated the agenda was posted in accordance with requirements.

Awards, Guest Introductions and Announcements :

Brian Boyer, with the Planes of Fame Air Museum, introduced himself and stated that he wished to express his appreciation to James Jenkins and the County of San Bernardino, Chino Airport and it's staff, along with Terry Stover and the desert airport's staff, for all the support and efforts made for a successful airshow.

Commissioners Reports/Comments:

Chair Bagley commented that he had attended the airshow both days, May 5th and 6th, and expressed his congratulations on its' success.

Discussion Item: Department of Airports 2012-2013 Draft Budget Presentation:

Mr. Jenkins stated that there are several items to be discussed, regarding the current draft budget presentation. Packets for both last year's adopted budget and the current year's draft were provided and include financial figures, charts and graphs. He requested that last fiscal year's packet be reviewed independently, at leisure.

Mr. Jenkins began the presentation for this fiscal year's budget presentation by noting that what may be the most significant change from previous years is the organizational chart. The chart was reviewed, noting the various positions and responsibilities of the individuals within the department. He explained, that with the absence of Airport Manager positions, the Director and Assistant Director will no longer just be administrators, but will have a "hands on" roll in how the airports are managed, putting them in direct contact with the airports, the business line and revenues.

The past year's accomplishments were highlighted to include the APV fuel facility and the DAG lighting project.

The next item of significance is the goals for the upcoming year, with regard to the infrastructure of the airports with emphasis on rehabilitating or improving pavement surfaces. The next goal is to increase the percentage of revenue producing land as related to usable land throughout the 6 airports, converting non-revenue properties into revenue producing properties.

Mr. Jenkins referred to the charts for review and discussed the five year staffing trend noting the decrease in staff members from 32 down to 19. The closing of the Barstow/Daggett Airport housing was discussed with respect to cost savings to include staff reduction, elimination of the potable water system and insurance expenses.

Other items resulting in cost reduction for this year's budget were highlighted to include the elimination of the administration office relocation to Chino Airport.

The structure of the budget relative to revenues was explained. The anticipated revenues were discounted, taking into consideration the slow pay, no pays, and took 90% of the revenue as a budget bases. This amount did not include increases that are expected to be coming this year, such as consumer price index increases, reversions, pending contracts, etc., resulting in a very conservative revenue projection.

In previous years the budget was built with a focus on expenses. Expenses are important to the budget, but should not be to the sacrifice of the revenue side. It was stated that the revenues will drive the budget discussion and how we expend dollars moving forward. We know what our fixed expenses are and come right off the top. The remaining funds are available, as required.

Consolidated special revenue funds, which are separate from the general budget, include The Chino Airport Commercial Hangars, The Chino Airport Incentive Fund and Airports Capital Improvement Programs (ACIP), for the five airports, excluding APV.

Mr. Jenkins discussed the Chino Airport Commercial Hangars and the bond obligation that the county is bound to for the next three to four years. This bond, along with maintenance and operations expenses puts the commercial hangar complex upside down, as the revenues do not support the expenses. The steps that will be taken to offset this deficit were discussed, explaining the process of unencumbering capital dollars that had previously been encumbered.

Mr. Ursic asked for clarification of the status of asphalt project at Chino Airport, and Mr. Jenkins stated that funds for that project are still encumbered for this fiscal year.

Apple Valley is County Service Area 60 and has a tax base that provides revenue to support the operations and maintenance of the airport. Our goal for APV is to maximize the revenue stream so that the facility, as part of the county system of airports, is receiving the benefit of the dollars. The plan for the new fuel facility was discussed, due to the loss of the previous fuel provider. It is hopeful that the new facility, which will be a full fuel dock facility on just under one acre, will be functional within the next 12 months. An operator for the facility will be obtained through a public solicitation process.

Regarding the remaining desert airports, Barstow-Daggett Airport (DAG) is probably getting closer to being able to fulfill its obligation on expenses, relative to income; however, the others are not. The need for water at Twentynine Palms (TNP) was discussed, as relative to the ability to be able to provide hangars and fire suppression.

Some questions were raised by Chino Airport tenants relating to various topics, such as the The Chino Airport Incentive Fund, the Chino Airshow and the plan for the pavement repairs. Mr. Jenkins addressed the questions to further clarify the questions relating to the budget.

Date, Time and Place of Next Meeting

The next meeting will be held on Thursday, May 24, 2012 at 10:00 a.m. at County of San Bernardino, Department of Airports, 777 E. Rialto Avenue, San Bernardino, CA 92415.

Adjournment: Chair Bagley adjourned the meeting at 1:55 p.m.

Respectfully submitted,

Jim Bagley, Chairman
Airports Commission

James E. Jenkins, Director of Airports
Department of Airports

Gailyn Watson, Secretary I
Department of Airports

**SAN BERNARDINO COUNTY AIRPORTS COMMISSION MEETING
May 24, 2012**

The meeting of the San Bernardino County Airports Commission was called to order at 10:00 a.m. by Chairman, Jim Bagley. Meeting location: 777 E. Rialto Avenue, San Bernardino, CA

Commission Members Present:

Jim Bagley, Chair

William Smith
Ray M. Marquez
Bob Cable
Roy C. Cox

Commission Members Absent:

Larry Asmus, Vice-Chair

Staff Present:

James E. Jenkins, Director of Airports
Carrie Hyke, Airports Planner
Gailyn Watson, Secretary I
Steve Mintle
Sharon Leon

Department of Airports
Department of Airports
Department of Airports
Real Estate Services Department
Real Estate Services Department

Visitors Present:

Joe Noyes
A.J. & Charlotte Ursic
Jeff Aryan

Chino Airport Tenant
Chino Airport Tenant
Chino Airport Tenant

Pledge of Allegiance:

Led by Commissioner Bob Cable

Report on Posting of Agenda:

James E. Jenkins, Director of Airports, stated the agenda was posted in accordance with requirements.

Awards, Guest Introductions and Announcements – James E. Jenkins, Director of Airports:

None

Approval of Minutes:

Commissioner William Smith moved (seconded by Commissioner Roy Cox) to approve the Minutes of April 26, 2012. Motion carried.

Commissioners Reports/Comments:

Commissioners Ray Marquez, William Smith and Jim Bagley all stated that they had attended the Chino Airshow (Commissioner Bagley attended both May 5th and 6th) and all relayed how much they enjoyed the airshow.

Public Comments:

None

Information Item: Department Updates:

Mr. Jenkins stated that due to not all Airport Commissioners being able to attend last week's budget briefing presentation, he would be willing to go over the material, if requested. The group agreed this would be appreciated and Chair Bagley asked that this item be placed on next month's agenda.

Mr. Jenkins stated that he wished to highlight a few department updates, one regarding the Chino Plume and the Chino Basin Watermaster. The Chino Basin is an adjudicated basin, of which the County is a member, and the seat has been occupied by the Department of Airports because the water rights that Chino has, that are accredited, are on the airport. Traditionally, the airport manager has been the representative for the County. Mr. Jenkins has requested that someone from the CAO's office, with expertise, be assigned to fill that role, due to the critical issues that are addressed on at least a monthly basis, regarding the plume. It appears that Mr. Bob Paige, with the CAO's office, currently involved with the plume issue at Chino, will be the representative for that roll.

Secondly, the budget is built, in draft form, and should go before the Board of Supervisors June 15th. The other component is the fee ordinance structure. No fee increases were made this year. Some obsolete fees, relative to paper documents, have been removed for the next year, as most are now distributed electronically. There were no increases in the fee ordinances for this year, as we are currently competitive with market value. The department's approach for increases in revenue will be to increase use of property and ground leases.

Discussion Item: Alternate Meeting Locations and Dates:

A discussion regarding updating calendar meeting locations took place resulting in the following agreed dates and locations:

June 28th will be held at Apple Valley Airport, with the opportunity to visit the new restaurant.

July will be dark, unless a special meeting is required.

August 23rd will be held at Twentynine Palms Airport.

September 27th will be held at Apple Valley Airport

October 25th will be in Barstow/Daggett Airport

December 6th (combined November and December meeting) will be hosted, by Commissioner Cable, at Cable Airport.

Monthly Updates:**Capital Improvement Program**

Apple Valley Airport fuel facility packet has been prepared for bid and is pending a board date. Once a fuel provider is in place, we should have a monthly savings. The airport currently does not have a fuel storage facility which requires the contracted fuel operator to have mobile fuel sources and trucks on site to provide fuel service.

