



# City of Los Banos

At the Crossroads of California

[www.losbanos.org](http://www.losbanos.org)

## AGENDA

### AIRPORT ADVISORY COMMISSION MEETING

CITY HALL COUNCIL CHAMBERS  
520 J Street  
Los Banos, California

**February 20, 2018**

*If you require special assistance to attend or participate in this meeting, please call the City Clerk's Office @ (209) 827-7000 at least 48 hours prior to the meeting.*

*The City of Los Banos complies with the Americans with Disabilities Act (ADA) of 1990.*

\* \* \* \* \*

*Si requiere asistencia especial para atender o participar en esta junta por favor llame a la oficina de la Secretaria de la ciudad al (209) 827-7000 a lo menos de 48 horas previas de la junta.*

*La Ciudad de Los Banos cumple con la Acta de Americanos con Deshabilidad (ADA) de 1990.*

*Any writings or documents provided to a majority of the Airport Advisory Commission regarding any item on this agenda will be made available for public inspection at the meeting and in the City Clerk's office located at City Hall, 520 J Street, Los Banos, California during normal business hours. In addition, such writings and documents may be posted on the City's website at [www.losbanos.org](http://www.losbanos.org).*

\* \* \* \* \*

*Cualquier escritura o los documentos proporcionaron a una mayoría de la Airport Advisory Commission con respecto a cualquier artículo en este orden del día será hecho disponible para la inspección pública en la reunión y en la oficina del City Clerk del City Hall, 520 J Street, Los Banos, California durante horas de oficina normales. Además, tales escrituras y los documentos pueden ser anunciados en el website de la Ciudad en [www.losbanos.org](http://www.losbanos.org).*

1. CALL TO ORDER. **5:00 PM**
2. PLEDGE OF ALLEGIANCE.
3. ROLL CALL:  
Anderson \_\_\_\_, Reed \_\_\_\_, Stichel \_\_\_\_
4. NOMINATION AND SELECTION OF CHAIR AND VICE CHAIR FOR 2018.
5. CONSIDERATION OF APPROVAL OF AGENDA.

*Recommendation: Approve the agenda as submitted.*

6. CONSIDERATION OF APPROVAL OF THE ACTION MINUTES FOR THE REGULAR MEETING OF OCTOBER 17, 2017.

*Recommendation: Approve the minutes as submitted.*

7. PUBLIC FORUM. (Members of the public may address the Airport Advisory Commission on any item of public interest that is within the jurisdiction of the Airport Advisory Commission; includes agenda and non-agenda items. No action will be taken on non-agenda items. Speakers are limited to a five (5) minute presentation. Detailed guidelines are posted on the Council Chamber informational table).

8. AIRPORT 2017/2018 ANNUAL FUEL SALES PROFILE REVIEW.

*Recommendation: Informational item only, no action to be taken.*

9. AIRPORT 2017/2018 FISCAL YEAR REVENUE/EXPENDITURE UPDATE.

*Recommendation: Informational item only, no action to be taken.*

10. LOS BANOS AIRPORT FEASIBILITY STUDY BY ECONSOLUTIONS.

*Recommendation: Informational item only, no action to be taken.*

11. AIRPORT FACILITY MAINTENANCE REPORT.

12. PUBLIC WORKS DIRECTOR/CITY ENGINEER REPORT.

13. COMMISSIONER REPORTS.

- A. Dave Anderson
- B. Dennis Reed
- C. Annette Stichel

14. ADJOURNMENT.

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing agenda was posted on the City Hall bulletin board not less than 72 hours prior to the meeting.

  
Jelene de Melo, Secretary

Dated this 14<sup>th</sup> day of February 2018

**CITY OF LOS BANOS  
AIRPORT ADVISORY COMMISSION MEETING MINUTES  
OCTOBER 17, 2017**

***ACTION MINUTES – These minutes are prepared to depict action taken for agenda items presented to the Airport Advisory Commission.***

**CALL TO ORDER:** Vice Chairperson Reed called the Airport Advisory Commission Meeting to order at 5:00 p.m.

**PLEDGE OF ALLEGIANCE:** Vice Chairperson Reed led the pledge of allegiance.

**ROLL CALL – MEMBERS OF THE AIRPORT ADVISORY COMMISSION PRESENT:** Anderson, Reed, Stichel; Renshaw excused.

**STAFF MEMBERS PRESENT:** Public Works Director/City Engineer Fachin, Parks & Recreation Operations Manager Cardoza, Administrative Coordinator de Melo.

**CONSIDERATION OF APPROVAL OF AGENDA:** Motion by Anderson, seconded by Stichel to approve the agenda as submitted. The motion carried by the affirmative vote of all Airport Advisory Commission Members present; Renshaw excused.

**CONSIDERATION OF APPROVAL OF THE ACTION MINUTES FOR THE REGULAR MEETING OF SEPTEMBER 19, 2017:** Motion by Anderson, seconded by Stichel to approve the minutes as submitted. The motion carried by the affirmative vote of all Airport Advisory Commission Members present; Renshaw excused.

**PUBLIC FORUM: MEMBERS OF THE PUBLIC MAY ADDRESS THE COUNCIL ON ANY ITEM OF PUBLIC INTEREST THAT IS WITHIN THE JURISDICTION OF THE CITY; INCLUDES AGENDA AND NON-AGENDA ITEMS. NO ACTION WILL BE TAKEN ON NON-AGENDA ITEMS. SPEAKERS ARE LIMITED TO A FIVE (5) MINUTE PRESENTATION. DETAILED GUIDELINES ARE POSTED ON THE COUNCIL CHAMBER INFORMATIONAL TABLE.** No one came forward to speak and the public forum was closed.

**STATUS OF RUNWAY RELOCATION.** Public Works Director/City Engineer Fachin stated that we will be removing this item from the monthly agenda, and will bring it back as there is information to share on changes of the status. We are currently trying to set up meetings with the FAA to discuss our interest in moving the airport. We haven't been successful since the FAA office in San Francisco is going through some changes in management. We will continue to work on setting up this meeting.

**AIRPORT 2016/2017 ANNUAL FUEL SALES PROFILE REVIEW.** Operations Manager Cardoza reported the current fuel prices are \$4.209/gallon for 100LL; JetA is \$3.709/gallon. Our sales were about 1,400 gallons less this year compared to this time last year. The fuel prices have not changed for awhile, however they remain very

competitive, as we are the #2 and #3 in fuel prices on Airnav.com. The Department of Weights and Measures recently came out the Airport and calibrated the fuel pumps.

**AIRPORT 2016/2017 REVENUE/EXPENDITURE UPDATE.** Director/City Engineer Fachin stated we just filled our fuel tanks, which is showing the expenses higher than our revenue at this time, but that will correct itself over time.

**AIRPORT FACILITY MAINTENANCE REPORT.** Operations Manager Cardoza reported we recently completed adding base rock to the runway. Thanked Randy and his crew for heading the project and completing it in a timely manner. We may have to purchase more base rock to repair the taxi-way, however we will wait for FAA's annual report. The time lock that was installed on the Pilot's Lounge door, facing the parking lot, has kept the homeless out of the lounge out night. He will be retiring in December, and thanked the Commission for their cooperation and support over the years.

**PUBLIC WORKS DIRECTOR/CITY ENGINEER REPORT.** Director/City Engineer Fachin reported the Council Meeting of December 6<sup>th</sup> is the Annual Holiday Open House and will be held at the Community Center. Invited everyone to attend. Paul will be missed; he is a positive influence on our department. Reminded Commissioners Stichel and Reed that their commission will be expiring and encouraged to re-apply.

**DISCUSSION REGARDING CANCELLATION OF NOVEMBER/DECEMBER COMMISSION MEETINGS DUE TO HOLIDAY SEASON.** Commissioner Stichel stated she is unable to meet in November or December. Commissioner Anderson stated he was in favor of cancelling the December meeting, but is available to meet in November. Motion by Anderson, seconded by Stichel to approve cancellation of December meeting. The motion carried by the affirmative vote of all Airport Advisory Commission Members present; Renshaw excused.

**COMMISSION MEMBER REPORTS.**

**ANDERSON:** Congratulations to Paul on his retirement. He worked with Paul in the Parks Department. Wished him luck on his future adventures. Airport business looks good. Keep up the good work.

**REED:** Congratulations to Paul.

**RENSHAW:** Excused.

**STICHEL:** No Report.

**ADJOURNMENT:** The meeting was adjourned to the meeting at the hour of 5:19 p.m.

APPROVED:

\_\_\_\_\_  
Chairperson

ATTEST:

\_\_\_\_\_  
Jelene de Melo, Secretary



City of  
**Los Banos**  
At the Crossroads of California

**Agenda Staff Report**

**TO:** Airport Advisory Commission

**FROM:** Michael O'Brien, Interim Parks & Recreation Operations Manager *Mike O'Brien*

**DATE:** February 20, 2018

**SUBJECT:** Los Banos Airport 2017-2018 Annual Fuel Sales Profile Review

**TYPE OF REPORT:** Informational Item

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**Recommendation:**

Informational item only, no action to be taken.

**Discussion:**

Attached is the 2018 Annual Fuel Sales Profile for the Airport as of February 5, 2018. Page 1 of the attachment shows the complete summary for both 100LL and Jet A sales. Page 2 shows the breakdown for 100LL fuel, and Page 3 shows the breakdown for Jet A fuel.

Also attached is the 2017 Annual Fuel Sales Profile to compare with fuel sales for 2018.

