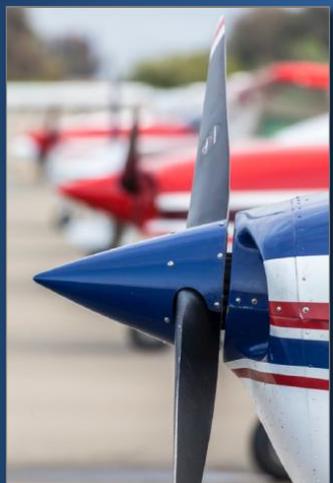


Nut Tree Airport Business Plan

An Innovative and Comprehensive Approach
to Airport Economic Development



NUT TREE AIRPORT BUSINESS PLAN



Prepared By

Solano County General Service Department
Nut Tree Airport
301 County Airport Rd
Vacaville, CA 95688

September 2015

NUT TREE AIRPORT BUSINESS PLAN

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EXECUTIVE SUMMARY

The Business Plan for the Nut Tree Airport will serve to identify diverse airport economic development opportunities and act as an implementing mechanism creating the Airport's role as a local and regional economic enterprise.

Overview

The Business Plan will further position the Airport to support expansion of aeronautical and ancillary commercial development to enhance the airport visitors experience and the services provided. Through implementation of the Business Plan, public and private commercial activities are expected to attract aeronautical interests and aircraft to operate at the Airport. As the Airport develops as a diverse economic enterprise, opportunities to re-integrate the Airport with the Nut Tree Center commercial area can also occur and result in a complementary aeronautical and ancillary commercial interface between the Airport and the Nut Tree area.

The following is a summary of the Chapters included in the Nut Tree Airport Business Plan.

Chapter 1 – Airport Mission and Vision

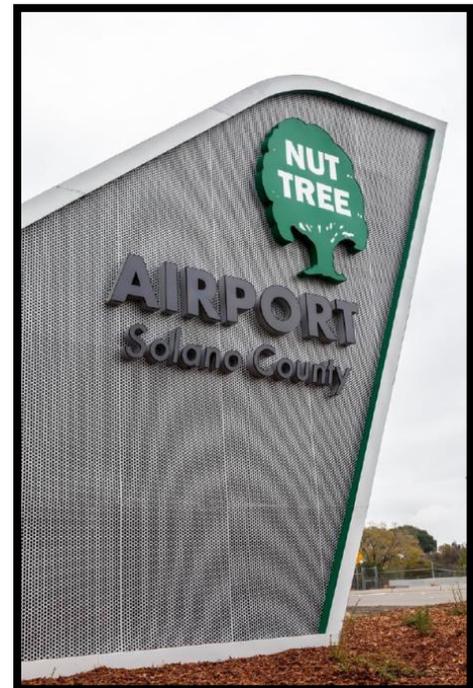
The Airport Business Plan will serve as an implementing tool for facility and land use development. For the purposes of the Business Plan, it is important that it develop a specific Mission and Vision through which the Airport's purpose and role is expressed, that is - what the Airport will become and how the outcome will be achieved.

Chapter 2 – Background

The history of the Nut Tree and the Airport provides a backdrop for the current and future potential of the Airport as a unique and diverse business enterprise supporting and providing private and public economic development opportunities. The Airport Business Plan will serve as an implementing tool to the development foundation provided for by the Nut Tree Airport Master Plan.

Chapter 3 – The Airport Business

Operation of the Airport as a business is defined by the services that the County provides and the approach that



is taken to deliver those services. The Airport is further characterized by the types of private businesses and entities that operate and provide services at the Airport. Combining the public and private services creates a perspective that the Airport functions much like a business, generating economic activity, attracting development and growth, and creating revenue for investment and advancing its business interests as a self-sustaining and improving aeronautical enterprise.

