

FILED

JUN 28 2007

SUPERIOR COURT OF CALIFORNIA
COUNTY OF TRINITY
BY: DONNA REGNANI, DEPUTY CLERK

DR

**TRINITY COUNTY GRAND JURY
2006-2007**

**DEVELOPMENT AND ENVIRONMENTAL COMMITTEE
FINAL REPORT**

COUNTY AIRPORTS

**This Report was Approved
On June 5, 2007**

**2006-2007 Trinity County Grand Jury
Development and Environmental Committee
Final Report
County Airports**

Purpose:

The Trinity County Grand Jury is charged each year to perform a review of government operations. The Development and Environmental Committee chose to review the airports located throughout the county.

Background:

There are five airports in Trinity County: Weaverville, Trinity Center, Hayfork, Ruth and Hyampom. State and Federal laws pertaining to funding and use of property are significant factors in this report on airport operations.

Method of Investigation:

The Development and Environmental Committee used direct interviewing, search options and some documents and reports to determine the current status of the airports.

Finding #1: (Funding Sources)

Grants are the main source of funding for the airports, particularly the special aviation fund (Fund 1852) and airport development and maintenance fund (Fund 1853). Four of the five county airports are eligible for federal and state funding. State grants typically fund ninety percent of eligible project costs, while Federal grants fund about ninety-seven percent of direct project costs, with county funds making up the balance in each case. Hangar rent and leases are an additional source of revenue. Hangar rental fees are generally a flat rate per year. Fifty percent of hangar rental fees go to county schools, the remainder to the county general fund. Approximately twenty-eight percent of the revenue generated goes to pay insurance premiums for the county airports.

Recommendation #1:

Restructure the hangar fees from a flat rate to a rate that reflects the amount of land involved in a tie down. For example, at Trinity Center, plane owners have extended their landscaping onto airport property. "One price fits all" as a chargeable rate is outmoded. Continue to pursue grant funding for the airports.

Finding #2: (Uses of Airport Property)

At Weaverville airport, the County of Trinity has built other facilities on the airport property. These serve General Services, Juvenile Hall and Behavioral Health. No airport rental fees are paid.

Recommendation #2:

Non-airport uses of airport land should be charged rent, regardless of the entity renting the facilities. In the case of county departments on airport property, they should be reimbursing the airport for the use of these facilities. If other than the county used these facilities, they would be rented to other entities and bring in revenue. The airport should not be denied a possible income source.

Finding #3: (Weaverville Airport Relocation)

Weaverville airport does not meet FAA standards and cannot be brought into compliance because of the issue of runway grade. A suitable relocation site has been chosen behind Tops Market. Trinity County Board of Supervisors (BOS) is in the process of environmental review and countywide Land Use Plan approval.

Recommendation #3:

Relocate the Weaverville airport to the new, proposed location. Fast-track land use approval for the new airport location. When relocated, build hangars immediately to provide lease revenue to operate the airport.

Finding #4: (Trinity Center Airport Expansion)

The runway at Trinity Center airport does not meet all FAA requirements for use by small business jets, which are landing there.

Recommendation #4:

Negotiate with the U.S. Forest Service for the lease of more land to extend the runway.

Finding #5: (Rental Fees for Fire Crews)

During the summer of 2006, Weaverville airport was completely closed to the public as it was a staging area for fire crews on the Junction Fire. Although rent was charged, it may not have been adequate to compensate for financial impacts to the county from lack of access.

Recommendation #5:

Review rental fees currently charged. Compare our rate structure to similar airports. Consider the countywide financial impacts when closing an airport to the public for use by U.S. Forest Service and other firefighting entities.

Conclusion:

The five airports serve residents throughout Trinity County. Current uses and funding sources are in need of further review to most efficiently deal with future plans for their operation.

Responses Required:

| <u>Entity</u> | <u>Finding/Recommendation</u> | <u>Respond in</u> |
|----------------------------|--------------------------------------|--------------------------|
| Board of Supervisors (BOS) | 1, 2, 3, 4, 5 | 90 days |
| Airport Advisory Committee | 1, 5 | 30 days |



TRINITY COUNTY

BUILDING AND DEVELOPMENT SERVICES

P.O. BOX 476, WEAVERVILLE, CALIFORNIA 96093

PHONE (530) 623-1354 FAX (530) 623-1353

Wyatt Paxton, Director

TO: The Honorable James P. Woodard
Presiding Judge of the Trinity Superior Court

FROM: Trinity County's Director Building & Development Services (appointed
duties of former General Services Director)

DATE: July 2, 2007

SUBJECT: 2006-2007 Trinity County Grand Jury Report
"Development and Environmental Committee"- "County Airports"

A handwritten signature in black ink, appearing to be "W. Paxton".

The Trinity County Grand Jury Development and Environmental Committee have requested a written response to their final Report of Trinity County Airports. The response of the Director of Building and Development Services Department assigned the duties of Airport Manager is as follows:

Findings #1: The Director of Building and Development Services Department does not agree with Finding #1 as follows:

Hangar rental fees are generally month to month but...