**Attachments:**

Airport 2017/2018 Annual Fuel Sales Profile

# Annual Sales Profile

**Start date:** 1/1/2018  
**End date:** 12/31/2018

**Site:** Los Banos Airport

## Inventory History — Complete Summary

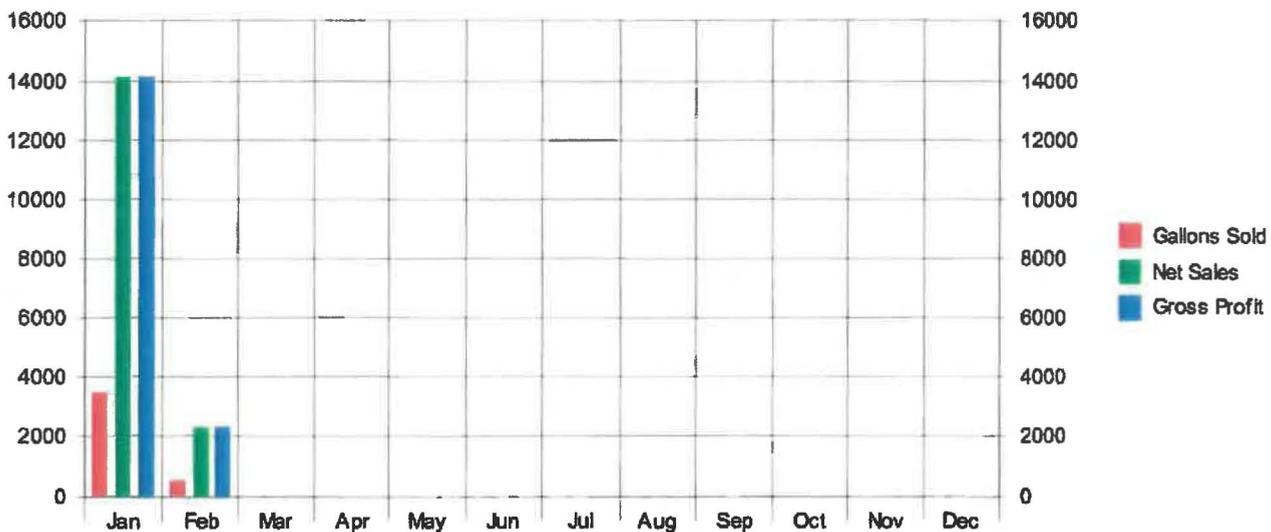
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y.T.D
Beg Inventory	14,878.720	11,351.490	10,774.140	10,774.140	10,774.140	10,774.140	10,774.140	10,774.140	10,774.140	10,774.140	10,774.140	10,774.140	
Gal Purchased	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Adjustments	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Gallons Sold	3,527.230	577.350	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4,104.580
End Inventory	11,351.490	10,774.140	10,774.140	10,774.140	10,774.140	10,774.140	10,774.140	10,774.140	10,774.140	10,774.140	10,774.140	10,774.140	

## Financial History — Complete Summary

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y.T.D
Net Sales	14,139.590	2,372.320	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	16,511.910
Cost of Goods	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Gross Profit	14,139.590	2,372.320	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	16,511.910

## Monthly Statistics — Complete Summary

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y.T.D
Avg Sale \$	125.129	98.847	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	111.988
Avg Sale Vol	31.214	24.056	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	27.635
Avg PPU Vol	4.009	4.109	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.059
Avg CPU Vol	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Avg Margin/Unit	4.009	4.109	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.059
Avg Margin/Sale	125.129	98.847	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	111.988
% of Vol YTD	85.934	14.066	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	100.000
% of Profit YTD	85.533	14.367	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	100.000
# of Sales	113.000	24.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	137.000



# Annual Sales Profile

**Start date:** 1/1/2018  
**End date:** 12/31/2018

**Site:** Los Banos Airport

## Inventory History — 100 II

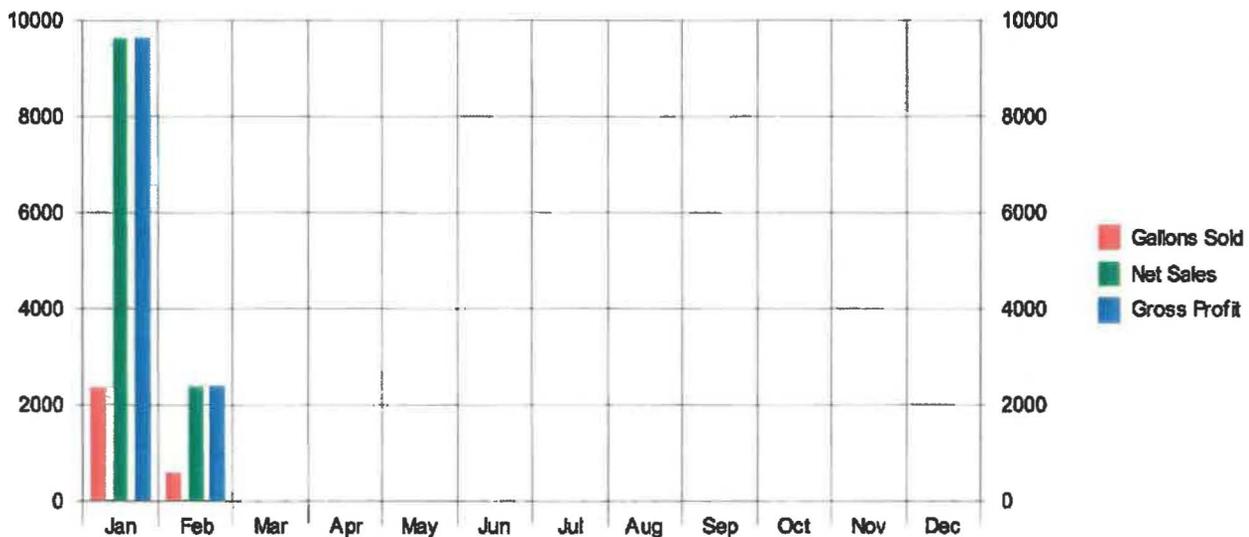
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y.T.D
Beg Inventory	6,161.156	3,813.366	3,236.016	3,236.016	3,236.016	3,236.016	3,236.016	3,236.016	3,236.016	3,236.016	3,236.016	3,236.016	
Gal Purchased	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Adjustments	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Gallons Sold	2,347.790	577.350	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2,925.140
End Inventory	3,813.366	3,236.016	3,236.016	3,236.016	3,236.016	3,236.016	3,236.016	3,236.016	3,236.016	3,236.016	3,236.016	3,236.016	

## Financial History — 100 II

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y.T.D
Net Sales	9,647.090	2,372.320	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	12,019.410
Cost of Goods	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Gross Profit	9,647.090	2,372.320	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	12,019.410

## Monthly Statistics — 100 II

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y.T.D
Avg Sale \$	104.860	98.847	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	101.853
Avg Sale Vol	25.519	24.056	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	24.788
Avg PPU Vol	4.109	4.109	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.109
Avg CPU Vol	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Avg Margin/Unit	4.109	4.109	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.109
Avg Margin/Sale	104.860	98.847	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	101.853
% of Vol YTD	80.262	19.738	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	100.000
% of Profit YTD	80.263	19.737	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	100.000
# of Sales	92.000	24.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	116.000



# Annual Sales Profile

**Start date:** 1/1/2018  
**End date:** 12/31/2018

**Site:** Los Banos Airport

## Inventory History — JET-A

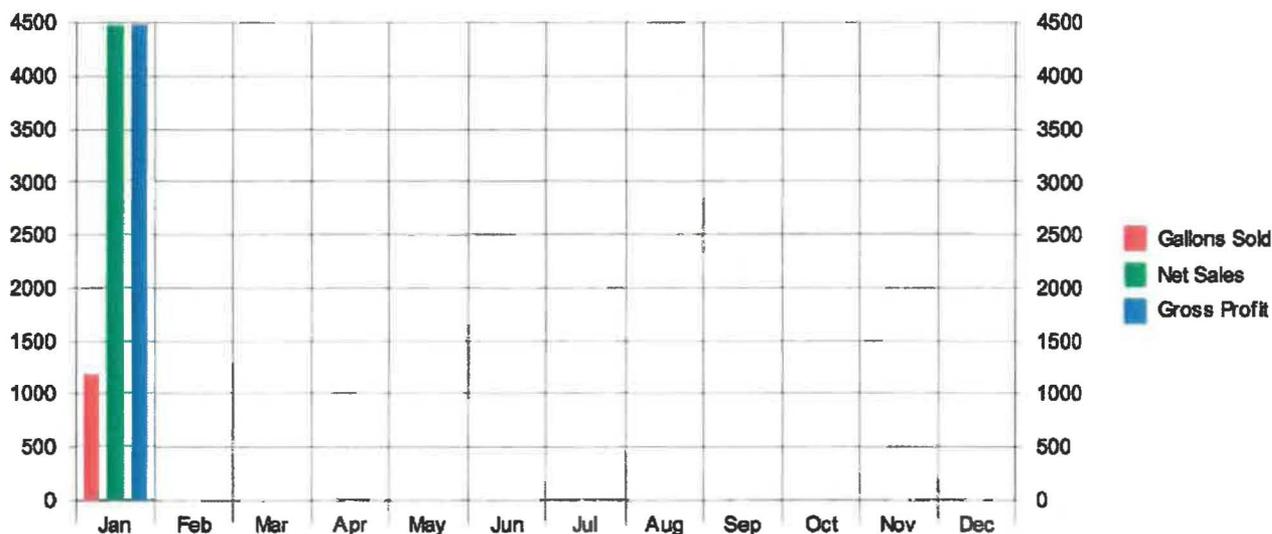
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y.T.D
Begin Inventory	8,717.563	7,538.123	7,538.123	7,538.123	7,538.123	7,538.123	7,538.123	7,538.123	7,538.123	7,538.123	7,538.123	7,538.123	
Gal Purchased	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Adjustments	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Gallons Sold	1,179.440	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1,179.440
End Inventory	7,538.123	7,538.123	7,538.123	7,538.123	7,538.123	7,538.123	7,538.123	7,538.123	7,538.123	7,538.123	7,538.123	7,538.123	

## Financial History — JET-A

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y.T.D
Net Sales	4,492.500	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4,492.500
Cost of Goods	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Gross Profit	4,492.500	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4,492.500

## Monthly Statistics — JET-A

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y.T.D
Avg Sale \$	213.929	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	213.929
Avg Sale Vol	56.164	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	56.164
Avg PPU Vol	3.809	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.809
Avg CPU Vol	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Avg Margin/Unit	3.809	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.809
Avg Margin/Sale	213.929	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	213.929
% of Vol YTD	100.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	100.000
% of Profit YTD	100.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	100.000
# of Sales	21.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	21.000