Chapter 4 – Aeronautical Development

Growth and development activity at the Airport will create greater interest in the Airport by the aviation and commercial development communities. Development and improvement of the Airport will increase Airport revenues and County property tax base from the value added to the Airport and additional aircraft being based at the Airport. Airport development will



additionally provide opportunities for public and private investment generating business incomes and jobs.

Chapter 5 – Aeronautical Training and Education

Growth in the aviation industry regarding short and long-term demand for trained and qualified personnel is creating private and public business opportunities.

Given the prospective increase in

aeronautical training services by Wings Flight School, ICON Aircraft, and potentially by Solano Community College, the Airport can play a support role, improve revenues, and receive fair compensation for use of the Airport facility. Visibility and popularity of the Nut Tree area and the Airport will create additional interest in the Airport and can lead to greater investment and growth.

Chapter 6 – Ancillary Commercial Development

The Airport Master Plan identifies a limited amount of airport property that is not needed to accommodate FAA forecasted aviation demand and that can be developed for ancillary commercial purposes. Opportunities for the Airport to increase revenue exist in the form of developing ancillary commercial areas. The County can develop ancillary commercial Airport property through private investment.

Chapter 7 – Capital Improvements and Infrastructure

The Airport Master Plan identifies the aeronautical capital improvements that are necessary to accommodate forecasted aviation growth for the Airport. The Airport Capital Improvement Plan (ACIP) is used by the FAA to determine project eligibility for the County to receive grant funding through the FAA’s Airport Improvement Program (AIP) and through the Caltrans Aeronautics Program.

The draft Airport Utility Master Plan (UMP) describes the existing airport and pertinent surrounding infrastructure, including water, sanitary sewer, and dry utilities (electrical, gas, and telecommunications). Update and completion of the draft Airport UMP is necessary and will occur during the first half of FY2015/16. The Airport UMP will evaluate and identify the utility capacity and service mains and lines necessary to adequately serve the Airport’s current and future aeronautical and commercial development areas.

Chapter 8 – Airport Funding

The state of the Airport Enterprise Fund is currently strong. At the end of FY2013/14, Total Airport Assets were \$15,873,984 and Total Liabilities were \$3,063,119 resulting in a Net Position of \$12,810,865. Airport expenses and revenues are currently stable.



Airport revenue began trending upward during FY2012/13 primarily due to 100% occupancy of County owned properties, County operation of Airport Fuel Services. Decreases in costs to the Airport for County administrative overhead and airport insurance policies have also occurred.

Chapter 9 – Airport Marketing

The Nut Tree Airport has a positive image and reputation in the local community, as well as in the broader aviation community and the aeronautical development sector. There are a wide variety of Airport customers including, but not limited to, local and visiting pilots, hangar owners and tenants, airport business operators, aviation business and development interests, and non-profit groups and interests. The strongest approach to further building up the positive image and reputation of the Airport is through the delivery of a high level of service to all Airport customers and to promote the many services and activities available to people located on the Airport and within the Nut Tree Center – such as the many restaurants and other

shopping opportunities directly adjacent to the Airport. The result will increase the attractiveness of the Airport and improve interest in the Airport as a place to visit, a place to do business, and a place to invest.

Chapter 10 – Implementing Action Plan

Actions for the Business Plan are identified at the end of Chapters 4 - 9 where actions are needed to implement Airport economic development. Chapter 10 consolidates the individual chapter Implementing Actions. Chapter 10 also includes the Airport Mission Statement and Vision and the Business Plan Goals.

CH 1 – AIRPORT MISSION AND VISION

This chapter expresses the Airport’s Mission and Vision and provides a summary on the reasons behind the Vision. Goals for the Business Plan are also identified. The topics described below are presented in their entirety within the following chapters of the Business Plan.

Summary

The Nut Tree Airport Master Plan was adopted by Solano County in 2013 and is a general facility and land use development plan for the Airport. The Airport Business Plan will serve to further implement facility and land use development.