- A.) 100% of Hangar rental fees, tie downs fees and encroachment fees are retained by the Airports Enterprise Fund and used for airport development and maintenance projects. All new hangar agreements incorporate a fair market price, with long term agreements having Cost of Living Adjustments regularly.
- B.) Trinity County receives \$50k annually from state and FAA sources (\$10k per airport) which fund is used for Airport Administration, Maintenance, Utilities, Snow Removal and Mowing. This is also used for the annually payment of the Airports Liability Insurance premium. The insurance premium generally consumes 28% of the \$50K provided.
- C.) The grants, which the Airport generally pursues for eligible projects, are funded by the FAA (federal) at 90%, Cal Trans State funding provides 5% match of the 90% from FAA which equals another 7.5% of the total, leaving the Airport Enterprise fund to match with 2.5% to complete these projects. Projects that are eligible are funded 100% from the Airport enterprise which is the collected revenues from hangars, tie-downs, encroachments, land leases, etc. Airports receives no General Fund support.

-36-

Building Inspection Division
(530) 623-1354
FAX: (530) 623-1353



Environmental Health Division
(530) 623-1459
FAX: (530) 623-1353



Airports Division
(530) 623-9585
FAX: (530) 623-1353



Building and Grounds Division
(530) 623-1354
FAX: (530) 623-1353



D.) Possibly what you speak of is the Possessory Interest Tax on privately owned aircraft which is 100% paid to Trinity County General Fund, at a (verify with County Assessor Office) rate of 1% per year of assessed valuation. The revenues received are distributed by a State Tax and Revenue formula. Recipients include local schools, Law Enforcement and County General Fund. Airports currently do not receive a portion of Possessory Taxes. Some airports in the state are receiving some of these revenues by agreement with their local county General Fund holder. This supports the economic development of airports and sparks the local community's income revenues, sales tax, employment opportunities, etc.

Recommendation #1: The recommendation pertaining to the encroachment leases and hangars fees is only partly under the control of any of my divisions. Direction is required from the Board of Supervisors and/or CAO to trigger the needed land appraisal for each airport that is required to calculate the new fees. The lease agreements, with current or future users, would need to be updated to become compliant with FAA Standards and guidelines. The negotiations for the basic contracts for county users have been started, but stalled on the fair market land appraisal issue. Two dated land appraisal do exist, but the values very greatly.

FAA guidelines do require the restructuring of hangar and land rental fees. The fees would be set a fair market rate for all uses, aviation or non-aviation, that would be developed from a current Fair Market Analysis, including a current airport land appraisal done by FAA guide lines. Aviation and Commercial Aviation vs. Non Aviation (but aviation compatible uses) should be categories that are analyzed in order to ensure compliance with Federal Assurances.

Finding #2: The Director of Building and Development Services Department agrees with Finding #2. The negotiations between Airports Manager and the CAO for the basic contracts for county users have been started but stalled on the fair market land appraisal issue and percentage rate for use allowed. Two dated land appraisal do exist, but the values very greatly.

Recommendation #2: The recommendation pertaining to this matter is only partly under the control of any of my divisions. Direction is required from the Board of Supervisors and/or CAO to trigger the needed land appraisal required to calculate the new fees. The lease agreements, with current or future users, would need to be updated to become compliant with FAA Standards and guidelines. The negotiations for the basic contracts for county users has been started but stalled on the fair market land appraisal issue. Two out dated land appraisal do exist, but the values very greatly. FAA guidelines do require that land rental fee rates are to be set at the "fair market rate" for all use, aviation or non-aviation, after a current fair market analysis has been completed, including a current airport land appraisal by the airport. Aviation and Commercial Aviation vs. Non Aviation (but aviation compatible uses) should be categories that are analyzed in order to ensure compliance with Federal Assurances.

Findings #3: The Director of Building and Development Services Department agrees with part of Finding #3 as the Weaverville Airport (Lonnie Poole Airport) does meet FAA Standards and can not be brought into compliance.

A suitable location has not obtained by FAA standards and process. The locations stated in the first relocation study did not go through the complete process for site selection and environmental reviews as required. FAA has required the county to start the review again, which it has begun. The first phase, the Needs Study, has been completed by a consultant. The need is valid and the site selection phase has started. Public hearings are planned for later this year or early next year after the completion of reports on all available information that has been gathered, reviewed and organized.

Recommendation #3: The recommendation pertaining to this matter is currently in process as stated above.

Findings #4: The Director of Building and Development Services Department agrees with Findings #4.

Recommendation #4: Small Jets and Turbo Props are regularly using Trinity Center Airport. Pilots have final say and responsibility on whether they use an airport that does not meet their aircraft performance needs. A proposed runway extension should be pursued only after the FAA and the Trinity County Board of Supervisors approve a Master Plan Update which includes an FAA approved Aviation Forecast that supports the runway extension. Negotiations have been started with U.S. Forest Service for the purposed expanded lease or purchase of the complete area used by the Airport. Funding is being pursued, while negotiations and appraisals are in process. The area has been surveyed, marked and identified; meetings are scheduled.

