



SUMMARY REPORT

Agenda Date: 4/30/2019

To: Board of Supervisors

Department or Agency Name(s): Transportation and Public Works

Staff Name and Phone Number: Johannes J. Hoevertsz 707-565-2231

Vote Requirement: Informational Only

Supervisorial District(s): All

Title:

Charles M. Schulz - Sonoma County Airport Terminal Expansion and Car Rental Consolidated Facility

Recommended Actions:

Receive an update on the Charles M. Schulz - Sonoma County Airport Terminal Expansion and proposed Consolidated Car Rental Facility (ConRAC).

Executive Summary:

Recently completed and future projects at the Charles M. Schulz - Sonoma County Airport (Airport) include the addition of a new parking lot; new airline gates; enlarging security lines; and the planned terminal expansion. These projects are in response to the increased commercial airline service to new service routes. In 2019, two of our carriers added new routes from our airport - Denver, Colorado and Dallas, Texas. The Denver flight began service last month and has been a great success. The Dallas flight will begin June 6, 2019 and is predicted to be well received as well. □

The passenger growth at the Airport from new and expanding commercial airline routes necessitates the continual development of current and future facilities. Completed and planned projects at the Airport also affect other businesses in response to increased customers. The rental car operators have increased their car rental sales and number of rental cars at the Airport and in turn, require additional facilities that will enhance the car return area and accommodate the servicing, fueling and storing of the rental car fleets.

Discussion:

A terminal expansion update was presented on May 8, 2018 when the Board of Supervisors approved the financing of several capital projects including the design of the terminal expansion. Since that time, the Airport has received the completed schematics on the terminal expansion and is moving forward on the Request for Proposal (RFP) to design and construct the terminal expansion. The RFP is currently in review by County Counsel with an anticipated release date of July, 2019. Upon the selection of the contractor, the Airport will return to the Board of Supervisors to award the RFP, present the construction bids and request supplemental funding for the local match for the grant discussed below.

The Airport applied for a \$20 million dollar grant for the terminal expansion to the Federal Aviation

Administration (FAA) on October, 2018. The FAA is anticipating awarding grants in June, 2019. If the full grant is received, the construction could commence in the first quarter of 2020 and be complete by the end of 2022. As a condition of the grant, the Airport is required to match ten-percent (10%) of its own funds into the terminal expansion project. This ten-percent match of the grant and approximately \$2,000,000 to \$3,000,000 of construction items not eligible for federal funding will be the supplemental funding that the Airport will request from the Board of Supervisors.

Currently, the proceeding with the second phase of gate expansion structure that will add expanded seating, a larger concession area, permanent restroom facilities, a double-lane passenger security screening area and an automatic fire suppression system. The permit for this project is currently in review with an anticipated start date for construction July-August of this year and completion within the first quarter of 2020.

The Airport recently completed (October 2018) the construction of the 450-space long term parking lot and it is fully operational.

In 2017, in response to the rental car operators request for additional facilities, the Airport started the concept of a consolidated rental car center ("ConRAC"), which would accommodate a larger area for return, servicing, fueling and storing rental car fleets. In addition, on March 31, 2019 the Airport Commissioners recommended the Board of Supervisors adopt a Customer Facility Charge (CFC) to facilitate moving forward to construct the ConRAC.

An initial data collection from rental car operators allowed the Airport's engineering firm, Mead & Hunt, to design a concept model of an onsite ConRAC. Mead & Hunt was able to provide the Airport with three different concepts for a ConRAC with very basic costs for planning purposes from the data collection. If approved, design efforts will start after the implementation of the CFC. The preliminary cost of the ConRAC, is estimated to be over \$10,000,000 and will include two fuel dispensers, a 12,000-gallon aboveground fuel tank, four service bays, two car wash bays, six stacking stalls per fuel position and parking to accommodate over 200 vehicles. The construction of the ConRAC is planned to be conducted in phases. The first phase is to start the design of the project with a focus on a new car wash system. The Airport anticipates that if the CFC is approved, a Request for Qualifications (RFQ) would be issued for design services and the award of the RFQ to be brought to the Board of Supervisors. The second phase is the construction of the car wash and should commence in two years. Future phases of the ConRAC will be brought to the Airport Commissioners and the Board of Supervisors for approval prior to construction.

To finance a major portion of the ConRAC, the Airport will propose establishing a CFC fee during the May 14, 2019 Consolidated Fee Hearings. California law allows a \$10.00 per rental car-contract fee for the design and construction of rental car facilities, upon compliance with certain conditions of collecting the CFC as provided in Government Code §50474.3 et seq. The statutes also provide for collection of a higher dollar amount than \$10.00 per contract fee, upon compliance with additional procedural requirements including an audit of the proposed costs and fee calculations. This alternative CFC may be proposed for adoption in the future when the known construction and operational costs of the ConRAC are calculated.

The term "rental car operators", for the purpose of this action, includes in-terminal rental car operators only and does not include off-terminal rental car operators, including restricted rental car operators that operate within the general aviation sector only. Off-terminal rental car operators are not subject to collection of a CFC,

nor will they be able to use the ConRAC.

Should the Board approve the Customer Facility Charge scheduled for May 16, 2019 Consolidated Fee Hearings, the Airport will continue to work closely with each rental car operator, the Airport Commissioners and the Board of Supervisors to develop a comprehensive facility, with the first action to be approval of a design team awarded at the end of this calendar year.

Prior Board Actions:

December 4, 2018 - Execution of Rental Car Operator Lease and Concession Agreements with a 5-year term.

May 8, 2018 - Long-Term Financing for Airport Parking Lot and Terminal Expansion Projects

August 22, 2017 - Sonoma County Airport Long-Term Parking Lot Project and Sidewalk Construction.

February 21, 2017 - Temporary Tensile Structure at the Charles M. Schulz - Sonoma County Airport.

FISCAL SUMMARY

Expenditures	FY 18-19 Adopted	FY19-20 Projected	FY 20-21 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

The Airport applied for a \$20 million dollar grant for the terminal expansion to the FAA. The department will return to the Board with a construction cost and funding plan following FAA award announcement.

The preliminary cost of the ConRAC, is estimated to be over \$10,000,000. To finance, the Airport will propose establishing a CFC fee during the May 14, 2019 Consolidated Fee Hearings.

Staffing Impacts:			
Position Title (Payroll)	Monthly Salary Range (A - I Step)	Additions (number)	Deletions (number)

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Narrative Explanation of Staffing Impacts (If Required):

None

Attachments:

Customer Facility Charge (CFC) Prospectus and General Information

Related Items "On File" with the Clerk of the Board:

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