For the purposes of the Business Plan, developing a specific Mission and Vision through which the Airport’s purpose and role can be expressed is important, that is - what the Airport will become and how the outcome will be achieved. For the Nut Tree Airport, as summarized below, no single element alone supports or defines the Airport’s Vision and Mission.



Economic Diversity

The Airport Business Plan will provide a strong base on which the Airport can play a significant role as a diverse aeronautical and commercial development enterprise.

A mix of aeronautical commercial activities and businesses currently operate at the Nut Tree Airport. The Airport operates primarily as a business enterprise and historically included development investment by the County and other private interests. A variety of services are provided by the Airport and by the on-airport business operators. The economic activities occurring at the Airport create jobs and generate private and commercial incomes, Airport revenues, and property and other taxes. The Airport Business Plan will support aeronautical training activities as well as a variety of other aeronautical services.

The Airport Business Plan supports additional economic diversity including aeronautical and commercial development and ancillary commercial business investment and activity. Chapters 3 - 6 profile and explain the Airport as a business enterprise, current on-airport business activities, and reflect significant opportunity for additional economic development at the

Airport. The Airport Business Plan will enable the Airport to further support off-airport aeronautical and related commercial growth, as exemplified by ICON Aircraft.

Location of the Nut Tree Airport



Nut Tree Re-Integration

Many people still remember the rich history of the Nut Tree of old, with its restaurant, train, store, fly-ins and pumpkin patch. The Airport has operated continuously since 1955 and has hosted many well-known events, aviators and their aircraft.¹ A train connected the old aircraft apron and the Airport to the Nut Tree. The Nut Tree area is located along Interstate 80 and adjacent to the I-505 interchange with I-80. The area, prior to development of the newer Nut Tree Center, was the site of the original Nut Tree adjacent to the Airport. The Nut Tree Center is located on the southeast side of the Airport.

¹ Excerpts from: Historical Articles of Solano County, April 20, 2003; September 10, 2006.

Given the continued proximity of the Airport to the Nut Tree Center, and the presence of remaining undeveloped properties located between the Center and the Airport, opportunities exist for re-integration of the two areas through collaboration and careful design and planning between property owners, the City of Vacaville and Solano County. Figure 1 shows the vicinity of the Airport. Figure 2 shows the current Nut Tree and Airport Area. Figure 2 also identifies land use and zoning designations for vacant and undeveloped properties located within the Nut Tree area and adjacent to the Airport. The land uses for the vacant properties are as allowed by the City of Vacaville Nut Tree Ranch Policy Plan. Appendix B provides additional description on the currently allowed land uses.

Chapter 4 provides illustrations regarding development concepts on the vacant properties, currently owned by the City of Vacaville, JDC and SCC, including hotel, convention, aeronautical and educational uses.

A taxiway from the Airport's runway previously connected an aircraft tie-down apron located on the Nut Tree property. The old aircraft apron property is now owned by Solano Community College (SCC) and is being planned for a possible College Aeronautics Center. SCC has partnered with the Jimmy Doolittle Center regarding the property purchase. The other remaining, currently undeveloped property that was part of the original Nut Tree is owned by the City of Vacaville. The subject old taxiway that at one time accessed the Airport was disconnected with the closure of Nut Tree. The majority of the aircraft access infrastructure still remains, but the SCC property is currently fenced off from the Airport.

Pine Tree Creek and a long line of Eucalyptus Trees currently create a demarcation between the Airport and the SCC, JDC and City properties and the Nut Tree Center. Pine Tree Creek is also a potential aeronautical and commercial interface area for the Airport and the Nut Tree area.

A pedestrian and cart path currently crosses Pine Tree Creek through the Eucalyptus Trees. The crossing is located to the northeast of the old Nut Tree taxiway crossing and connects to the City property and a City public parking lot. The public parking lot fronts on Nut Tree Road directly behind the Nut Tree Center. Local and visiting pilots use the path and crossing to access the many restaurants located within the Nut Tree Center.