Findings #5: The Director of Building and Development Services Department agrees with Findings #5.

Recommendation #5: Airport Manager has started the process for gathering other rates, has completed an appraisal for Trinity Center location and is currently in negotiations with CDF for all county facilities, including parks and airports, with possible Cost of Living Adjustments and public reimbursements for lost use of hangars and cancelled events at parks facilities. These negotiations scheduled for completion by August 15th 2007.



TRINITY COUNTY

Board of Supervisors
P.O. BOX 1613, WEAVERVILLE, CALIFORNIA 96093
PHONE (530) 623-1217 FAX (530) 623-8365

TO: The Honorable James P. Woodward,
Presiding Judge of the Superior Court

FROM: Trinity County Board of Supervisors

SUBJECT: Response to Recommendations of 2006-2007
Grand Jury Development and Environmental Committee
County Airports – Final Report

DATE: October 2, 2007

The Grand Jury Development and Environmental Committee has requested a written response to their final report on the County Airports. The response of the Board is as follows:

Finding # 1: (Funding Sources)

Grants are the main source of funding for the airports, particularly the special aviation fund (Fund 1852) and airport development and maintenance fund (Fund 1853). Four of the five county airports are eligible for federal and state funding. State grants typically fund ninety percent of eligible project costs, while Federal grants fund about ninety-seven percent of direct project costs, with county funds making up the balance in each case. Hanger rent and leases are an additional source of revenue. Hangar fees go to county schools, the remainder to the county general fund. Approximately twenty-eight percent of revenue generated goes to pay insurance premiums for the county airports.

Response: We agree in part. There seems to be some confusion in the in the distribution of the hangar rental income, tie down fees, and encroachment fees. These fees are run through the Airport Enterprise Fund and are used for airport upkeep and development projects. No funds are contributed to the County Schools from this revenue. There is a \$50,000 allotment from the State and FAA to the County each year to assist with the maintenance, utilities, mowing, snow removal, airport administrations costs, and liability insurance. We agree that the insurance costs run 28% of the \$50,000 allotment. We agree grant funding needs to be pursued.

Recommendation # 1:

Restructure the hangar fees from a flat rate to a rate that reflects the amount of land involved in a tie down. For example, at Trinity Center, plane owners have extended their landscaping onto airport property. "One price fits all" as a chargeable rate is outmoded. Continue to pursue grant funding for the airports.

Response: We agree in part and the process has already been started to make the adjustments in land leases and encroachment fees where county property is being used, for landscaping, etc. Most hangar fees are per contract and as they mature, they will also be revised to reflect fair market rate per FAA guidelines.

Finding # 2 (uses of Airport Property)

At Weaverville airport, the County of Trinity has built other facilities on the airport property. These serve General Services, Juvenile Hall and Behavioral Health. No airport rental fees are paid.

Response Agree

Recommendations # 2:

Non-airport uses of airport land should be charged rent, regardless of the entity renting the facilities. In the case of county departments on airport property, they should be reimbursing the airport for the use of these facilities. If other than the county used these facilities, they would be rented to other entities and bring in revenue. The airport should not be denied a possible income source.

Response: Implementation of this recommendation is in progress.

Finding #3:(Weaverville Airport Relocation)

Weaverville airport does not meet FAA standards and cannot be brought into compliance because of the issue of runway grade. A suitable relocation site has been chosen behind Tops Market. Trinity County Board of Supervisors (BOS) is in the process of environmental review and countywide Land Use Plan approval.

Response: Agree in part. Weaverville Airport does not meet FAA standards and needs to be relocated. All twelve sites are now being re-evaluated along with environmental reviews to satisfy FAA standards and process procedures, therefore we do not know if the site behind TOP's Market will be selected.

Finding # 4: (Trinity Center Airport Expansion)

The runway at Trinity Center airport does not meet all FAA requirements for use by small business jets, which are landing there.

Response: Agree

Recommendation # 4:

Negotiate with the U.S. Forest Service for the lease of more land to extend the runway.

Response: We are currently in negotiations with USFS to acquire the property to extend the runway under the Townsite Act.

Finding # 5: (Rental Fees for Fire Crews)

During the summer of 2006, Weaverville airport was completely closed to the public as it was a staging area for fire crews on the Junction Fire. Although rent was charged, it may not have been adequate to compensate for financial impacts to the county from lack of access.

Response: We agree

Recommendation # 5:

Review rental fees currently charged. Compare our rate structure to similar airports. Consider the countywide financial impacts when closing an airport to the public for use by U.S. Forest Service and other firefighting entities.

Response: The Airport Manager in the process of gathering market data and new fee structures should be completed by the end of 2007.