

REPORT TO THE CITY COUNCIL

City of Salinas, California

DATE: August 26, 2014
FROM: Gary Petersen, Director of Public Works
BY: Brett J. Godown, Airport Manager
SUBJECT: California International Airshow 2014 Permit

RECOMMENDATION:

It is recommended that the City Council adopt a Resolution:

- 1) Approving the issuance of an Airport Use Permit to the Monterey County Airshow Association Incorporated, to conduct the 34th annual California International Airshow at the Salinas Municipal Airport, and
- 2) Authorizing the use of in-kind police and fire services to support the Airshow's activities, which will be reimbursed by the Airport Enterprise Fund in the amount of \$20,000.

DISCUSSION:

The thirty-third (34th) California International Airshow is scheduled to take place at the Salinas Municipal Airport on September 27 and 28, 2014. This year's show will feature the United States Air Force Thunderbirds, Sean D. Tucker, Clay Lacy, Normandy 70th Anniversary C-47 tribute, the Metal Mulisha along with multiple other featured aircraft, acts, and displays.

The attached Permit is the same as those approved in past years. The Permit requires a \$5,000,000 Airmeet Liability Insurance Policy, and includes authorization for various street closings and specific operational provisos.

The Airport Enterprise Fund has historically contributed funds to offset public safety costs for Airshow activities. In 2009 the total cost of public safety billed to the Airshow by the City of Salinas exceeded \$30,000. In recognition of these increasing costs, staff with Council approval raised the contribution to \$20,000. These costs are authorized by the Federal Aviation Administration, provided the funds are expended on airport operational activities during the event, and the airport receives significant benefit from the event by positive exposure to the community. The Airshow actively engages in the promotion of the event using various media locally and regionally, and targeted areas nationally. The airport and city both receive positive tangible and intangible benefits from the promotion of the event.

COMMISSION ACTIONS:

Staff brought the Permit and the use of Enterprise Funds to the Airport Commission for its consideration at their July 2014 meeting. The Airport Commission unanimously recommended approval of the Airport Use Permit including the \$20,000 Airport Enterprise Fund contribution to the Airshow to offset the cost of police and fire services to support Airshow activities.

THE ISSUE:

Shall the Council approve the issuance of Airport Use Permit for the 2014 California International Airshow scheduled for September 27 and 28, 2014, at the Salinas Municipal Airport including the donation of in-kind police and fire services to support Airshow activities in the amount of \$20,000 which will be reimbursed to the City from the Airport Enterprise Fund?

FISCAL IMPACT:

There is a Permit Fee of \$2,500, which covers costs involved in processing the Permit and other miscellaneous Airport administration costs associated with participation in the Airshow. The Airshow Association is billed time and materials following the Airshow for any direct damages to equipment and or city property. The use of Airport Enterprise Funds has been incorporated into the Airport budget for this fiscal year.

This year's event is anticipated, as in years past, to result in a positive economic impact for the City of Salinas and local economy. Spending by visitors in the local area is the biggest factor in generating economic impact; however, spending by the Airshow Association is another important consideration. Visitors will add to the tax base through purchasing hotel accommodations, meals, gas, entertainment, and other supplies while visiting the region. The Airshow Association purchases goods and services needed to host the event. The Airshow Association has contributed in excess of \$8 million dollars to charity over the last 30 years.

TIME CONSIDERATIONS:

Time is of the essence. Approval of the Airport Use Permit in a timely manner will allow the Airshow to adhere to its published event schedule.

ALTERNATIVES/IMPLICATIONS:

The Council may not approve issuance of the Airport Use Permit for the California International Airshow conducted by the Monterey County Airshow Association at the Salinas Municipal Airport, and direct staff how to proceed.

CITY COUNCIL GOALS:

Money spent by local citizens and businesses at the Airshow contributes to the local economy and to the local tax base supporting the Council's initiative for creating economic diversity and prosperity. The Airshow Association has contributed in excess of \$8 million dollars to local non-profit organizations over the last 30 years.

CONCLUSION:

The annual California International Airshow provides the single largest link between the community of Salinas and the Salinas Municipal Airport. The Airshow contributes to the local economy and to the amount of local taxes collected, but its major contribution is to local charities. City Staff and the Airport Commission recommend the City Council adopt the resolution approving issuance of the Airport Permit and authorizing the City Manager to sign and to issue the same and further authorizing the donation of in-kind police and fire services to support the Airshow activities at a total value of \$20,000.

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