Figure 6.1 (Chapter 4, Aeronautical Development) identifies the Airport



and Nut Tree interface area and the location of the SCC, JDC and City of Vacaville properties

Aviation Industry

As explained at greater length in Chapter 5, aeronautical education and training infrastructure within the United States for aircraft maintenance technicians and air traffic controllers is currently unable to produce a sufficient number of certified personnel to keep up with an outpacing aviation industry demand. Boeing Aircraft also recently released projections showing a significant growing demand for more Airline Transport Pilots (ATP) and aircraft-maintenance technicians worldwide over the next 20 years as the aviation industry booms across the globe.

The current real shortage for qualified and certified ATP's and aircraft repair and maintenance personnel is creating a resurgence and demand for flight training resulting in waiting lists at local flight schools within the North Bay and Central Valley regions and has spurred the creation of new flight schools at small airports. Many flight schools are also experiencing difficulty in recruiting and hiring Certified Flight Instructors (CFI) due to competition from other flight schools and earlier than normal recruitments by the airline industry for ATP training.

Aeronautical Training and Education

The Nut Tree Airport is poised to play an important role in the expansion of training programs including flight instruction, aircraft maintenance and air traffic controller education. Chapter 5 of the Airport Business Plan describes the current and future aeronautical education and training opportunities on, and adjacent to, the Airport.

The current flight school on the Airport, Wings Flight School, provides a full range of flight training and pilot certification and was recently approved by the FAA as a certified written test center.

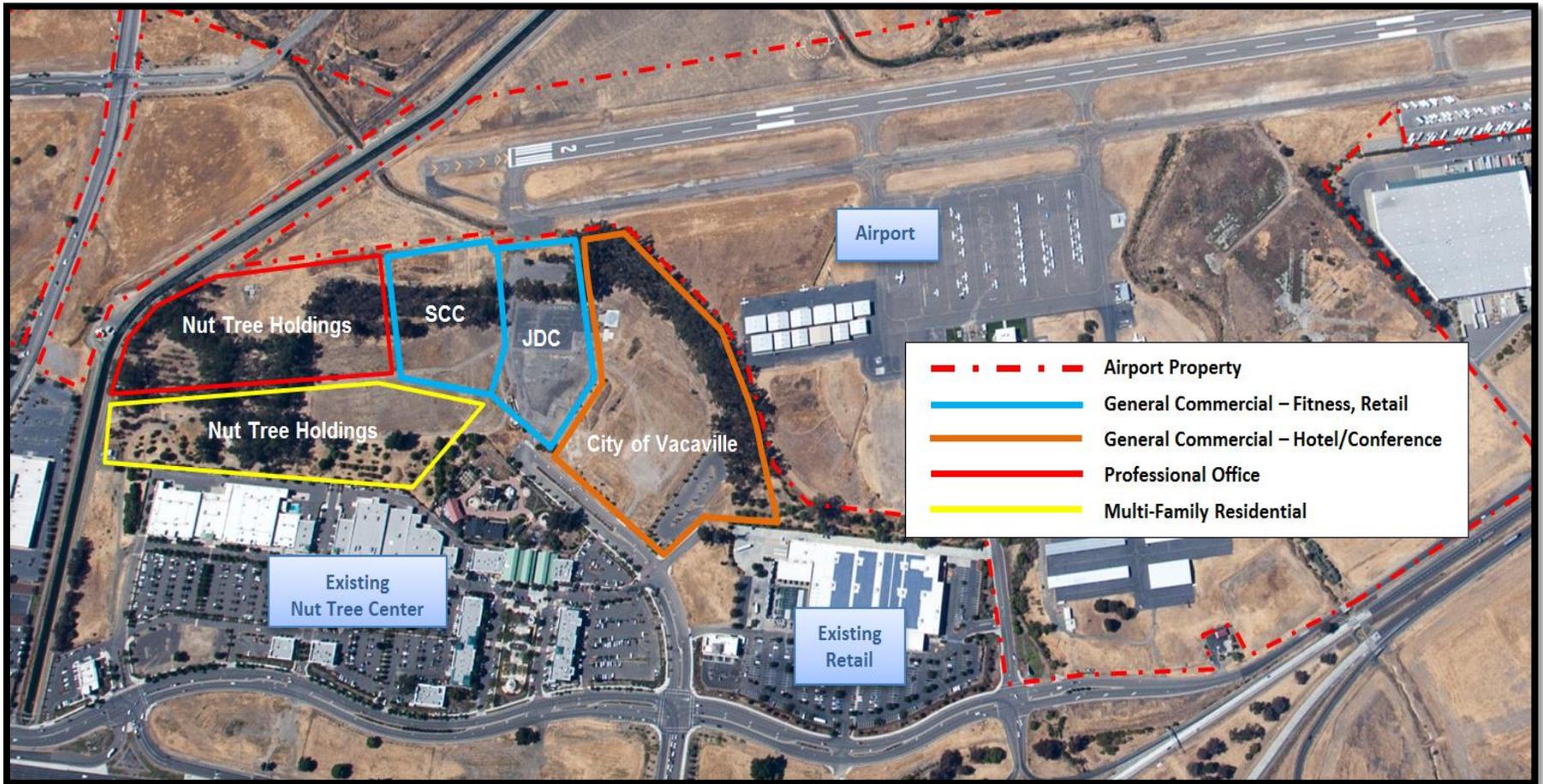
ICON Aircraft, when operational (Summer 2015) plans to provide flight training to the buyers of its aircraft, and to make available flight training to the general public.

