

REPORT TO THE CITY COUNCIL

City of Salinas, California

DATE: August 16, 2016

FROM: Gary Petersen, Director of Public Works

BY: Brett J. Godown, Airport Manager

SUBJECT: California International Airshow 2016 Permit

RECOMMENDATION:

It is recommended that the City Council:

- 1) Approve a resolution authorizing the issuance of an Airport Use Permit to the Monterey County Airshow Association Incorporated, to conduct the 36th annual California International Airshow at the Salinas Municipal Airport; and
- 2) Transfer \$20,000 from the Airport Enterprise Fund to the General Fund to reimburse the City for police and fire services for the Airshow.

DISCUSSION:

The thirty-sixth (36th) California International Airshow is scheduled to take place at the Salinas Municipal Airport on September 24 and 25, 2016. This year's show will feature the United States Air Force Thunderbirds, multiple World War II Aircraft, the Metal Mulisha, and 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 Air-meet Liability Insurance Policy, and includes authorization for various street closings and specific operational provisions.

The Airport Enterprise Fund has historically contributed funds to offset public safety costs for Airshow activities. 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 Medias locally and regionally, and targeted areas nationally. The airport and city both receive positive tangible and intangible benefits from the promotion of the event.

One part of the agreement allows the airport to designate a non-profit organization to receive a donation from the Airshow. This year, as in years past, the airport has elected to designate the local Experimental Aircraft Association (EAA) Chapter 204 as the charitable contribution recipient. Those funds (\$750.00) will be used to support the Young Eagles Program. As part of the sponsorship package the Airport will be provided space in the program calendar and 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.

COMMISSION ACTIONS:

Staff brought the Permit and the proposed use of Enterprise Funds to the Airport Commission for its consideration at their June 2016 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 authorize the issuance of an Airport Use Permit for the 2016 California International Airshow scheduled for September 24 and 25, 2016, 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:

The Monterey County Airshow Association is billed \$2,500 for a permit fee. The permit fee 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:

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 authorize 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 residents 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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