# Annual Sales Profile

**Start date:** 1/1/2017  
**End date:** 12/31/2017

**Site:** Los Banos Airport

## Inventory History — Complete Summary

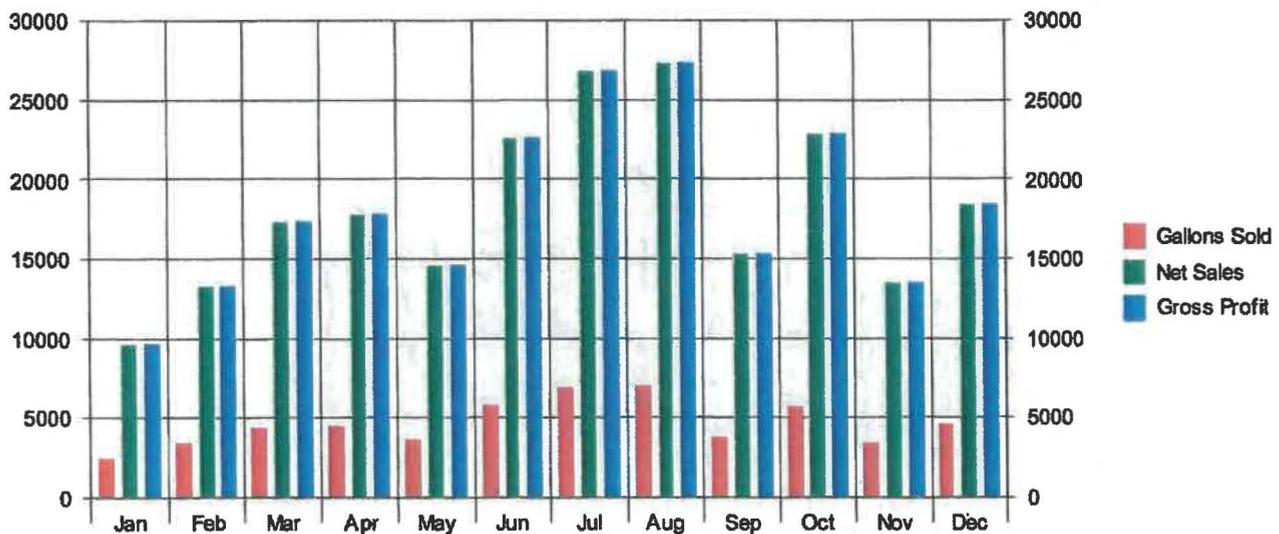
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y.T.D
Beg Inventory	14,580.280	12,134.500	15,015.230	16,919.840	12,387.980	15,071.710	9,280.852	15,351.780	14,343.450	16,563.070	10,886.750	13,495.090	
Gal Purchased	0.000	6,322.000	6,350.000	0.000	6,409.000	0.000	12,986.000	6,033.000	6,047.000	0.000	5,989.000	6,024.000	56,160.000
Adjustments	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Gallons Sold	2,446.780	3,441.270	4,445.390	4,531.860	3,725.270	5,790.860	6,915.090	7,041.310	3,827.380	5,676.320	3,380.660	4,640.350	55,861.540
End Inventory	12,134.500	15,015.230	16,919.840	12,387.980	15,071.710	9,280.852	15,351.780	14,343.450	16,563.070	10,886.750	13,495.090	14,878.740	

## Financial History — Complete Summary

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y.T.D
Net Sales	9,668.510	13,286.770	17,354.010	17,857.580	14,661.230	22,654.590	26,890.830	27,439.090	15,387.260	22,947.080	13,563.520	18,445.330	220,155.800
Cost of Goods	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Gross Profit	9,668.510	13,286.770	17,354.010	17,857.580	14,661.230	22,654.590	26,890.830	27,439.090	15,387.260	22,947.080	13,563.520	18,445.330	220,155.800

## Monthly Statistics — Complete Summary

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y.T.D
Avg Sale \$	158.500	139.861	160.685	127.554	154.329	165.362	174.616	160.463	146.545	146.160	142.774	135.627	151.040
Avg Sale Vol	40.095	36.224	41.161	32.370	39.213	42.269	44.903	41.177	36.451	36.165	35.586	34.120	38.310
Avg PPU Vol	3.953	3.861	3.904	3.940	3.936	3.912	3.889	3.897	4.020	4.043	4.012	3.975	3.945
Avg CPU Vol	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Avg Margin/Unit	3.953	3.861	3.904	3.940	3.936	3.912	3.889	3.897	4.020	4.043	4.012	3.975	3.945
Avg Margin/Sale	158.500	139.861	160.685	127.554	154.329	165.362	174.616	160.463	146.545	146.160	142.774	135.627	151.040
% of Vol YTD	4.378	6.160	7.958	8.113	6.669	10.366	12.379	12.605	6.852	10.161	6.052	8.307	100.000
% of Profit YTD	4.392	6.035	7.883	8.111	6.659	10.290	12.214	12.463	6.989	10.423	6.161	8.378	100.000
# of Sales	61.000	95.000	108.000	140.000	95.000	137.000	154.000	171.000	105.000	157.000	95.000	136.000	1,454.000



# Annual Sales Profile

**Start date:** 1/1/2017  
**End date:** 12/31/2017

**Site:** Los Banos Airport

## Inventory History — 100 II

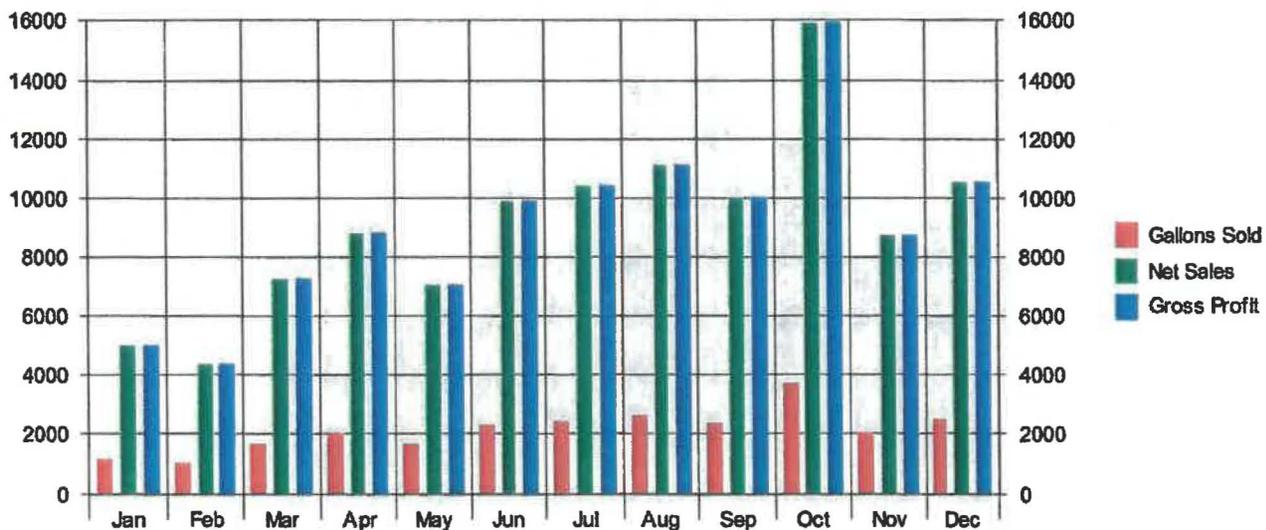
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y.T.D
Beg Inventory	7,282.750	6,088.620	5,042.550	9,660.560	7,562.760	5,874.460	3,521.980	7,616.660	4,971.120	8,635.260	4,848.140	8,728.400	
Gal Purchased	0.000	0.000	6,350.000	0.000	0.000	0.000	6,580.000	0.000	6,047.000	0.000	6,989.000	0.000	24,966.000
Adjustments	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Gallons Sold	1,194.130	1,046.070	1,731.990	2,097.900	1,688.300	2,352.480	2,485.320	2,645.540	2,382.860	3,787.120	2,108.740	2,567.240	26,087.590
End Inventory	6,088.620	5,042.550	9,660.560	7,562.760	5,874.460	3,521.980	7,616.660	4,971.120	8,635.260	4,848.140	8,728.400	6,161.160	

## Financial History — 100 II

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y.T.D
Net Sales	5,026.140	4,402.950	7,289.990	8,829.640	7,106.100	9,901.630	10,460.770	11,135.120	10,029.530	15,940.020	8,797.210	10,548.870	109,468.000
Cost of Goods	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Gross Profit	5,026.140	4,402.950	7,289.990	8,829.640	7,106.100	9,901.630	10,460.770	11,135.120	10,029.530	15,940.020	8,797.210	10,548.870	109,468.000

## Monthly Statistics — 100 II

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y.T.D
Avg Sale \$	104.711	112.896	102.676	95.974	102.987	99.016	123.068	112.476	112.691	131.736	111.357	102.416	109.334
Avg Sale Vol	24.878	26.822	24.394	22.802	24.468	23.525	29.239	26.723	26.774	31.299	26.693	24.925	26.045
Avg PPU Vol	4.209	4.209	4.209	4.209	4.209	4.209	4.209	4.209	4.209	4.209	4.172	4.109	4.198
Avg CPU Vol	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Avg Margin/Unit	4.209	4.209	4.209	4.209	4.209	4.209	4.209	4.209	4.209	4.209	4.172	4.109	4.198
Avg Margin/Sale	104.711	112.896	102.676	95.974	102.987	99.016	123.068	112.476	112.691	131.736	111.357	102.416	109.334
% of Vol YTD	4.577	4.010	6.639	8.041	6.472	9.018	9.527	10.141	9.134	14.517	8.083	9.841	100.000
% of Profit YTD	4.591	4.022	6.659	8.066	6.491	9.045	9.556	10.172	9.162	14.561	8.036	9.636	100.000
# of Sales	48.000	39.000	71.000	92.000	69.000	100.000	85.000	99.000	89.000	121.000	79.000	103.000	995.000