Solano Community College is already present on the Airport and provides aircraft mechanic certification curriculum. SCC recently purchased 5.45 Acres within the Nut Tree area adjacent to the Airport. SCC plans to develop an Aeronautics Center and expand aeronautics curriculum including aircraft maintenance and repair, air traffic controller certification, and other aeronautical courses for employment in the aviation industry.

Figure 1 – Airport Location and Vicinity



Figure 2 – Current Nut Tree and Airport Area



Appendix B provides additional description on the currently allowed land uses and activities for the vacant properties shown in the Figure 2 above. Chapter 4 provides several illustrations on development concepts for the above vacant properties owned by the City of Vacaville, JDC and SCC.

Recent acquisition of a large aircraft hangar facility on the Airport by the Jimmy Doolittle Museum Education Foundation (Jimmy Doolittle Center (JDC)) may also present another opportunity for aeronautical education. The JDC plans to provide aeronautical education programs to the general public as part of the museum's function. In the long-term, JDC hopes to develop a larger museum and education facility for aeronautical advancements and foster patriotism. In 2014, JDC in partnership with SCC purchased the above noted property located within the Nut Tree area.

The Experimental Aircraft Association (EAA) Chapter 1230, located on the Nut Tree Airport, sponsors a Young Eagles Program – free flights for children ages 8-17 once each month. Pilot volunteers normally fly over 500 children each season (March – October). The program also offers time in a flight simulator and EAA Chapter 1230 has sponsored a number of children in obtaining a pilot's license. Several of the sponsored kids have gone on to become professional aviators in the private industry and in the military service.

Mission and Vision

The Mission Statement for the Airport should describe the County's purpose for the Airport and be focused on the present and help to define the Airport's customers and the desired level of performance.

A Vision Statement for the Airport should reflect what the Airport should be in the future; and provide a source of inspiration and motivation describing the future in which the County hopes to effect change.

The Nut Tree Airport and surrounding environment will become a diverse regional aviation and commercial center providing aeronautical training and education and aircraft manufacturing; and attracting private, non-profit and public investment in aviation businesses and services. Through the County's diverse and innovative approach, the Airport will compliment and support the Nut Tree Center and other local commercial and industrial centers and their customers.

Airport Mission Statement

To provide excellent services to all Airport customers for the advancement of aviation.

