



CITY OF SALINAS

CITY COUNCIL STAFF REPORT

DATE: SEPTEMBER 5, 2017

DEPARTMENT: PUBLIC WORKS, AIRPORT DIVISION

FROM: BRETT J. GODOWN, AIRPORT MANAGER

TITLE: AIRPORT USE PERMIT FOR THE 2017 CALIFORNIA INTERNATIONAL AIRSHOW

RECOMMENDED MOTION:

A motion to approve the proposed Airport Use Permit for the 2017 California International Airshow to be conducted by the Monterey County Airshow Association at the Salinas Municipal Airport, in accordance with the terms of said permit, and include the \$20,000 sponsorship by the Airport Enterprise Fund to offset City of Salinas Emergency Response Personnel costs.

RECOMMENDATION:

It is recommended that the City Council approve the proposed Airport Use Permit for the 2017 California International Airshow to be conducted by the Monterey County Airshow Association at the Salinas Municipal Airport, in accordance with the terms of said permit, and include the \$20,000 sponsorship by the Airport Enterprise Fund to offset City of Salinas Emergency Response Personnel costs.

BACKGROUND:

The thirty-seventh (37th) California International Airshow is scheduled to take place at the Salinas Municipal Airport on September 30 and October 1, 2017. This year's airshow will feature the United States Air Force F-22 Raptor demonstration team, and several other aircraft acts and displays.

The attached Permit is essentially the same as those approved in previous years. The Permit requires a \$10,000,000 Airmeet Liability Insurance Policy and includes authorization for various street closings and specific operational provisions. Typically, only one other City Permit, a Special Events Permit, is required for the event, rather than several permits from various City departments. It is important to note that before the Permit advances to City Council for review the City of Salinas Special Event Permit must be completed. Once completed, the Special Events Permit becomes the "Exhibit A" document referenced in the Airshow Permit.

ANALYSIS:

Airport Staff is recommending the Airport Enterprise fund contribute up to \$20,000 to offset in-kind City services. Staff has managed the FY 2017-18 budget in such a manner that it would be difficult to authorize a contribution greater than the \$20,000 that has been allocated. This follows the historical precedence that was established by City Council at its September 18, 2007 meeting, when the City Council approved an allocation of \$15,000 from the Airport Enterprise Fund to support in-kind services to the Salinas Airshow, provided such an allocation was permissible under federal restrictions.

It is important to understand that the Airshow did not ask for the money from the airport, rather the request was from the air show to the City of Salinas. It was the City Council who decided that the money should come from the airport, rather than other City funds. It is also important to understand that the City Manager's report to the City Council recommended that the City Council not fund the Airshow request.

Ultimately, Airport Staff and the City Attorney's office researched the legality of the issue and found that the FAA had made past rulings allowing this type of contribution to non-profit groups and community organizations as long as the contribution is directly and substantially related to airport operations during the event. In addition, the FAA policy provides explicitly that where the amount of the contribution is minimal, the airport operator may consider the "directly and substantially related to air transportation" standard to be met if the contribution has the intangible benefit of enhancing the airport's acceptance in the local communities impacted by the airport. The airshow provides both tangible and intangible benefits to the airport. The airshow provides positive exposure for the airport and the City of Salinas, which helps enhance the airport's acceptance in the local community. Staff has concluded that police and fire services during the event are operational, and that the airport does receive significant benefit from positive exposure of the airport to the community during the event.

Airport Staff believes it is likely that since the City Council understands that this type of contribution is permissible, they will do so again upon the Airshow's request. With this understanding, Staff has taken steps to ensure that when and if the City Council decides to make this contribution that the Airport receives maximum value for the contribution and that the contribution is made in alignment with FAA Guidelines.

To that end airport staff has worked with the Airshow and included provisions to ensure not only the airport benefits from the airshow but airport associations and airport non-profit organizations also benefit. One part of the sponsorship agreement allows the airport to designate a non-profit organization to receive a donation from the Airshow. This year the airport has again elected to designate the airport's local EAA Chapter 204 to support funding of the "Young Eagles Program." Staff has worked with Airshow representatives who agreed that if the contribution was made that the Airport would be provided space in the program calendar and that the City and/or Airport Logo will be included on promotional materials. In the past this effort has proved satisfactory for promoting the Airport and will be followed again this year.

The Airshow has also agreed that SOPA will continue to receive consideration from the Airshow. A chalet will be provided by the Airshow that will be fully catered and SOPA will receive 150 tickets (75 for Saturday and 75 for Sunday) to be used to create fundraising opportunities.

At the July 27, 2017 Airport Commission meeting, the Airport Commission recommended approval of the Airport Use Permit and the donation of in-kind police and fire services to the Monterey county airshow association, Incorporated for the 2017 California International Airshow at the Salinas Municipal Airport.

CEQA/NEPA CONSIDERATION:

The City of Salinas has determined that the proposed action is not a project and therefore exempt as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

STRATEGIC PLAN INITIATIVE:

Approval of the 2017 California International Airshow permit complements Salinas City Council Strategic Plan, goal statement for Economic Diversity and Quality of Life.

FISCAL AND SUSTAINABILITY IMPACT:

The Airshow Association is assessed a permit fee of \$2,500.00. The permit fee covers Airport Staff's costs associated with processing the Permit and other miscellaneous airport administration costs associated with the Airshow. The Airshow Association is billed time and materials for any direct damages to facilities or equipment. The Airshow also pays for other City services, including public safety. The City of Salinas will donate police and fire services to support the Airshow's activities, which will be reimbursed in the amount of \$20,000 from the Airport Enterprise Fund.

The economic financial impact as a result of the Airshow are hard to quantify without procuring economic impact analysis services. Money spent by local citizens and businesses at the Airshow contribute to the local economy and to the local tax base. The Airshow Association has contributed in excess of 8.2 million dollars to charity over the last 36 years.

ATTACHMENTS:

Resolution
2017 Permit to Conduct Air Shows at the Salinas Municipal Airport