# Annual Sales Profile

**Start date:** 1/1/2017  
**End date:** 12/31/2017

**Site:** Los Banos Airport

## Inventory History — JET-A

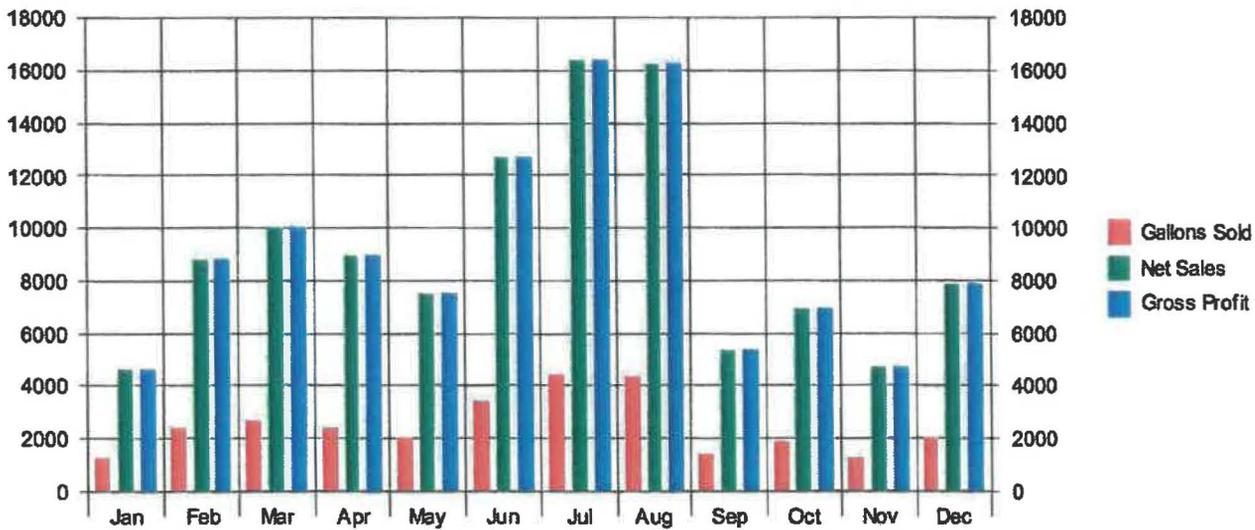
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y.T.D
Beg Inventory	7,297.531	6,045.881	9,972.682	7,259.281	4,825.221	9,197.251	5,758.871	7,735.102	9,372.331	7,927.812	6,038.611	4,766.691	
Gal Purchased	0.000	6,322.000	0.000	0.000	6,409.000	0.000	6,406.000	6,033.000	0.000	0.000	0.000	6,024.000	31,194.000
Adjustments	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Gallons Sold	1,251.650	2,395.200	2,713.400	2,434.060	2,036.970	3,438.380	4,429.770	4,395.770	1,444.520	1,889.200	1,271.920	2,073.110	29,773.950
End Inventory	6,045.881	9,972.682	7,259.281	4,825.221	9,197.251	5,758.871	7,735.102	9,372.331	7,927.812	6,038.611	4,766.691	8,717.581	

## Financial History — JET-A

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y.T.D
Net Sales	4,642.370	8,883.820	10,064.020	9,027.940	7,555.130	12,752.960	16,430.060	16,303.970	5,357.730	7,007.060	4,766.310	7,896.460	110,687.800
Cost of Goods	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Gross Profit	4,642.370	8,883.820	10,064.020	9,027.940	7,555.130	12,752.960	16,430.060	16,303.970	5,357.730	7,007.060	4,766.310	7,896.460	110,687.800

## Monthly Statistics — JET-A

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y.T.D
Avg Sale \$	357.105	158.640	272.001	188.082	290.582	344.675	238.117	226.444	334.858	194.641	297.894	239.287	261.860
Avg Sale Vol	96.281	42.771	73.335	50.710	78.345	92.929	64.200	61.052	90.283	52.478	79.495	62.822	70.392
Avg PPU Vol	3.709	3.709	3.709	3.709	3.709	3.709	3.709	3.709	3.709	3.709	3.747	3.809	3.721
Avg CPU Vol	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Avg Margin/Unit	3.709	3.709	3.709	3.709	3.709	3.709	3.709	3.709	3.709	3.709	3.747	3.809	3.721
Avg Margin/Sale	357.105	158.640	272.001	188.082	290.582	344.675	238.117	226.444	334.858	194.641	297.894	239.287	261.860
% of Vol YTD	4.204	8.045	9.113	8.175	6.841	11.548	14.878	14.784	4.852	6.345	4.272	6.963	100.000
% of Profit YTD	4.194	8.026	9.092	8.156	6.826	11.522	14.844	14.730	4.840	6.330	4.306	7.134	100.000
# of Sales	13.000	56.000	37.000	48.000	26.000	37.000	69.000	72.000	16.000	36.000	16.000	33.000	469.000





City of  
**Los Banos**  
At the Crossroads of California

**Agenda Staff Report**

**TO:** Airport Advisory Commission

**FROM:** Mark Fachin, P.E., Public Works Director/City Engineer

**DATE:** February 20, 2018

**SUBJECT:** Airport 2017/2018 Revenue/Expenditure Update

**TYPE OF REPORT:** Informational Item

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**Recommendation:**

Informational item only, no action to be taken.

**Discussion:**

Attached is the 2017/2018 Revenue/Expenditure update for the Airport as of February 9, 2018. Please note, staff time is not reflected in this report.

**Attachments:**

Airport 2017/2018 Revenue/Expenditure Update

General Ledger  
Revenue Analysis



City of  
**Los Banos**  
At the Crossroads of California

User: ktomas  
Printed: 02/09/18 15:55:09  
Period 01 - 08  
Fiscal Year 2018

Account Number	Description	Budget	Month to Date	Year To Date	Unrealized Revenue
505-000-311-015	Property Tax Unsecured	-8,000.00	-3,860.49	-3,860.49	-4,139.51
505-000-331-010	Federal Grant	-150,000.00	0.00	0.00	-150,000.00
505-000-334-010	State Grant	-10,000.00	0.00	0.00	-10,000.00
505-000-346-010	Airport Tie Down Fees	-500.00	-431.00	-431.00	-69.00
505-000-346-020	Aviation Fuel	-175,000.00	-134,263.97	-134,263.97	-40,736.03
505-000-361-010	Interest Earnings	-1,900.00	-1,313.80	-1,313.80	-586.20
505-000-362-010	GainValue on Investment GASB	<u>0.00</u>	<u>379.68</u>	<u>379.68</u>	<u>-379.68</u>
505-000-363-014	Rental - Land & Buildings	-95,000.00	-59,900.92	-59,900.92	-35,099.08
<b>505</b>	<b>AIRPORT FUND</b>	<b>-440,400.00</b>	<b>-199,390.50</b>	<b>-199,390.50</b>	<b>-241,009.50</b>
<b>Revenue Total</b>		<b>-440,400.00</b>	<b>-199,390.50</b>	<b>-199,390.50</b>	<b>-241,009.50</b>

General Ledger  
Expenses vs. Budget



City of  
**Los Banos**  
At the Crossroads of California

User: ktomas  
Printed: 02/09/18 15:55:25  
Period 01 - 08  
Fiscal Year 2018

Account Number	Description	Budget	Month to Date	Year To Date	Available	% Expended
<b>505</b>	<b>AIRPORT FUND</b>					
	<b>Personnel Services</b>					
505-435-100-102	Part Time	10,500.00	4,917.25	4,917.25	5,582.75	46.83
505-435-100-120	Benefits	1,279.00	376.16	376.16	902.84	29.41
	<b>Personnel Services</b>	<b>11,779.00</b>	<b>5,293.41</b>	<b>5,293.41</b>	<b>6,485.59</b>	<b>44.94</b>
	<b>Supplies &amp; Services</b>					
505-435-100-201	Ground Maintenance	6,000.00	726.00	726.00	5,274.00	12.10
505-435-100-205	Facility Maintenance	10,000.00	7,332.85	7,332.85	2,667.15	73.33
505-435-100-231	Professional Services	10,000.00	0.00	0.00	10,000.00	0.00
505-435-100-238	Technical Services	11,000.00	6,837.33	6,837.33	4,162.67	62.16
505-435-100-250	Insurance	11,860.00	11,185.04	11,185.04	674.96	94.31
505-435-100-252	Communications	900.00	441.95	441.95	458.05	49.11
505-435-100-260	Office Supplies	900.00	94.62	94.62	710.76	10.51
505-435-100-264	Electricity & Gas	19,000.00	11,438.11	11,438.11	7,561.89	60.20
505-435-100-265	Gasoline & Oil	150,000.00	118,011.62	118,011.62	31,988.38	78.67
	<b>Supplies &amp; Services</b>	<b>219,660.00</b>	<b>156,067.52</b>	<b>156,067.52</b>	<b>63,497.86</b>	<b>71.05</b>
	<b>Capital Outlay</b>					
505-435-100-725	Airport Improvements	157,900.00	0.00	0.00	157,900.00	0.00
	<b>Capital Outlay</b>	<b>157,900.00</b>	<b>0.00</b>	<b>0.00</b>	<b>157,900.00</b>	<b>0.00</b>
Expense Total		<u>389,339.00</u>	<u>161,360.93</u>	<u>161,360.93</u>	<u>227,883.45</u>	<u>0.4144</u>
435	Airport	389,339.00	161,360.93	161,360.93	227,883.45	41.44
<b>505</b>	<b>AIRPORT FUND</b>	<b>389,339.00</b>	<b>161,360.93</b>	<b>161,360.93</b>	<b>227,883.45</b>	<b>41.44</b>
Expense Total		389,339.00	161,360.93	161,360.93	227,883.45	0.4144



City of  
**Los Banos**  
At the Crossroads of California

**Agenda Staff Report**

**TO:** Airport Advisory Commission

**FROM:** Mark Fachin, P.E., Public Works Director/City Engineer

**DATE:** February 20, 2018

**SUBJECT:** Los Banos Airport Feasibility Study by EconSolutions

**TYPE OF REPORT:** Informational Item

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**Recommendation:**

Informational item only, no action to be taken.

**Discussion:**

EconSolutions has prepared the Los Banos Airport Feasibility Study to analyze and evaluate the Los Banos Municipal Airport, including its effectiveness as a land use. The attached staff report and study was presented to the Los Banos City Council on February 7, 2018.

**Attachments:**

Los Banos Airport Feasibility Study and staff report



City of  
**Los Banos**

*At the Crossroads of California*

**Agenda Staff Report**

**TO:** Mayor Villalta and City Council Members  
**FROM:** Stacy Souza Elms, Community and Economic Development Director *SE*  
**DATE:** February 7, 2018  
**TYPE OF REPORT:** Agenda Item  
**SUBJECT:** Presentation of the Los Banos Airport Feasibility Study by EconSolutions

---

**Recommendation:**

Informational item only, no action to be taken at this time.

**Discussion:**

EconSolutions by HdL has prepared the Los Banos Airport Feasibility Study to analyze and evaluate the Los Banos Municipal Airport, including its effectiveness as a land use. The study explores the possibility of closing or relocating the airport operation, looking at the highest and best land use possibility for the future, and provides suggested next steps for City Council consideration. Staff will be using the Airport Feasibility Study as a tool for discussions with the Federal Aviation Administration (FAA) regarding the future of the airport.

Barry Foster, from EconSolutions by HdL will present the study and will be available to answer any questions.

Staff anticipates bringing back this item in the next 60 days for City Council direction regarding the future use of the airport.