The gate access control system has been completed at Apple Valley. It is a smart card/proximity system, the same that is currently at Chino Airport. We have learned that the software is much more user friendly at Apple Valley and will be pursuing a license upgrade with the manufacturer for Chino.

A major item for Apple Valley Airport is a land acquisition for the runway protection zone. Previous discussions were to obtain easements over the property owners; however, one of the parties was seeking a premium that we were not able to extend to them, based on the appraisal. Both properties will be pursued through the process of condemnation, which will allow the county to offer a higher price, per acre. Real Estate Services has determined that this is the best time to try to acquire those properties, with property values currently down. The subject of "voluntary condemnation" was raised by Chair Bagley and will be discussed with Real

Estate Services.

Barstow-Daggett, Phase II notice to proceed has been issued. The procurement notice was previously issued, but the contractor is now requesting that the monies for the retention be held in an escrow account with a third party bank. This was not originally specified, so will now have to be a separate item and hopefully will be resolved by our next meeting.

Chino Airport Commercial Hangar Complex roofing project is now about 90% complete. The department has already received positive feedback from one of the principle users stating that they are no longer experiencing the water intrusion into building resultant from the huge amount of condensation that occurs overnight.

The chlorinated solvent plume issue at Chino Airport is ongoing. The non-performance issue, as related to the wells that were to be installed, has been resolved and the first phase of the drilling has begun. The second phase is out for bid, and should closed as soon as tomorrow (May 25, 2012) and drilling could begin within fourteen (14) days. The encroachment permits from the City of Chino, for the offsite locations, have been obtained.

The storm water management project, which is the conveyance system that conveys water from north to south across Kimball Avenue, has been a slow going process. The plan set has been going back and forth between our design engineer and the City of Chino, due to a new engineer in the city who has requested some changes; however, we are hopeful to have a finalized set of plans by the first part of June to present to the Board for a bid process.

The Chino Airport pavement rehabilitation has been a huge concern for the past three years, due to deteriorating pavements. The previous funds that had been set aside by the 4th District Supervisor's Office had been withdrawn due to budget cut backs and an alternative method to provide the funds was required. A determination was made that the amount that has been budgeted will not allow a full rehabilitation of the deteriorated areas; but, we will be able to accomplish suitable repairs to get through the next three years. A contractor will be used for the project and the airport users will continue to be involved in determining the most critical areas.

Board of Supervisors Activity:

The plans and specifications and authorization to bid the Chino Airport Groundwater Assessment, Phase III Authority were approved by the Board.

Real Estate – James E. Jenkins, Director of Airports:

A deal with Threshold has been negotiated and two new twenty (20) year lease agreements, with fixed increases as an attachment to the agreement, are complete.

The status of commercial hangar #1, with Mr. Lloyd Copenbarger is still pending; however, Mr. Copenbarger is still indicating that he will voluntarily vacate. The Cal Aero Property Management lease for building B-350 is still ongoing. This lease facility qualifies Mr. Copenbarger to continue to sell fuel, so it is anticipated that he will redeem that lease, as fuel sales are his primary revenue at Chino Airport. Mr. Jenkins noted that the revenues from these facilities were not included as anticipated revenues for this year's budget.

Wild Willies, at Apple Valley Airport, is open and positive comments have been received.

Real Estate Services is continuing to assist The Department of Airports in the execution of the short term lease renewals to continue with the revenue stream.

Monthly Reports:

Mr. Jenkins referred to Mr. Terry Stover's monthly report and commented on our department's support of the Victor Valley College Fire Academy Ceremony and our desire to make them a part of the airport family.

Not included in the report, Mr. Jenkins discussed the fuel thefts at Twentynine Palms Airport and the resulting installation of cameras. The photo images that have been obtained are of fairly good quality, so more cameras may be purchased to install in a few specific locations that may be targeted by the thieves.

The Chino Airport Operations graph was reviewed.

Date, Time and Place of Next Meeting:

The next meeting will be held June 28, 2012, 10:00 a.m. at Apple Valley Airport, 21600 Corwin Road, Apple Valley, CA 92307

Adjournment: Chair Bagley adjourned the meeting at 10:46 a.m.

Respectfully submitted,

Jim Bagley, Chairman
Airports Commission

James E. Jenkins, Director of Airports
Department of Airports

Gailyn Watson, Secretary I
Department of Airports

Airports

DESCRIPTION OF MAJOR SERVICES

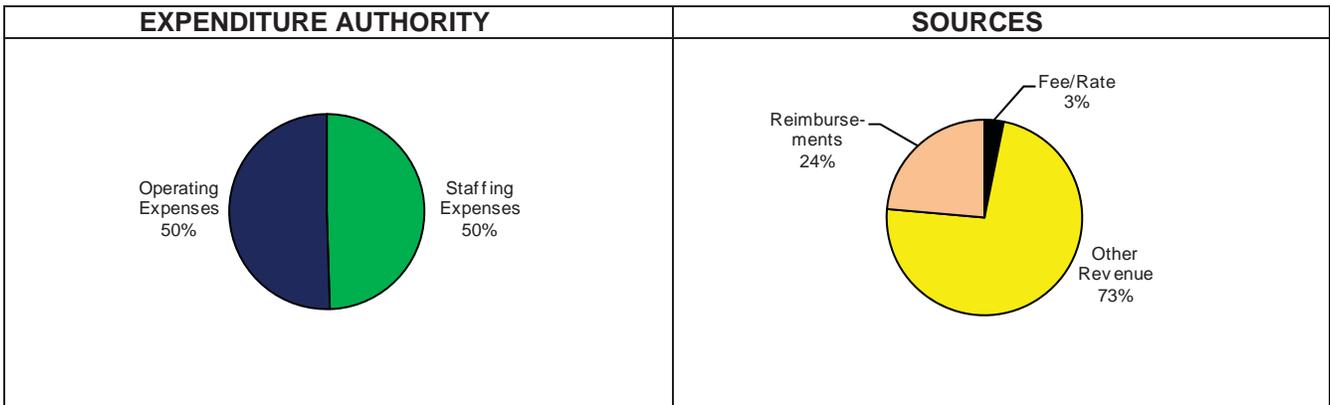
The Department of Airports (Department) provides for the management, development, maintenance and operation of six airports. The Department assures that County airports are maintained and operated in compliance with state and federal regulations. The Department works cooperatively with other airports located within the county regarding state and federal aviation programs, issues and requirements. The Department participates and provides input to aviation industry support organizations, as necessary, to develop local, national and state aviation policy.

Budget at a Glance	
Total Expenditure Authority	\$3,665,077
Total Sources	\$3,665,077
Net County Cost	\$0
Total Staff	19
Funded by Net County Cost	0%

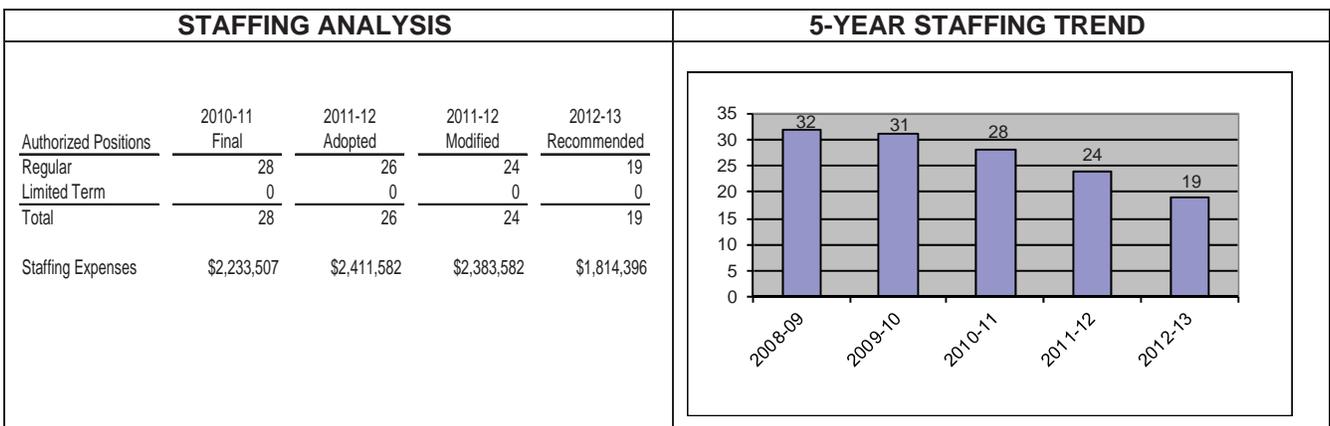
The County's six airports include 1) Apple Valley Airport, a County Service Area (CSA-60) with a significant sport aviation base; 2) Baker Airport, located adjacent to the Town of Baker and supports 1-40 between Barstow and Las Vegas; 3) Barstow-Daggett Airport, which features significant military activity and the Fort Irwin Helicopter Maintenance Base, both of which support the Fort Irwin National Training Center; 4) Chino Airport, a Federal Aviation Administration (FAA) designated reliever to John Wayne Airport and one of the largest general aviation airports in the country with approximately 650 based aircraft; 5) Needles Airport, a critical transportation link along the Colorado River; and 6) Twentynine Palms Airport, a center for soaring activity serving the surrounding community, including the United States Marine Corps Air-Ground Combat Center.