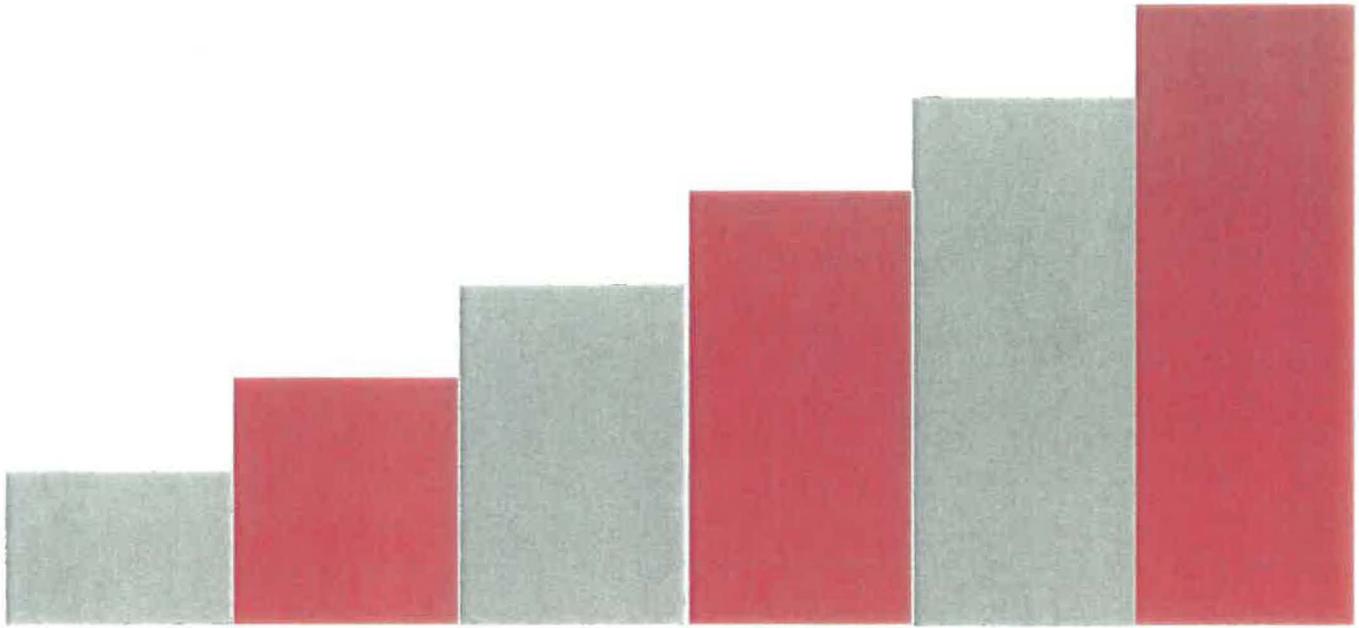
**Reviewed by:**

A handwritten signature in black ink, appearing to read 'Alex Terrazas', written over a horizontal line.

Alex Terrazas, City Manager

**Attachments:**

Los Banos Airport Feasibility Study



*Development Driven by Data*

# City of Los Banos Airport Feasibility Study

**ECON**Solutions  
By HdL

ECONsolutions by HdL  
1340 Valley Vista Dr., Ste 200  
Diamond Bar, CA 91765  
[www.hdlcompanies.com](http://www.hdlcompanies.com)  
[www.ECONsolutionsbyHdL.com](http://www.ECONsolutionsbyHdL.com)

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## About Us

In 2014, HdL Companies expanded its services to provide strategic planning and consulting services to assist local governments with economic development planning and execution. ECONsolutions offers a variety of products and services for customized solutions based on a client's budget needs and specific development requirements.

The ECONsolutions staff has over 45 years of local economic development and community development experience in California. ECONsolutions offers up-to-date data capability, an online GIS platform with state-of-the-art software for market analytics and the ability to leverage HdL's extensive databases systems. ECONsolutions can engage in projects of every size ranging from data analysis to comprehensive studies to advisory support and to public/private collaboration.

HdL has the largest privately held sales tax database in the State of California with sales tax data for 99% of the state's businesses. The firm's proprietary sales tax/software system affords numerous opportunities to prepare economic development reports. Additionally, ECONsolutions has significant experience in retail, logistics, healthcare, and hotel development and possess a strong understanding these sections within the marketplace in California. During the past 3 ½ years, ECONsolutions has done work for over 50 local governments and is presently working with 35 city clients on a variety of economic development and/or retail attraction services.

## Overview

Los Banos Municipal Airport is a city-owned community airport located one mile west of the central business district of Los Banos. The airport covers an area of 125 acres and contains one asphalt paved runway measuring 3,801 feet long. Historically, the airport was used for the release of pesticides and other materials as a part of agriculture cultivation in the area. Since 1989 however, those operations ceased and the only "hazardous" material being stored at the airport presently are those associated with the underground gasoline fuel storage tanks. The following represents a summary of the facilities at the Los Banos Municipal Airport:



- Total Size 125 acres
- 3,801 X 75-foot-long asphalt runway that is generally classified in good condition
- Hanger space for 19 aircrafts and space for 24 tiedowns on the apron
- 21 planes based at the field
- 16,000 annual local and itinerant operations

The FY 2017/18 Operating Budget for the Los Banos Municipal Airport includes \$351,128 in budgeted annual expenditures and \$440,400 in projected annual revenues.

The purpose of this report is to analyze and evaluate the Los Banos Municipal Airport, including its effectiveness as a land use, along with exploring the possibility of closing or relocating the airport operation and looking at the highest and best land use possibility for the future, as well as suggested next steps for the City of Los Banos to consider.

## Los Banos Airport Feasibility Study

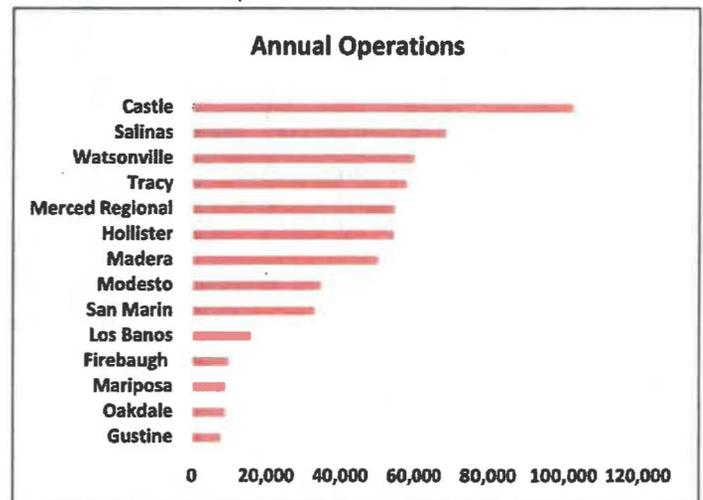


The City of Los Banos’ Public Works Department oversees the general maintenance and operations at the airport. Financial support for the airport is mostly income driven and generated from the following sources; hanger rentals, land leases, tie-dies, and fuel sales. Additionally, the City receives a grant from the State of California that is used for maintenance and operations. In addition to the City acting as the airports onsite fixed based operator (FBO), Mid-Valley Aviation is onsite as a privately-owned aviation shop.

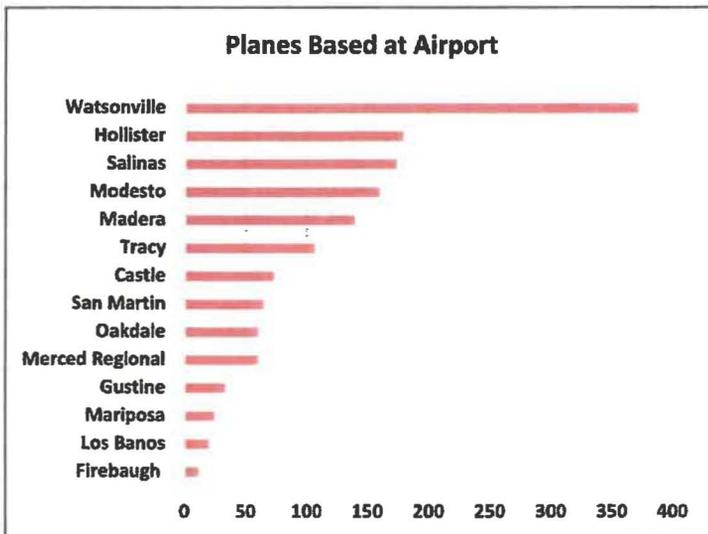
In reviewing the data from twelve other airports, it appears that the Los Banos Municipal Airport lacks the needed infrastructure, amenities, or location to successfully compete in today’s marketplace.

### Los Banos Historic Activity

The airport opened in 1940 and has historically been used for general aviation. The City of Los Banos adopted the Los Banos Municipal Airport Master Plan in February 1997. In 2005, as per the Master Plan, the runway was extended by 800 feet to its current 3,800-foot length and an airport upgrade to B-II classification. The purpose of these upgrades was to better accommodate existing and future twin-engine piston aircraft and turboprops. The Master Plan forecast



21,000 annual operation by 2035, however with the closure of the flight school in 2008, airport activity has waned. In 2010 the basic operation was estimated at 16,000 which was slightly below the estimate of 17,000 that was projected in 1995. The decrease in activity is likely due to the downturn in the economy, fuel prices, the closure of the flight training school and declining trends in general aviation in the U.S. Per the FAA/AOPA as of 2/2017, the Los Banos airport had 9,600 local aviation and 6,400 itinerant aviation events totaling 16,000 aviation activities with a total of 21 planes based on average at the airport over the last five (5) years. Of the other 13 airports surveyed, only Firebaugh had less airplanes at its airport than Los Banos.



Other Airports

Below is a survey of thirteen other airports, including a comparison to Los Banos. All the other thirteen airports are City-owned or County-owned. The survey information includes:

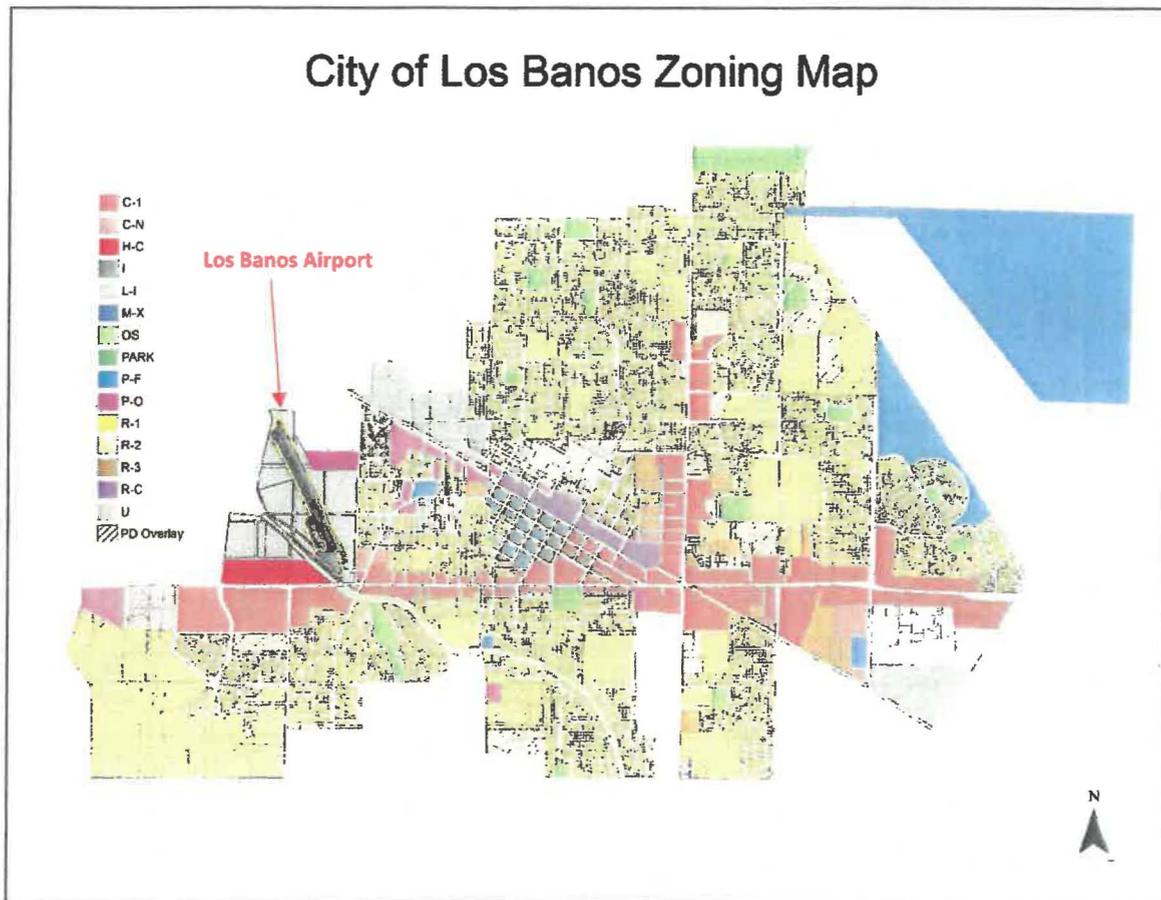
- Runway Length
- Number of Planes Based at the Airport
- Number of Annual Operations
- Distance from Los Banos

Commercial Airports					
Airport	Ownership	Distance from Los Banos	Runways	Number of Planes Based at Airport	Number of Annual Operations
Merced Regional	City of Merced	22 Miles	One asphalt runway, 5,914 feet	61	54,650 local and itinerant operations
Community and Regional Airports					
Gustine Airport	City of Gustine	13 Miles	One asphalt runway, 3,200 feet	34	8,000 local and itinerant operations
Firebaugh Airport	City of Firebaugh	23 Miles	One asphalt runway, 3,102 feet	12	10,000 local and itinerant operations
Castle Airport	City of Merced, Atwater, and Merced County	24 Miles	One asphalt-concrete runway, 11,802 feet	74	102,388 local and itinerant operations
Hollister Municipal Airport	City of Hollister	28 Miles	Two asphalt runways, 3,150 feet and 6,350 feet	180	54,400 local and itinerant operations
Modesto City/Cnty Airport	City of Modesto	34 Miles	Two asphalt runways, 5,904 feet and 3,464 feet	160	34,855 local and itinerant operations
San Martin Airport	County of Santa Clara	54 Miles	One asphalt runway, 3,094 feet	65	33,166 local and itinerant operations
Madera Municipal Airport	City of Madera	50 Miles	Two asphalt runways, 5,545 feet and 3,702 feet	140	50,150 local and itinerant operations
Oakdale Airport	City of Oakdale	57 Miles	One asphalt runway 3,013 feet	61	9,000 local and itinerant operations
Salinas Municipal Airport	City of Salinas	73 Miles	Two asphalt runways, 6,004 feet and 4,825 feet	174	68,775 local and itinerant operations
Watsonville Municipal Airport	City of Watsonville	77 Miles	Two asphalt runways, 4,501 feet and 3,998 feet	372	59,970 local and itinerant operations
Tracy Municipal Airport	City of Tracy	62 Miles	Two asphalt runways, 4,001 feet and 3,438 feet	107	57,849 local and itinerant operations
Mariposa-Yosemite Airport	County of Mariposa	70 Miles	One asphalt runway, 3,306 feet	25	9,000 local and itinerant operations
Los Banos Airport					
Los Banos Municipal Airport	City of Los Banos		One asphalt runway, 3,801 feet	21	16,000 local and itinerant operations

Source: AirNav.com, AOPA.com and FAA information

## Land Use

Below is a zoning map for Los Banos and includes the airport area.



### Land Use – Light Industrial (L-I)

With the airport being one mile west of the downtown it is situated nicely to feed off the synergy that is created in the downtown area which is characterized as an older business district with a mix of retail, public facilities, and older residential neighborhoods. Most of the areas designated for larger commercial, agriculture and new residential is located further out from downtown. Per the Los Banos municipal code, the purpose of the light industrial district is to provide a district which will insure an environment conducive to the development and protection of modern industry, research institutions, and administrative facilities, all well designed and properly landscaped to be compatible with surrounding uses. This designation allows for a multitude of permitted uses (those that are allowable and those requiring use permit approval).

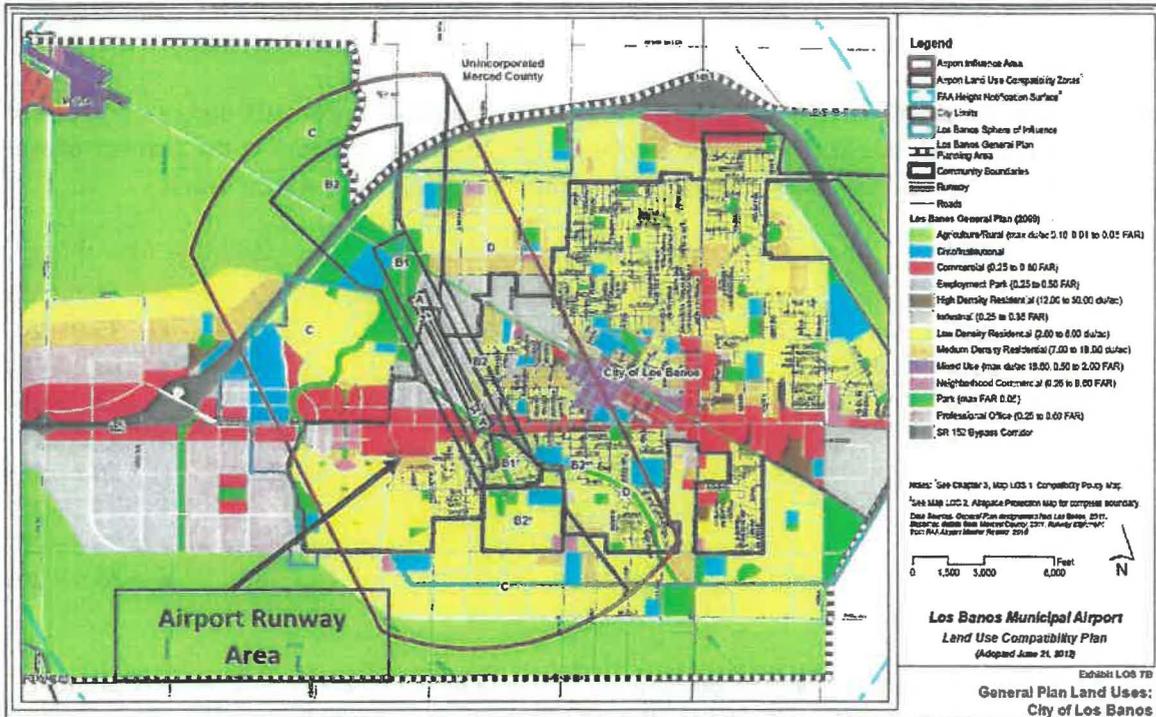
### Land Use – Highway Commercial (H-C)

Southwest of the airport, (south of Main Canal/Airport Rd, north of W Pacheco Rd, east of Badger Flat Rd) is an area designated as highway commercial. Per the Los Banos municipal code the purpose of this district is for commercial uses which are directed toward retailers that thrive on being within major thoroughfares and transportation corridors. This designation also allows for a multitude of permitted uses (those that are allowable and those requiring use permit approval).

**Land Use Compatibility Policies – Airport Master Plan**

A revised airport layout and master plan was approved by the Federal Aviation Administration in 2010 and subsequently accepted by the California Division of Aeronautics as a portion of Merced County’s Airport Land Use Compatibility Plan in 2011.

The City of Los Banos adopted an updated general plan in 2009, which is referred to as the 2030 Los Banos General Plan, and assumes that in 20 years the airport would be relocated somewhere outside of the current city limits. Once the airport was relocated, the City would allow employment parks, commercial, and residential development to occur on and in vicinity of the airport. However, until the airport is relocated, the plan requires that development near the airport be compatible with the Los Banos Municipal Airport Plan and Compatibility Plan for the airport.



In addition to the criteria laid out in the compatibility policies in the Merced County Airport Land Use Compatibility Plan, future development in zones B1, B2 and B2\*\* must adhere to a set of specific policies. In zone B1, a maximum of 250 dwelling units are allowed and a potential development cannot have a density not greater than 3.1 dwelling units per acre and approximately 14 acres must be set aside for open space/park space. In zone B2\*, a maximum of 630 dwelling units also with a limit of 3.1 dwelling units per acre and in zone B2\*\*, future residential shall be limited to a maximum density of 2.0 dwelling units per acre. Any proposed non-residential uses, shall result in the allowable number of dwelling units being reduced. Any nonresidential development shall conform to the intensity limitation set forth in the criteria for conditional uses table in the Airport Land Use Compatibility Plan.

**Airport Relocation**

The City of Los Banos has been working with Wadell Engineering on the preparation of a report to analyze the possible relation of the airport. Based on the information prepared by Wadell Engineering and positive results of a year long wind study of a selected site along the I-5, relocation might be a viable option. Relocation would require a match of the existing general airport operations, which would consist of a minimum 3,800 LF runway.