The County's airports produce revenue to operate and maintain the airport system. Revenues are generated from facility rents, concession and user fees, and, in the case of Apple Valley Airport, property taxes dedicated to the support of CSA-60. State and federal grants are significant sources for funds to construct, improve and maintain airport infrastructure.

2012-13 RECOMMENDED BUDGET



BUDGETED STAFFING



ANALYSIS OF 2012-13 RECOMMENDED BUDGET

GROUP: Operations and Community Services
DEPARTMENT: Airports
FUND: General

BUDGET UNIT: AAA APT
FUNCTION: Public Ways and Facilities
ACTIVITY: Transportation Terminals

	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Estimate	2011-12 Modified Budget	2012-13 Recommended Budget	Change From 2011-12 Modified Budget
Appropriation							
Staffing Expenses	2,378,505	2,235,518	2,233,507	2,072,448	2,383,582	1,814,396	(569,186)
Operating Expenses	1,187,268	1,165,200	1,325,493	1,949,674	1,995,057	1,850,681	(144,376)
Capital Expenditures	0	0	0	0	100,000	0	(100,000)
Contingencies	0	0	0	0	0	0	0
Total Exp Authority	3,565,773	3,400,718	3,559,000	4,022,122	4,478,639	3,665,077	(813,562)
Reimbursements	(923,359)	(807,558)	(859,932)	(1,100,632)	(1,310,290)	(865,532)	444,758
Total Appropriation	2,642,414	2,593,160	2,699,068	2,921,490	3,168,349	2,799,545	(368,804)
Operating Transfers Out	206,500	85,356	335,210	0	0	0	0
Total Requirements	2,848,914	2,678,516	3,034,278	2,921,490	3,168,349	2,799,545	(368,804)
Departmental Revenue							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State, Fed or Gov't Aid	40,000	0	80,000	40,000	0	0	0
Fee/Rate	182,191	176,245	160,214	114,433	137,225	117,000	(20,225)
Other Revenue	2,628,936	2,422,677	2,849,265	2,468,443	2,811,124	2,682,545	(128,579)
Total Revenue	2,851,127	2,598,922	3,089,479	2,622,876	2,948,349	2,799,545	(148,804)
Operating Transfers In	1,000	81,563	0	298,614	220,000	0	(220,000)
Total Financing Sources	2,852,127	2,680,485	3,089,479	2,921,490	3,168,349	2,799,545	(368,804)
Net County Cost	(3,213)	(1,969)	(55,201)	0	0	0	0
Budgeted Staffing					24	19	(5)

BUDGET CHANGES AND OPERATIONAL IMPACT

Major changes for the Department include a reorganization of the staff structure resulting in a reduction in staffing expenses of \$569,186 due to the elimination of 4 positions and 1 position will be transferred to Special Districts. Additionally operating expenses are decreasing by \$144,376 as a result of a decrease in regulatory water system oversight and maintenance charges at Barstow-Daggett Airport and contract security services at Chino Airport. Capital expenditures are decreasing by \$100,000 due to the cancellation of the office remodel project at Chino Airport. Reimbursements include a decrease of \$444,758 due to a reduction in Salary/Benefit transfers in from the Apple Valley Airport (CSA 60) budget and the Chino Airport Commercial Hangars budget. Departmental revenue is decreasing by \$368,804, and includes a decrease \$20,225 in fees/rates primarily represents lower fuel flowage revenue as anticipated by the current trend of reduced annual take-offs and landings throughout the system of airports. Additionally a decrease in other revenue of \$128,579 primarily due to a reduction in lease revenue, attributed to the closure of the Barstow-Daggett housing and a reduction in appraised valuation of several leaseholds at Chino Airport. Also a reduction in operating transfers in of \$220,000 is due to the elimination of a one time project related funding and other budgetary adjustments, including water charges for Chino Airport.

MAJOR EXPENDITURES AND REVENUE INCLUDED IN 2012-13 RECOMMENDED BUDGET

Staffing expenses of \$1,814,396 fund 19 positions that provide support for the operation of 6 airports throughout the County. Operating expenses of \$1,850,681 consist primarily of services and supplies of \$1,604,981 that are necessary to keep airport operations at an acceptable level. These expenses include utilities, property insurance, other professional services, general maintenance, and COWCAP. Departmental revenue of \$2,799,545 primarily represents Rents and Concessions receipts at the Airports.



STAFFING CHANGES AND OPERATIONAL IMPACT

Restructuring of the Departments’ organizational function and programmatic responsibilities has resulted in a reduction of 4 vacant positions (Airport Manager - Chino, Airport Manager – Apple Valley, Airport Maintenance Supervisor, Airport Maintenance Worker II) and 1 position transferring to Special Districts (Planner III).

There are no negative operational impacts expected as a result of the restructuring. There has been a significant reduction in operational responsibilities at the Barstow-Daggett Airport relative to closing 17 rental houses. Planner III services will be acquired through an MOU with Special Districts. The Apple Valley and Chino Airport management duties/responsibilities will be undertaken by the Director and Assistant Director of Airports.

2012-13 POSITION SUMMARY

Division	Regular	Limited Term	Total	Filled	Vacant	New	Total
Administration	4	0	4	4	0	0	4
Chino Airport	8	0	8	8	0	0	8
Apple Valley Airport	5	0	5	5	0	0	5
Barstow-Daggett Airport	2	0	2	2	0	0	2
Total	19	0	19	19	0	0	19

Administration	Chino Airport	Apple Valley Airport
<u>Classification</u>	<u>Classification</u>	<u>Classification</u>
1 Director of Airports	1 Airport Maintenance Supervisor	1 Airport Maintenance Supervisor
1 Assistant Director of Airports	5 Airport Maintenance Worker I	1 Airport Maintenance Worker II
1 Staff Analyst II	1 Fiscal Assistant	2 Airport Maintenance Worker I
1 Fiscal Assistant	1 Secretary I	1 Secretary I
4 Total	8 Total	5 Total
Barstow-Daggett Airport		
<u>Classification</u>		
2 Airport Maintenance Worker I		
2 Total		



AIRPORTS

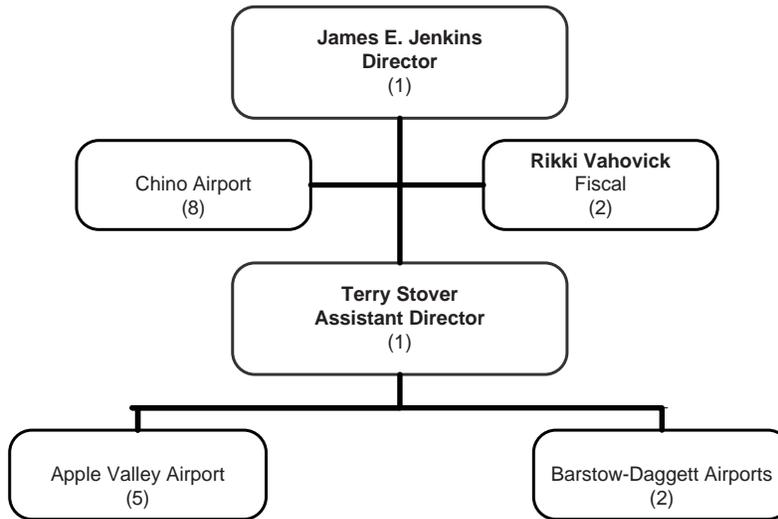
James E. Jenkins

MISSION STATEMENT

The Department of Airports plans, organizes and directs the County's airport and aviation system to provide high-quality aviation facilities and services in a safe and efficient manner, optimizing the benefit to the communities and citizens of the County.