## General Aviation Use

General aviation use has been declining nationally and in California for more than twenty years. According to data from the General Aviation Manufacturing Association (GAMA) and the U.S. Department of Transportation, the number of operating public use airports, number of registered pilots and new aircraft being produced all has decreased considerably in the U.S. since the late 1980's. The following are several key indicators highlighting the decline in general aviation use.

### Number of Public Use Airports in U.S.

- 4,814 in 1980
- 5,589 in 1990
- 5,317 in 2000
- 5,175 in 2010
- 5,136 in 2015

### Registered Pilots

- 827,071 registered pilots in the U.S. in 1980
- 702,659 registered pilots in the U.S. in 1990
- 625,581 registered pilots in the U.S. in 2000
- 627,588 registered pilots in the U.S. in 2010
- 584,362 registered pilots in the U.S. in 2016

The active pilot population in the U.S. continued its downward trajectory in 2016 and reached one of the lowest number in decades at 584,362 pilots. There was, however, an uptick in the number of student pilot certificates held at the end of 2016 (128,501 compared to 122,749 the prior year).

### U.S. Manufactured General Aviation Fleet

- 1,144 – 1990
- 2,816 – 2000
- 1,334 – 2010
- 1,525 – 2016

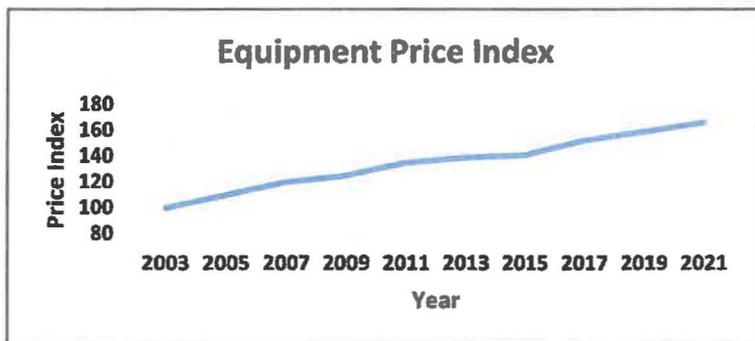
### Active U.S. General Aviation Fleet and Forecast

- 191,129 – 1996
- 217,534 – 2000
- 223,370 – 2010
- 210,030 – 2015
- 203,425 – 2016
- 203,300 – 2017
- 203,200 – 2018
- 203,185 – 2019
- 203,195 – 2020

### Average Age of Registered U.S. General Aviation Fleet

- 35.0 – 2007
- 39.3 – 2008
- 39.5 – 2009
- 37.3 – 2010
- 35.1 – 2012
- 33.2 – 2013
- 36.7 – 2014
- 36.9 – 2015

The U.S. Federal Aviation Administration recently implemented a new rule in how they approach the manufacturing of aircraft and certifications. The new Part 23 rule, will allow manufacturers and suppliers of small airplanes to develop and deliver innovative products to their customers more quickly and to better leverage new technologies. Instead of having to comply with unnecessarily prescriptive design requirements, manufacturers will now be able to respond more quickly and cost-effectively though performance-based airworthiness safety rules and consensus standards for compliance. This could help to increase the number of small airplanes being manufactured in the U.S. to increase over time.

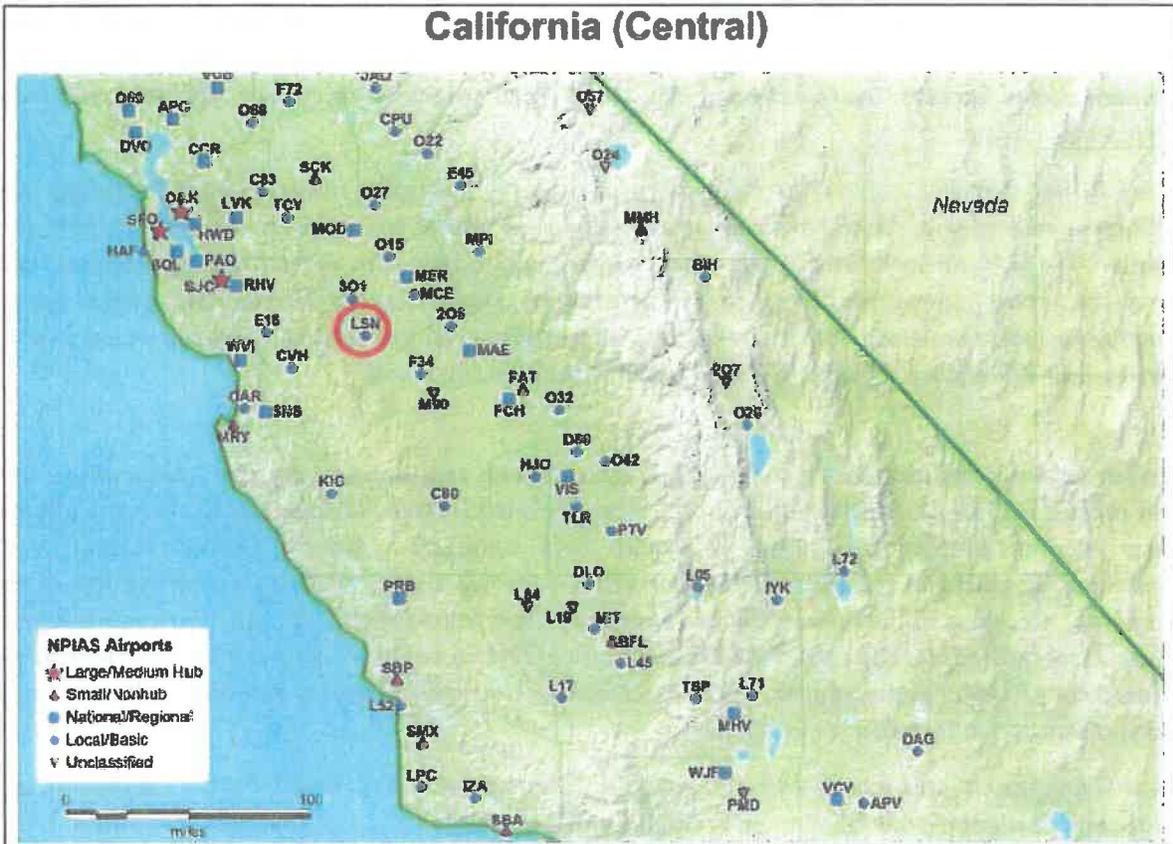


### Equipment Cost Increases Overtime

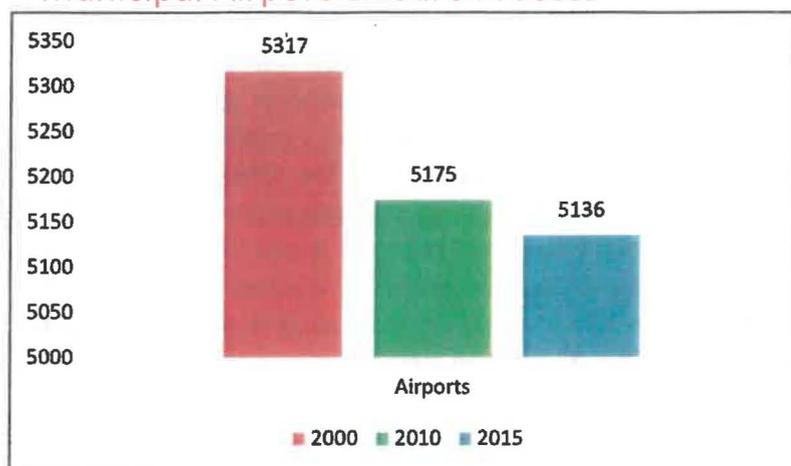
The increase in the producer price index for aviation equipment has increased overtime and is expected to continue its upward trajectory through 2021. This potentially is having an effect on the profitability and purchase decisions in the general aviation industry and another potential cause of a declining use of general aviation airport use.

### General Aviation Airports

Commercial airlines serve only 27 of California’s public use airports. The remaining 216 airports are considered “general aviation” airports. General aviation refers to all aviation activities that is neither military nor scheduled commercial airline flights. Occasionally non-general aviation operations will take place at a predominately general aviation airport. As of 2011, 158 of California’s public use airports were included in the FAA’s National Plan of Integrated Airport Systems (NPIAS). The NPIAS, identifies nearly 3,400 existing and proposed airports that are significant to national air transportation and eligible to receive Federal grants under the Airport Improvement Program (AIP). Los Banos Municipal airport is included in the most recent report submitted to Congress by the Secretary of Transportation in 2015 and cover a period between 2017 through 2022. Below is a FAA map illustrating airports in central California including Los Banos, which is circled in red and shows its International Air Transport Association (IATA) location identifier designation as LSN.



## Municipal Airport Closure Process



FAA statistics show a total of approximately 5,136 public-use airports in the U.S., which is down from 2010's 5,175 airports and nearly 200 less than the 5,317 public-use airports counted in 2000. While many of the lost facilities were small strips suitable solely for small aircraft, there were a few notable closures including Chicago's Meigs Field in 2003 and Atlantic City's Bader Field in 2006. In some cases, the locations that closed were

privately owned facilities that transitioned to public use and purchased by local or regional government agencies to operate.

The FAA has stringent criteria for the closure of airports that have received federal funding, and petitioners must demonstrate how a proposed transfer or sale of airport property would benefit civil aviation. The FAA also specifies that the airport owner must comply with all federal obligations set forth under the Airport Improvement Program (AIP) agreements, and the agency also stipulates that all airport revenue (including proceeds from the sale of any airport property) be invested in a replacement airport, reinvested in AIP-eligible projects, or returned to the aviation trust fund.

### St. Clair Missouri Example

St. Clair, Missouri city officials are completing the final details requested by the FAA in their nearly ten-year process to close St. Clair Regional Airport. The city must receive FAA approval to close the airport, since some of the grants it used to acquire land came from federal funding. "Under most conditions, AIP grants for publicly owned airports have a life expectancy of 20 years from the date of the last grant," according to the Aircraft Owners and Pilots Association (AOPA) officials, "but when it comes to using federal funds for the acquisition of land, those grants do not have an expiration date; they go on in perpetuity." Among the requirements specified by the agency was a meeting with interested stakeholders, including tenants and AOPA.

According to the city, the facility – which has fewer than a dozen based aircraft and sees approximately 50 operations a week – has failed to be profitable and is a drain on finances that it cannot afford. It has become a hot-button topic among residents and local politicians alike, and officials have said they will not put money into the airport's upkeep and development at the expense of essential city services. If it receives permission to close the field, the city hopes to boost its tax revenues by eventually luring retail development to the site.

## California Examples

Since 1990, 30 airports have closed in California and several more are in the process of being closed.

### Rialto Example

For more than 20 years, the City of Rialto worked on closing its municipal airport and redeveloping the 437-acre area with more productive land uses. Facing declining use, including a decrease of aircraft based at the Rialto Municipal Airport, decreased flight operations and a diminishing revenue stream, the City of Rialto determined it was more cost-effective for the City to close the airport operations and redevelop the area with more productive uses.

In March 2005, the former Redevelopment Agency for the City of Rialto approved contracts of sale with Lewis Hillwood Rialto LLC (joint venture of Lewis Operating Companies and Hillwood Investment Properties) for the redevelopment of the Rialto Municipal airport and adjoining land owned by the Redevelopment Agency. The City of Rialto and Lewis-Hillwood lobbied for special federal legislation to close the Rialto Municipal Airport. In August 2005, the U.S. Congress adopted Public Law 109-59, which authorized the closure of the Rialto Municipal Airport, the transfer of certain assets of the airport and the conveyance of property, as well as sharing of the fair market value of the Rialto Municipal Airport property with the Federal government to move aviation operations to the San Bernardino International Airport.

As part of the airport closure, Rialto worked with Lewis-Hillwood to create a Specific Plan for the redevelopment of approximately 1,500 acres with approximately 1,735 residential units, 800 acres of industrial/warehouse uses, 25.5 acres of office uses, 62.3 acres of retail uses, 20.9 acres of parks and open spaces and an elementary school. Please note that 53% of the land area in the Specific Plan consists of industrial land use.

### Santa Monica Example

In 1981, the City of Santa Monica began exploring options for closing the Santa Monica Municipal Airport. While the city has experienced declining use and revenues, the primary reason for closing the airport is for safety and noise concerns due to the airports' location within a densely populated urban area.

The Santa Monica Airport was originally developed by Douglas Aircraft Company starting in the 1920's. In its peak, Douglas Aircraft Company had a workforce of 44,000 at its Santa Monica Airport operation. In 1975, Douglas relocated its entire operations to the Long Beach Airport. By 1977, the Santa Monica Municipal Airport was only a general aviation airport.

Over the years there has been significant political and legal challenges to closing the Santa Monica Municipal Airport from local aviation interests and the FAA. In the 1970's and 1980's several legal challenges put forth by neighborhood groups and the FFA regarding operations at the airport have resulted in noise and use restrictions, along with reducing the size of the airport. The FAA has also stated that a Federal grant from the FAA to the Santa Monica Municipal Airport in the amount of \$250,000 prohibits the airport from closing before 2023, if at all (several court rulings still leave this issue in a gray area).

Capping decades of legal battles and protests, federal and local officials announced a settlement in January of 2017 to close Santa Monica Airport in 2028. As a part of the settlement, they were also given permission to shorten the runway to limit jet flights. The City of Santa Monica's goal is to redevelop the airport property with a park and open space, along with sports and recreation uses.

### Airport Relocation

The City of Los Banos’ 2009 General Plan assumed that in 20-years (2030) that the Los Banos Airport would be relocated out of the current City limits. Wadell Engineering has been analyzing the possibility of relocating the Los Banos Airport including considering four relocation sites. Wadell’s estimated cost to relocate the Los Banos Airport is \$7.72 million. Based on the significant capital investment for relocation along with declining use and general aviation industry trends declining, it is not recommended to relocate the Los Banos Airport.

If the Los Banos Airport closed and not relocated, the existing 21 planes based at Los Banos would need to be moved to other nearby airports. Options would include

Airport	Distance from Los Banos
Gustine Airport	13 Miles
Firebaugh Airport	23 Miles
Castle Airport	24 Miles
Hollister Airport	28 Miles

### Highest & Best Use

Given its location, the Los Banos Airport if closed and redeveloped would likely support the following uses:

- E-commerce and warehouse/distribution
- Healthcare/Medical
- Multi-family Residential
- Regional sports complex

In considering market conditions and adjacent land uses, along with its location, as well as mid to near term market conditions, any redevelopment possibility of the Los Banos Airport should focus on future land use for industrial development, which could include users such as distribution, logistics, eCommerce, and light manufacturing. Other possibilities to possibly be included in a mixed-use plan for redevelopment could include healthcare/medical and multi-family residential which could be a good transition to existing single-family residential adjacent to part of the airport property. Additionally, the idea of creating a regional sports complex on part of the airport site might make sense.

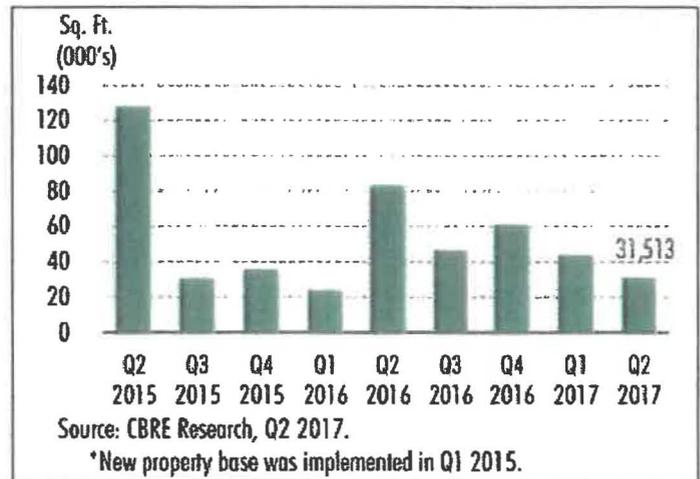
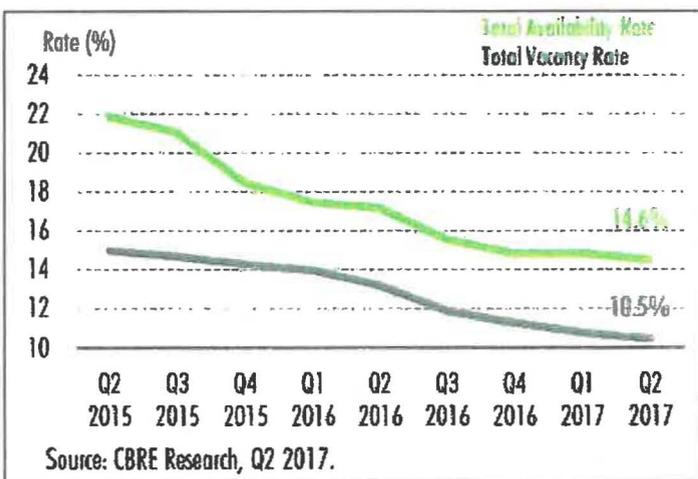
With convenient access from I-5, along with being centrally located near population hubs (including Merced, Modesto, and Stockton), as well as existing industrial zoning already in place with adjacent properties, redeveloping the airport with an industrial land use designation seems logical and in line with market conditions.

### Area Analytics for Commercial Real Estate

According to CBRE’s Central Valley office, the regional industrial market ended Q2 2017 with 1.5 million sq. ft. of positive net absorption, the highest total since Q2 2016. Industrial demand remains high throughout the market as gross leasing activity reached 3.5 million sq. ft. during the quarter. The vacancy rate held steady at 2.2% for the second consecutive quarter as tenants occupied newly completed construction. It is CBRE’s opinion that while these figures are great, neither the net absorption nor the vacancy rate figures accurately reflect market demand, which remains at historic levels.



Additionally, the office market continues to see healthy leasing and sales activity. Vacancy rates are decreasing which is resulting in more buyers for stabilized investments. The healthcare, education, and government industries are primary drivers in the Central Valley and this is expected to continue moving forward. The overall vacancy rate fell closing Q2 2017 at 10.5% which is down approximately 2% in Q2 2016 and 4.5% from Q2 2015.



The industrial development market has been the highlight of the central valley for the past two years and will unfold further through the end of 2017. Buzz Oates has two projects underway; 452,00 square feet on Boeing Way in Stockton; and 339,000 square feet at Crossroads Logistics Center in Lathrop. Additional

buildings at Prologis' International Park of Commerce in Tracy, which will total 325,000 square feet and 212,000 square feet, respectively are also under development. With present demand trends expected to persist, we do not anticipate these projects will remain available for long once they near completion. With relatively plentiful tracts of developable land and the neighboring Bay Area industrial market constraints, this area will continue to draw users seeking large blocks of quality modern warehouse product.

Increasingly focus on logistics development that is geared toward fulfillment and eCommerce users has become the sought after building type of choice to develop. According to CBRE, in 2016 eCommerce/fulfillment related industrial development projects represented 37% of the total activity for industrial development in Southern California and was 57% of the transacted square footage for buildings over 100,000 square feet. Typically, these types of supply-chain network projects produce more jobs and sales tax revenue opportunities than traditional warehouses. On average the number of jobs is 2 to 3 times more for a fulfillment/eCommerce use rather than that of a traditional warehouse. In 2015, eCommerce represented 7% of retail revenues in California, but this is rapidly growing.

Creating employment opportunities in the community is an important component of successful economic development. Pursuing a proper balance of jobs to housing is necessary for creating a strong economic foundation for a city. According to ICSC (International Council of Shopping Centers) 83% of purchases are made within five miles of where we live or work. Having a strong daytime population and strong local workforce is also important to the success of local retailers and restaurants.

## Possible Next Steps

The following are some suggested next steps to consider for the Los Banos Municipal Airport.

- City Council should consider what the long-term use should be; either continue operating as an airport or consider closing the airport and pursuing a redevelopment project, possible a mixed-use project.
- Continue the idea of working with Wadell Engineering on developing a report to analyze the relocation of the airport (not recommended as not being cost-effective).
- Consider the idea of phasing out the airport operations over a specified period of time.
- Consider retaining a consultant with experience in closing an airport.
- Consider possible development partners to assist with the redevelopment of the airport property, including pursuing a Request for Qualifications (RFQ) process.
- Consider retaining a land use planner to create a specific plan or overlay zone for the airport property and other adjacent industrial zoned properties.

## Recommendation

ECON Solutions recommends the following:

- Pursue the idea of closing the airport.
- Pursue possible development partners to help in the redevelopment of the area, including better understanding market relevant and appropriate land uses.
- Retain a consultant with experience in closing an airport.