ORGANIZATIONAL CHART



2010-11 AND 2011-12 ACCOMPLISHMENTS

- Received \$1,947,500 in grant funding for airfield lighting improvements at Barstow-Daggett Airport (Phase II).
- Commissioned design for new fuel storage and dispensing facility at Apple Valley Airport.
- Completed taxiway extension, airfield beacon and signage installations at Barstow-Daggett Airport (Phase I).



2012-13 GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

GOAL 1: IMPROVE AIRPORT INFRASTRUCTURE.

Objective: Implement plans to address deficiencies in Airport infrastructure.

Measurement	2009-10 Actual	2010-11 Actual	2011-12 Target	2011-12 Estimate	2012-13 Target
Percentage of pavement rehabilitation completed (total square footage of pavement is 15.7 million).	62%	4%	15%	12.4%	15%

The Department of Airports conducted a survey of its tenant and user base to measure the quality of customer service. The survey revealed that many airport users value well maintained pavements. Based upon these findings, the department established a goal to improve airport infrastructure, with emphasis on rehabilitating or improving pavement surfaces (i.e. crackfilling, slurry seal, fogseal, striping, glass beading, edge dressing). The departmental target is to improve or rehabilitate 15% of the 15,700,000 square feet of pavement surfaces throughout the 6 airport systems. The cost of these projects is expected to be funded primarily by the Federal Aviation Administration's Airport Capital Improvement Program (ACIP) and supplemented by the Department of Airports Capital Improvement Program budget. The 2010-11 targets were depressed by limited ACIP Program funding.

GOAL 2: IMPROVE AIRPORT LEASING ACTIVITY.

Objective: Increase percentage of revenue producing land as related to usable land throughout the 6 airport system.

Measurement	2009-10 Actual	2010-11 Actual	2011-12 Target	2011-12 Estimate	2012-13 Target
Percentage of revenue producing land compared to land available for revenue production.	39%	39%	50%	39%	40%

To generate new income for the airport system, the department has established the objective to increase revenue through the use of property. The anticipated growth rate has been re-evaluated and a goal of 1% per annum for property development has been established as attainable. The prior year objective had a focus of increasing revenue producing land exclusively at Chino and Apple Valley airports. For 2012-13, the department plans to pursue revenue producing land opportunities at all 6 airports.



SUMMARY OF BUDGET UNITS

	2012-13					
	Appropriation	Revenue	Net County Cost	Fund Balance	Revenue Over/ (Under) Exp	Staffing
<u>General Fund</u>						
Airports	2,799,545	2,799,545	0			19
Total General Fund	2,799,545	2,799,545	0			19
<u>Special Revenue Funds</u>						
Special Revenue Funds - Consolidated	6,784,727	3,274,877		3,509,850		0
Total Special Revenue Funds	6,784,727	3,274,877		3,509,850		0
<u>Enterprise Funds</u>						
*Apple Valley Airport - Operations (CSA 60)	5,260,044	2,232,398			(3,027,646)	0
*Apple Valley Airport - Cap. Improv (CSA 60)	1,417,437	515,000			(902,437)	0
Total Enterprise Funds	6,677,481	2,747,398			(3,930,083)	0
Total - All Funds	16,261,753	8,821,820	0	3,509,850	(3,930,083)	19

*These budgets are located in the Special Districts budget book under General Districts (CSA 60)



5-YEAR APPROPRIATION TREND					
	2008-09	2009-10	2010-11	2011-12	2012-13
Airports	2,767,147	2,678,516	3,088,478	3,168,349	2,799,545
Chino Airport Commercial Hangars	1,706,720	1,810,347	1,863,863	1,609,987	1,219,101
Chino Airport Incentive Fund	1,204,458	996,159	142,142	172,415	107,748
Airports Capital Improvement Program	41,226,919	5,844,131	8,063,335	8,286,535	5,457,878
Apple Valley Airport - Operations (CSA 60)	3,937,345	3,302,954	3,347,296	5,055,502	5,260,044
Apple Valley Airport - Cap. Improv (CSA 60)	5,922,425	8,380,254	7,270,462	1,069,474	1,417,437
Total	56,765,014	23,012,361	23,775,576	19,362,262	16,261,753

5-YEAR REVENUE TREND					
	2008-09	2009-10	2010-11	2011-12	2012-13
Airports	2,767,147	2,678,516	3,088,478	3,168,349	2,799,545
Chino Airport Commercial Hangars	857,791	887,312	837,630	954,248	1,219,101
Chino Airport Incentive Fund	500,000	227,143	58,662	0	105,026
Airports Capital Improvement Program	36,214,687	1,157,519	4,806,196	4,325,375	1,950,750
Apple Valley Airport - Operations (CSA 60)	2,689,552	2,594,459	2,652,261	3,205,366	2,232,398
Apple Valley Airport - Cap. Improv (CSA 60)	2,540,513	2,797,488	46,038	500,000	515,000
Total	45,569,690	10,342,437	11,489,265	12,153,338	8,821,820

5-YEAR NET COUNTY COST TREND					
	2008-09	2009-10	2010-11	2011-12	2012-13
Airports	0	0	0	0	0
Total	0	0	0	0	0

5-YEAR FUND BALANCE TREND					
	2008-09	2009-10	2010-11	2011-12	2012-13
Chino Airport Commercial Hangars	848,929	923,035	1,026,233	655,739	0
Chino Airport Incentive Fund	704,458	769,016	83,480	172,415	2,722
Airports Capital Improvement Program	5,012,232	4,686,612	3,257,139	3,961,160	3,507,128
Total	6,565,619	6,378,663	4,366,852	4,789,314	3,509,850

5-YEAR REVENUE OVER/(UNDER) EXPENSE TREND					
	2008-09	2009-10	2010-11	2011-12	2012-13
Apple Valley Airport - Operations (CSA 60)	(1,247,793)	(708,495)	(695,035)	(1,850,136)	(3,027,646)
Apple Valley Airport - Cap. Improv (CSA 60)	(3,381,912)	(5,582,766)	(7,224,424)	(569,474)	(902,437)
Total	(4,629,705)	(6,291,261)	(7,919,459)	(2,419,610)	(3,930,083)



Special Revenue Funds - Consolidated

DESCRIPTION OF MAJOR SERVICES

Chino Airport Commercial Hangars

The Department of Airports manages, maintains, and operates the Chino Airport Commercial Hangar complex. The Commercial Hangars were constructed in 1987 with proceeds from a 30-year bond issue. In addition to maintenance expenses, appropriation is budgeted annually for insurance costs and bond repayment. Appropriations for this budget unit are funded from rental revenues and available fund balance. There is no staffing associated with this budget unit. However, this budget unit reimburses staffing costs to the Airport's general fund budget unit.

Budget at a Glance	
Total Expenditure Authority	\$6,784,727
Total Sources	\$3,274,877
Fund Balance	\$3,509,850
Total Staff	0

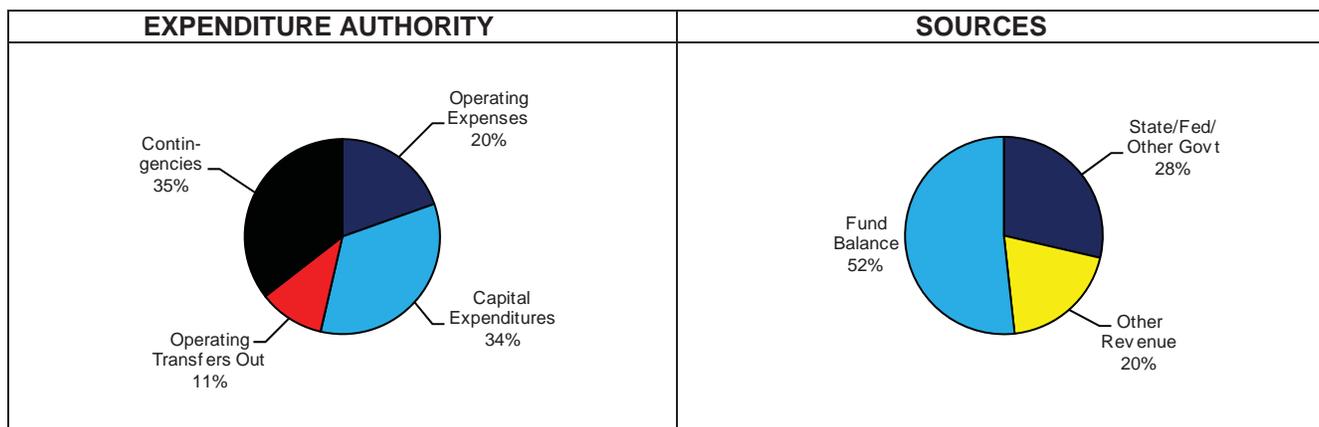
Chino Airport Incentive Fund

Established mid-year in 2007-08 to provide separate accountability for all costs and revenues related to the objective of attracting and retaining businesses at Chino Airport. This fund is anticipated to be fully expended in 2012-13, or have a small residual at fiscal year-end. There is no staffing associated with this budget unit

Airports Capital Improvement Program

The Department of Airports manages a Capital Improvement Program (CIP) for Baker Airport, Barstow-Daggett Airport, Chino Airport, Needles Airport, and Twentynine Palms Airport. Projects funded in this budget unit include utility, storm water, and fire suppression plans, Airport Master Plans, Airport Layout Plans, construction and rehabilitation for numerous runways, taxiways, water systems, airport facilities, annual pavement maintenance, infrastructure and rehabilitation of reverted buildings. The capital projects for Apple Valley Airport (County Service Area 60) are budgeted in a separate budget unit in a separate budget book. All Capital Improvement Projects for all six airports that are administered by Architecture and Engineering are reported in the Capital Improvement Program section of this budget book.

2012-13 RECOMMENDED BUDGET



ANALYSIS OF 2012-13 RECOMMENDED BUDGET

GROUP: Operations and Community Services
 DEPARTMENT: Airports
 FUND: Special Revenue Funds - Consolidated

BUDGET UNIT: Various
 FUNCTION: Public Ways and Facilities
 ACTIVITY: Public Ways

	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Estimate	2011-12 Modified Budget	2012-13 Recommended Budget	Change From 2011-12 Modified Budget
Appropriation							
Staffing Expenses	0	0	0	0	0	0	0
Operating Expenses	899,752	1,331,273	1,700,659	1,332,728	2,807,165	1,326,849	(1,480,316)
Capital Expenditures	1,965,720	2,654,785	3,536,343	933,130	4,995,000	2,309,349	(2,685,651)
Contingencies	0	0	0	0	1,642,505	2,407,798	765,293
Total Exp Authority	2,865,472	3,986,058	5,237,002	2,265,858	9,444,670	6,043,996	(3,400,674)
Reimbursements	0	0	0	0	0	0	0
Total Appropriation	2,865,472	3,986,058	5,237,002	2,265,858	9,444,670	6,043,996	(3,400,674)
Operating Transfers Out	1,000	405,000	234,000	900,781	624,267	740,731	116,464
Total Requirements	2,866,472	4,391,058	5,471,002	3,166,639	10,068,937	6,784,727	(3,284,210)
Departmental Revenue							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State, Fed or Gov't Aid	119,526	947,950	4,201,216	914,480	4,315,375	1,942,750	(2,372,625)
Fee/Rate	961,533	0	4,536	0	0	0	0
Other Revenue	859,201	996,283	937,734	657,695	864,248	591,396	(272,852)
Total Revenue	1,940,260	1,944,233	5,143,486	1,572,175	5,179,623	2,534,146	(2,645,477)
Operating Transfers In	706,500	285,356	596,210	315,000	100,000	740,731	640,731
Total Financing Sources	2,646,760	2,229,589	5,739,696	1,887,175	5,279,623	3,274,877	(2,004,746)
				Fund Balance	4,789,314	3,509,850	(1,279,464)
				Budgeted Staffing	0	0	0

BUDGET CHANGES AND OPERATIONAL IMPACT

Consolidated Special Revenue Funds are decreasing appropriation by a net \$3.3 million and reducing departmental revenue by \$2.0 million. This is due primarily to a restructuring of the capital improvement program (operating expenses and capital expenditures), with an emphasis placed upon planning and budgeting only for projects that can be reasonably undertaken during the fiscal period. A portion of the unprogrammed airport capital improvement fund is being utilized to satisfy the bond payment obligation for the Chino Airport Commercial Hangars for 2012-13 and subsequent years until the obligation is fully satisfied. The reduction of state/federal funding is the result of capital improvement program revenue budgeting to match projects for this fiscal year, and the reduction in other revenue is primarily due to non-payment of lease obligations by tenants at the Chino Commercial Hangar complex.

DETAIL OF 2012-13 RECOMMENDED BUDGET

	2012-13			
	Appropriation	Revenue	Fund Balance	Staffing
Special Revenue Funds				
Chino Airport Commercial Hangars	1,219,101	1,219,101	0	0
Chino Airport Incentive Fund	107,748	105,026	2,722	0
Airports Capital Improvement Program	5,457,878	1,950,750	3,507,128	0
Total Special Revenue Funds	6,784,727	3,274,877	3,509,850	0



Chino Airport Commercial Hangars has \$1.2 million in appropriation for operating expenses, which primarily includes transfers of \$856,253 for the bond payment and services and supplies of \$133,221 for operations. Revenue of \$1.2 million is primarily from Rents and Concessions receipts from commercial tenants of \$583,396 with a transfer in from the airport capital improvement program fund (RAA-APT) of \$635,705 to fund current services. It should be noted that the Chino Airport Commercial Hangars, if fully occupied at the current market lease rate, will not generate adequate revenues to fully fund the operations, maintenance and bond obligation expenses through the bond payment period.

Chino Airport Incentive Fund has \$107,748 in appropriation in operating expenses for services and supplies which is primarily for the completion of the Chino Airport Master Plan contract. Revenue of \$105,026 is a transfer in from the airport capital improvement program reserve (RCD-APT) to fund current services. This fund is anticipated to be fully expended in 2012-13, or have a small residual at fiscal year-end.

Airports Capital Improvement Program has \$5.4 million in appropriation which includes \$2.3 million in capital expenditures for the installation of monitoring wells associated with the groundwater plume at Chino Airport for \$165,000, pavement rehabilitation project at Chino Airport for \$135,000, lighting improvement project at Barstow-Daggett Airport for \$1,858,228, and \$151,121 for the groundwater cleanup project administration costs at Chino Airport. Additionally, \$2.4 million are budgeted in contingencies to fund future airport capital improvement projects. Operating transfers out of \$740,731 will assist with funding the bond payment within the Chino Airport Commercial Hangars budget (\$635,705) and the Chino Airport Master Plan within the Chino Airport Incentive Fund (\$105,026). Revenue of \$1.9 million is primarily from State and Federal grants for the Barstow-Daggett lighting project.



CSA 60 – Apple Valley Airport

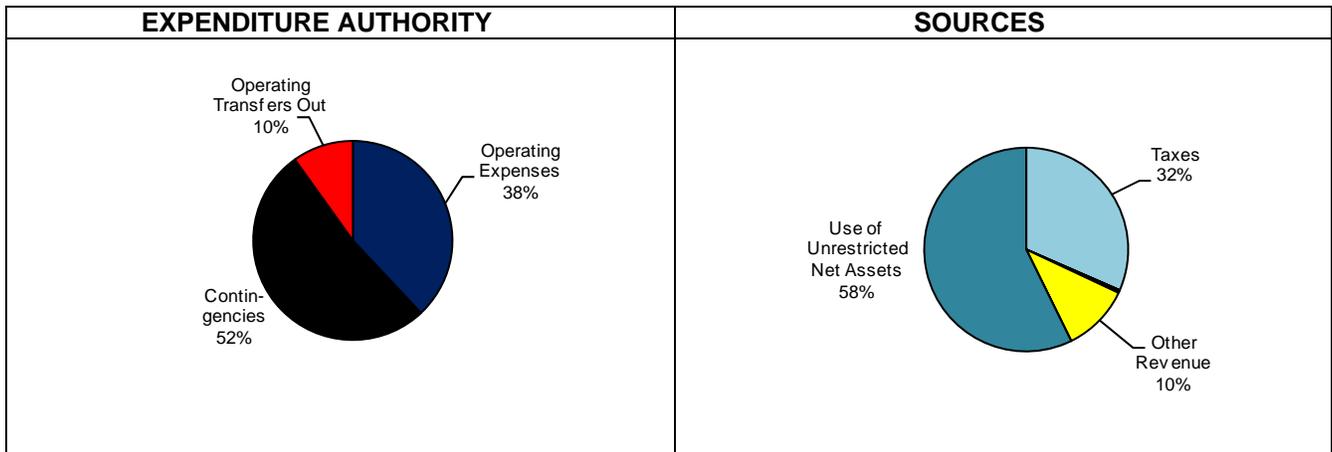
DESCRIPTION OF MAJOR SERVICES

County Service Area 60 (CSA 60) funds the operation, capital projects and maintenance of Apple Valley Airport, which is administered and staffed by the County of San Bernardino Department of Airports. Apple Valley Airport, which was built in 1970, is a public airport providing general aviation services to the High Desert region. CSA 60 is primarily funded by local property tax and revenue generated from leasing activities.

Budget at a Glance

Total Expenditure Authority	\$5,260,044
Total Sources	\$2,232,398
Rev Over/(Under) Exp	(\$3,027,646)
Total Staff	0

2012-13 RECOMMENDED BUDGET



SPECIAL DISTRICTS



ANALYSIS OF 2012-13 RECOMMENDED BUDGET

GROUP: Operations and Community Services
DEPARTMENT: Airports
FUND: CSA 60 - Apple Valley Airport

BUDGET UNIT: EBJ 400
FUNCTION: Public Ways and Facilities
ACTIVITY: Transportation

	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Estimate	2011-12 Modified Budget	2012-13 Recommended Budget	Change From 2011-12 Modified Budget
Appropriation							
Staffing Expenses	0	0	0	0	0	0	0
Operating Expenses	1,231,481	1,305,452	1,365,828	1,875,156	2,273,104	1,999,077	(274,027)
Contingencies	0	0	0	0	2,192,680	2,740,967	548,287
Total Exp Authority	1,231,481	1,305,452	1,365,828	1,875,156	4,465,784	4,740,044	274,260
Reimbursements	0	0	0	(4,230)	0	0	0
Total Appropriation	1,231,481	1,305,452	1,365,828	1,870,926	4,465,784	4,740,044	274,260
Depreciation	0	0	0	0	0	0	0
Operating Transfers Out	2,248,215	0	0	0	319,718	520,000	200,282
Total Requirements	3,479,696	1,305,452	1,365,828	1,870,926	4,785,502	5,260,044	474,542
Departmental Revenue							
Taxes	2,132,373	1,896,751	1,792,854	1,667,518	1,512,435	1,667,539	155,104
Realignment	0	0	0	0	0	0	0
State, Fed or Gov't Aid	35,818	23,417	42,315	10,000	16,000	10,000	(6,000)
Fee/Rate	(12,006)	(7,946)	(6,255)	(13,087)	13,600	(13,087)	(26,687)
Other Revenue	933,882	891,490	823,345	1,654,005	1,663,331	567,946	(1,095,385)
Total Revenue	3,090,067	2,803,712	2,652,259	3,318,436	3,205,366	2,232,398	(972,968)
Operating Transfers In	0	0	0	0	0	0	0
Total Financing Sources	3,090,067	2,803,712	2,652,259	3,318,436	3,205,366	2,232,398	(972,968)
Rev Over/(Under) Exp	(389,629)	1,498,260	1,286,431	1,447,510	(1,580,136)	(3,027,646)	(1,447,510)
				Budgeted Staffing	0	0	0
Fixed Assets							
Capital Expenditures	149,669	(21,107)	0	270,000	270,000	0	(270,000)
Total Fixed Assets	149,669	(21,107)	0	270,000	270,000	0	(270,000)

BUDGET CHANGES AND OPERATIONAL IMPACT

Major changes include a net decrease in operating expenses of \$274,027 primarily due to a reduction of transfers out for staff cost reimbursements to the Airports general fund budget unit for Apple Valley related positions (a decrease of 2 positions), and a decrease in COWCAP charges. Contingencies are increasing by \$548,287 as a provision for unanticipated expenses and for future capital projects. Operating transfers out reflect an increase of \$200,282 which is primarily an increase in transfers to the Apple Valley Airport - Capital Improvement Fund for various capital projects. The change in revenue reflects an artificially high decrease of \$972,968 because the 2011-12 modified budget contains a one-time adjustment for residual equity transfers in reflected in other revenue. Capital expenditures are decreasing by \$270,000 as the purchase of vehicles and service equipment are not scheduled for 2012-13.

MAJOR EXPENDITURES AND REVENUE IN 2012-13 RECOMMENDED BUDGET

Operating expenses of \$1,999,077 consist of services and supplies of \$1,147,192 that include expenses for the Apple Valley Airshow, general airport operating expenses, and utilities. Also included in operating expenses are transfers of \$842,135 which includes reimbursement of staffing costs and services and supplies costs to the Airport's general fund budget unit for personnel assigned to support the Apple Valley Airport. Contingencies of \$2,740,967 are set aside for unanticipated expenses and for future capital projects. Operating transfers out of \$520,000 primarily consist of a \$500,000 transfer to the CSA 60 - Apple Valley Airport - Capital Improvement Fund budget unit for land acquisition. Departmental revenue of \$2,232,398 primarily consists of tax revenue receipts and leasing activity revenues.

STAFFING CHANGES AND OPERATIONAL IMPACT

There is no staffing associated with this budget unit. However, this budget reimburses the Airport's general fund budget unit for staffing costs incurred in connection with service to the Apple Valley Airport.



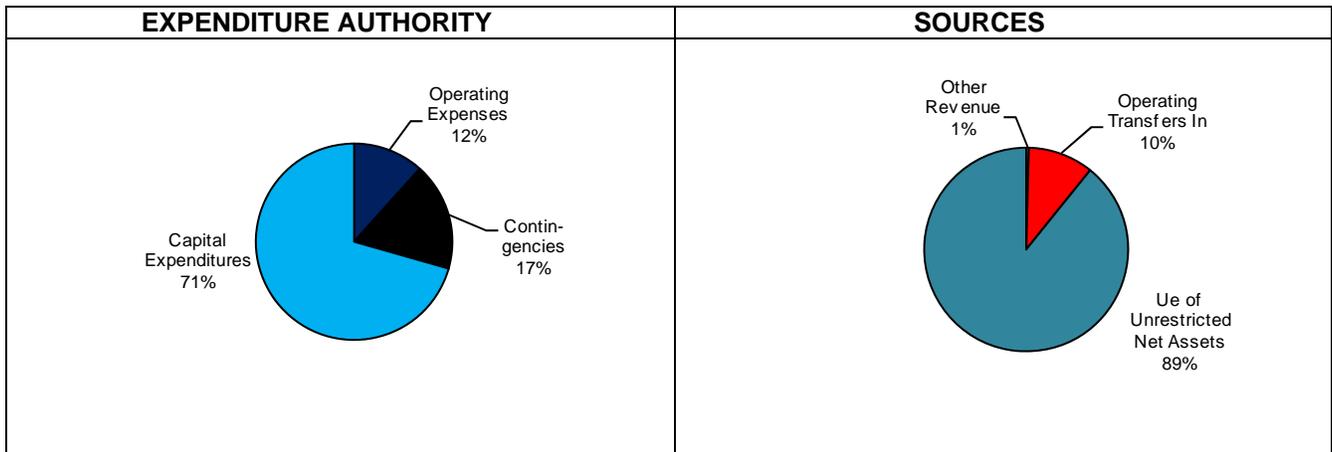
CSA 60 – Apple Valley Airport – Capital Improvement Fund

DESCRIPTION OF MAJOR SERVICES

County Service Area 60 (CSA 60), through the Department of Airports, manages the Capital Improvement Program (CIP) for Apple Valley Airport. Projects include utility, storm water, fire suppression plans, Airport Master Plan and construction/rehabilitation of numerous runways, taxiways, and airport facilities. Projects are funded with proceeds from CSA 60 – Apple Valley Airport budget unit and when available, Federal Aviation Administration and Cal Trans Aeronautics grants.

Budget at a Glance	
Total Expenditure Authority	\$1,417,437
Total Sources	\$515,000
Rev Over/(Under) Exp	(\$902,437)
Total Staff	0

2012-13 RECOMMENDED BUDGET



SPECIAL DISTRICTS



ANALYSIS OF 2012-13 RECOMMENDED BUDGET

GROUP: Operations and Community Services
 DEPARTMENT: Airports
 FUND: CSA 60 - Apple Valley Airport Capital Improvement Fund

BUDGET UNIT: RAI 400
 FUNCTION: Public Ways and Facilities
 ACTIVITY: Transportation

	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Estimate	2011-12 Modified Budget	2012-13 Recommended Budget	Change From 2011-12 Modified Budget
Appropriation							
Staffing Expenses	0	0	0	0	0	0	0
Operating Expenses	0	385,298	20,834	700,793	850,000	560,550	(289,450)
Contingencies	0	0	0	0	219,474	856,887	637,413
Total Exp Authority	0	385,298	20,834	700,793	1,069,474	1,417,437	347,963
Reimbursements	0	0	0	0	0	0	0
Total Appropriation	0	385,298	20,834	700,793	1,069,474	1,417,437	347,963
Depreciation	0	0	0	0	0	0	0
Operating Transfers Out	0	0	0	0	0	0	0
Total Requirements	0	385,298	20,834	700,793	1,069,474	1,417,437	347,963
Departmental Revenue							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State, Fed or Gov't Aid	65,702	57,715	0	0	0	0	0
Fee/Rate	0	0	0	0	0	0	0
Other Revenue	98,758	0	56,935	(912,354)	(931,110)	15,000	946,110
Total Revenue	164,460	57,715	56,935	(912,354)	(931,110)	15,000	946,110
Operating Transfers In	2,248,215	2,251,178	0	0	500,000	500,000	0
Total Financing Sources	2,412,675	2,308,893	56,935	(912,354)	(431,110)	515,000	946,110
Rev Over/(Under) Exp	2,412,675	1,923,595	36,101	(1,613,147)	(1,500,584)	(902,437)	598,147
				Budgeted Staffing	0	0	0
Fixed Assets							
Capital Expenditures	437,175	11,045	2,711	350,000	4,765,000	3,400,000	(1,365,000)
Total Fixed Assets	437,175	11,045	2,711	350,000	4,765,000	3,400,000	(1,365,000)

BUDGET CHANGES AND OPERATIONAL IMPACT

Major changes include a decrease in operating expenses of \$289,450 due to the completion of the Apple Valley Airport master plan and fuel facility design contracts in 2011-12. Contingencies are increasing by \$637,413 as a provision for future projects and/or for unanticipated expenses. The change in revenue reflects an artificially high increase of \$946,110 because the 2011-12 modified budget contains a one-time adjustment for a residual equity transfer out reflected in other revenue. Capital expenditures are decreasing by \$1,365,000 primarily due to a re-prioritization of capital projects, whereas the construction of the new fuel facility will be the primary focus in 2012-13.

MAJOR EXPENDITURES AND REVENUE IN 2012-13 RECOMMENDED BUDGET

Operating expenses of \$560,550 are primarily for services and supplies that include the construction management contract for the Apple Valley Airport fuel facility. Contingencies of \$856,887 are set aside for future projects and/or unanticipated expenses. Departmental revenue of \$515,000 primarily consists of an operating transfer in of \$500,000 from the CSA 60 – Apple Valley Airport operating budget unit to fund the land acquisition. Capital expenditures of \$3,400,000 consist of \$500,000 in land acquisition and \$2,900,000 in improvements to land/structures which is for the construction of the new fuel facility.

STAFFING CHANGES AND OPERATIONAL IMPACT

There is no staffing associated with this budget unit.

SPECIAL DISTRICTS





County of San Bernardino
Department of Airports
777 East Rialto Avenue
San Bernardino, CA 92415-0831
Phone: 909-387-8810
FAX 909-387-8815

MONTHLY REPORT – CAPITAL IMPROVEMENT PROJECTS June 2012 Update

TO: AIRPORT COMMISSIONERS
FROM: Carrie Hyke, AICP, Airports Planner
DATE: June 21, 2012

The following is an update on major Capital Improvement Projects underway at County airports:

APPLE VALLEY AIRPORT

Fueling Facility: Project plans are 100% complete. A Board of Supervisors item will be forthcoming in July to gain approval of releasing the project for bid.

Land Acquisition for Runway 18 RPZ: Board authorized Real Estate Services on September 27, 2011 to move forward toward acquiring two properties partially underlying the Runway Protection Zone for Runway 18. One property owner is amenable to appraised value, but the other property owner requested a higher price, thus triggering eminent domain proceedings.

NOTE: On June 5, 2012, Item No 101 “Resolution of Necessity for the Apple Valley Airport Runway Protection Zone” was approved.

BARSTOW-DAGGETT AIRPORT

Electrical Improvements Phase II: Replacement of at-grade conduit and cabling with underground wiring. The project is officially underway.

CHINO AIRPORT

Roof Repairs to the Commercial Hangar Complex: The on-call Job Order Contractor completed the repairs to the gutters and roof.

Chlorinated Solvent Plume Environmental Mitigation: Monitoring and evaluation are continuing by Tetra Tech, Inc. A historical site assessment is being performed by History Associates. Past records of tenants are under review for potentially responsible parties. Six (6) new wells to be drilled at Prado Regional Park are in formal bid/award process with a Board of Supervisors item to be forthcoming. An additional eight (8) wells on private properties are under construction.

Storm Water Management: Bid set of drawings & specifications are being finalized for the basin construction project.

Northwest Apron Rehabilitation: Budgeted for \$150,000 and to be performed by Job Order Contractor as soon as their forces are available. Not a full replacement, but tailored to meet the safety concerns and available budget.

INTEROFFICE MEMO



DATE: June 21, 2012

PHONE: 387-8816

FROM: JAMES E. JENKINS
Director of Airports

MAIL CODE: 0831

TO: AIRPORT COMMISSIONERS

SUBJECT: BOARD OF SUPERVISORS ACTIVITY – MAY – JUNE, 2012

APPROVED BOARD AGENDA ITEMS

Board Date	Agenda Item No.	Subject	Recommendation
June 5, 2012	66	Lease Agreements with Threshold Technologies, Inc.	<ol style="list-style-type: none"> 1. Approve a ten-year lease agreement with Threshold Technologies, Inc. for 42,880 square feet of hangar space and 8,855 square feet of office space, known as Commercial Hangar No. 3, at the Chino Airport from June 1, 2012 through May 31, 2022 for total revenue in the amount of \$2,401,620. 2. Approve a ten-year lease agreement with Threshold Technologies, Inc. for 42,880 square feet of hangar space, 3,503 square feet of shop space, 13,517 square feet of office space, 21,018 square feet of ramp space for fuel facilities and 52,670 square feet of ramp space for parking aircraft, known as Commercial Hangar No. 4, at the Chino Airport from June 1, 2012 through May 31, 2022 for total revenue in the amount of \$3,128,628
June 5, 2012	101	Resolution of Necessity for the Apple Valley Airport Runway Protection Zone	<p>Acting as the governing body of the Board Governed County Service Areas:</p> <ol style="list-style-type: none"> 1. Conduct a public hearing to consider condemnation of real property (APN 0463-232-13 and

			<p>14) located at the westerly perimeter of the Apple Valley Airport runway for the Apple Valley Airport Runway Protection Zone Project in the Town of Apple Valley.</p> <p>2. Adopt a Resolution of Necessity authorizing the condemnation of real property declaring the following:</p> <ul style="list-style-type: none">a. The public interest and necessity for the project described in the proposed Resolution of Necessity.b. The project is planned and/or located in the manner that will be most compatible with the greatest public good and the least private injury.c. The property to be acquired is necessary for the project.d. An offer required by Section 7267.2 of the Government Code has been made to the owners of record (Four votes required). <p>3. Authorize the Chief Executive Officer or his designee to execute escrow instructions and any documents necessary to complete these transactions</p>
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INTEROFFICE MEMO



DATE: June 21, 2012
FROM: JAMES E. JENKINS, Director
 Department of Airports
TO: AIRPORT COMMISSIONERS

PHONE: 387-8810
MAIL CODE: 0831

SUBJECT: PROPERTY LEASING ACTIVITY

The following is a summary of current property leasing activity.

No.	Airport	Location/Tenant	Square Foot	Monthly Rent/ Cost Per Square Foot	Status
1	CNO	Threshold Technologies, Inc. Commercial Hangar #3	42,880 sq. ft. hangar space; 8,855 sq. ft. office space	\$4.65 sq. ft. \$20,065 monthly	County and Threshold continue discussions to resolve issues. RESD prepared new lease and submitted to county counsel for review. Lease forwarded to tenant for review week of 5-14-12 Lease fully executed
2	CNO	Threshold Technologies, Inc. Commercial Hangar #4	42,880 sq. ft. hangar space; 13,517 sq. ft. office space; 3,503 sq. ft. shop; 21,018 sq. ft. ramp; 52,670 sq. ft. ramp	\$3.45 sq. ft. per hangar; \$9.52 office per annum \$25,339 monthly	County and Threshold continue discussions to resolve issues. RESD prepared new lease for county counsel review. Lease forwarded to tenant week of 5-14-12 Lease fully executed
3	CNO	Commercial Hangar #2	44,000 sq. ft. hangar; 1,122 sq. ft. office; 5,875 sq. ft. shop space	Rent/cost: \$18.645 (\$0.38 sq. ft. hangar; \$0.74 sq. ft. office; \$0.19 sq. ft. shop space)	RESD issued SOP on April 8, 2010, with one proposal received. RESD/Airports attempting to schedule a meeting to discuss proposal with Encore Jet Center. RESD/Airports to discuss proceeding with SOP.
4	CNO	Cal Aero Property Management – B-350	.943 acres ground lease	Monthly rent to be determined	Lease (ground) expires 11/30/09 & building/hangar reverts to County. RESD/Airports submitted revised rate to tenant effective upon lease termination date. Airports/RESD to proceed with collecting past due amount. RESD/Airports met with Tenant on 4-12-12 to discuss lease issues. A meeting with RESD, Airports, and Counsel to

No.	Airport	Location/Tenant	Square Foot	Monthly Rent/ Cost Per Square Foot	Status
					follow.
5	CNO	Parcel B-305 Chino Development League	Approximately 9 acres land	Approximately \$0.05 cents a sq. ft.	Lease being revised by RESD & Airports. RESD received revised drawings on 9-2-11. RESD preparing revised lease agreement week of 11-28-11. Revised lease with County Counsel for review prior to submission to tenant as of 2-14-12. RESD handed Development Lease Agreement to Tenant week of 4-2-12 Tenant working with city on entitlements
6	CNO	Building A-315 Flo's Cafe	Approximately 4,268 square feet retail space	Fee Ordinance Rates apply	RESD prepared the lease and will be submitting to county counsel for review and execution. Existing lease expires on July 30, 2012
7	CNO	Hangar B-295	10,000 sq. ft. (hangar) 1,500 sq. ft. (office)	TBD	Airports/RESD issued SOP and received two proposals. Airports/RESD meeting with proposers week of 7-18-11. RESD meeting with selected proposer week of 9-5- 11 RESD negotiating with proposer as of 10-18-11 RESD prepared and submitted lease to tenant week of 11-21-11. Lease with Airports for signature as of 12-20-11. Proposer withdrew interest, RESD negotiated lease with second proposer and anticipate lease being fully executed prior to 5-1-12 Lease with Director of Real Estate for review and execution
8	CNO	A-440 Century Paint	4,800 sq. ft. hangar 2,176 sq. ft. storage 2,560 sq. ft. storage 21, 450 sq. ft. ramp space	Approximately \$0.26 a sq. ft.	Lease being prepared by RESD.
9	CNO	Well/Piezometer	400 sq. ft.	\$130.00	Lease with County Counsel for final review prior to submission to tenant for signature. Lease executed by Board week of 4-24-12, Tenant to

No.	Airport	Location/Tenant	Square Foot	Monthly Rent/ Cost Per Square Foot	Status
					proceed with immediate installation of well
10	CNO	Richardson Farming	29 Acres-Agricultural	\$260.00 per acre per annul	Lease fully executed as of 2-13-12. Lease extension being negotiated as of 6-18-12
11	APV	Apple Valley Flight Center Building A-190, #5	340 sq. ft. Office Space	\$0.73 a sq. ft. for office space	Lease being prepared by RESD
12	APV	Café	Approximately 1,100 sq. ft.	Negotiating	RESD completed Solicitation of Proposal and had committee review the one proposal received. RESD will meet to discuss the concerns with proposer ASAP. Lease with Wild Willies Smokehouse Café has been negotiated and fully executed as of 4-11-12

OTHERS:

Airports and RESD anticipate the following:

- Southern California Dairy Equipment – office lease
- Southern California Dairy Equipment – shop/storage lease
- Aphessetche agricultural lease – approximately 5 acres
- Pleasant Feed Supplement A-200 – storage
- Ron Verhoeven – exterior storage by A-270
- SOP for home at Needles Airport.- No response received to SOP
- Composite Sports lease expires 11-30-12, One year lease agreement submitted to tenant for execution
- Military Aircraft Restoration lease expires, Tenant had one year option exercised.
- Civil Air Patrol lease expires lease submitted to Airports for execution 2-13-12, lease fully executed
- Pioneer Aviation lease amendment, amending use provision to Board 5-8-12
- Robert Hayden Jr. A-480- Short-Term lease extension offered
- Tom King Aerial-Dome 3- lease expired 3-31-12, RESD/Airports to meet and discuss
- Chino Aviation, Inc. –Dome 3 East one-half of hangar, Lease expires 4-30-12 Lease Fully executed



MONTHLY REPORT – MAY 19 – JUNE 21, 2012

TO: James E. Jenkins
Director, Department of Airports
FROM: Terry L. Stover, C.A.E.
Acting Assistant Director, Department of Airports
DATE: June 21, 2012

APPLE VALLEY AIRPORT

- Attended a Desert Airport Staff Budget Meeting conducted by Director Jenkins on May 23, 2012.
- Met with representatives from High Desert Life Style Magazine on May 23, 2012 regarding advertising in their summer edition.
- BTMF, LLC did a film shoot on June 1, 2012 for segments of a new reality show titled "The Moment".
- Attended County Purchasing E-Pro Training on June 6, 2012 in San Bernardino.
- Met with C&S Engineers on June 19, 2012 regarding the Fuel Facility Project.

BAKER AIRPORT

- No updates to report.

BARSTOW – DAGGETT AIRPORT

- Attended the first construction meeting for the Phase II Lighting Project on June 5, 2012.

CHINO AIRPORT

- Attended a meeting with Ron Blondell on May 22, 2012 regarding hangar space.
- Attended Airport Plume meetings on May 29, 2012 and June 12, 2012.

NEEDLES AIRPORT

- Participated in a conference call on June 7, 2012 regarding a Mojave Desert Air Quality Management District Notice of Violation. The violations have been corrected, which resulted in the fine being dismissed.

TWENTYNINEPALMS AIRPORT

- No updates to report.

CHINO AIRPORT OPERATIONS

Month	2008	2009	2010	2011	2012
January	12479	13081	14772	15777	11132
February	9126	11571	14601	12807	12730
March	9815	15994	16461	16258	13444
April	10360	15239	16566	15001	13522
May	10125	15033	17744	14197	0
June	9758	15217	16969	15376	0
July	12199	16918	16937	14640	0
August	14133	14678	17142	15338	0
Septemb	11080	13671	16012	13495	0
October	12496	13814	14445	12190	0
Novemb	11110	14501	15013	11992	0
Decemb	10719	12619	10987	11578	0

Current Year Monthly Breakdown

	Itinerant	Local	AC	AT	GA	MI	Civil	Mil	IFR
January	4583	6549	4	28	4540	11	6549	0	1019
February	4529	8201	0	19	4496	14	8184	17	1059
March	4853	8591	0	33	4797	23	8571	20	1364
April	5189	8333	2	30	5122	35	8297	36	1189
May	0	0							
June	0	0							
July	0	0							
August	0	0							
Septemb	0	0							
October	0	0							
Novemb	0	0							
Decemb	0	0							
Total	19,154	31,674	6	110	18955	83	31601	73	4631