Airport Vision Statement

To promote and develop the Airport as a regional economic asset by supporting complementary commercial and aeronautical enterprise and maximizing economic development opportunities.

Business Plan Goals

The following are the Goals of the Airport Business Plan. The Goals broadly state the targets and aiming points for the Business Plan Implementing Actions. Chapter 10 consolidates the Implementing Actions from each chapter.

1. Further enhance the Airport as a regional economic development asset and create a Nut Tree Airport iconic image.
2. Continually improve the attractiveness of the Airport as an iconic destination.
3. Re-integrate the Airport and Nut Tree commercial area through collaboration, careful design and planning with property owners and the City of Vacaville.
4. Deliver a high level of service to all Airport customers.
5. Advance aeronautical and commercial business opportunities for Airport economic development.
6. Attract aeronautical and ancillary commercial investment and businesses enhancing the overall airport experience.
7. Further enhance the Airport as a regional economic development asset.
8. Build-out unimproved Airport property for public, private and commercial investment and revenue generating purposes.
9. Develop the Airport with the highest and best aeronautical and commercial uses.
10. Implement Airport capital projects and infrastructure through local, state, federal and private funding sources.
11. Create the Airport as - A Place to Visit, A Place to Do Business, A Place to Invest.

CH 2 - BACKGROUND

This chapter profiles and highlights the unique history of the Nut Tree Airport and provides context the purpose of developing this Business Plan. The history of the Nut Tree speaks to the current and future potential of the Airport as a unique and diverse business enterprise supporting and providing private and public economic development opportunities. Background on the Airport Master Plan is also provided.

Airport and Nut Tree History

Nut Tree Airport began as a dirt airstrip located behind a fruit stand and eventual restaurant of the same name. A small roadside fruit stand in 1921 alongside the Lincoln Highway grew into a business that was widely known. The Power family owned the Nut Tree Ranch. Airplanes were a popular curiosity in the 1920s and the impromptu landing of an airplane in 1930 on the Nut Tree Ranch planted the seeds for the idea of an airstrip. In 1955, Ed Power Jr. was responsible for building the first Nut Tree landing strip as an attraction for pilots to an already popular restaurant. Many pilots began to use the landing strip and the Airport received a two-page spread in the October 1960 issue of the Saturday Evening Post. Many people still remember the rich history of the Nut Tree of old, with its restaurant, train, store, fly-ins and pumpkin patch. The Airport has operated continuously since 1955 and has hosted many well-known events, aviators and their aircraft.² A train connected the old aircraft apron and the Airport to the Nut Tree.

Figure 3 shows an aerial photograph of the Nut Tree Area and the Airport in the early part of the 1960's.

In 1968, the City of Vacaville began to pursue purchasing a piece of land for an airport. The search eventually turned toward the Nut Tree Airport as the logical facility. After negotiations by the City and County with the owners, the City and the Powers family agreed that the Nut Tree runway should be dedicated to Solano County to own and operate.

By 1972 plans and improvements to the Airport by the County were in progress. The runway was extended to 3,700 feet and new aircraft parking areas and hangars were constructed. Over the course of the next 30 years, 116 aircraft hangars were constructed by the County and private parties and the runway was further extended to its current length of 4,700 feet. The Airport remained an integral part of the Nut Tree until its closure when the two areas were disconnected.

² Excerpts from: Historical Articles of Solano County, April 20, 2003; September 10, 2006.

Other improvements and upgrades were also completed by the County including runway and taxiway resurfacing and installing lighting systems. Communication and navigational aids were also installed including runway end identification and approach lights and an automated weather reporting system. In 1995, the County constructed a new aviation fuel tank and dispensing system and the current Airport Administration Building. The airport ramp and County Airport Road were reconstructed in 2008. The airport continues to be owned and operated by Solano County and is a division of the General Services Department.

Figure 3 – Nut Tree Area and Airport (Circa 1963)

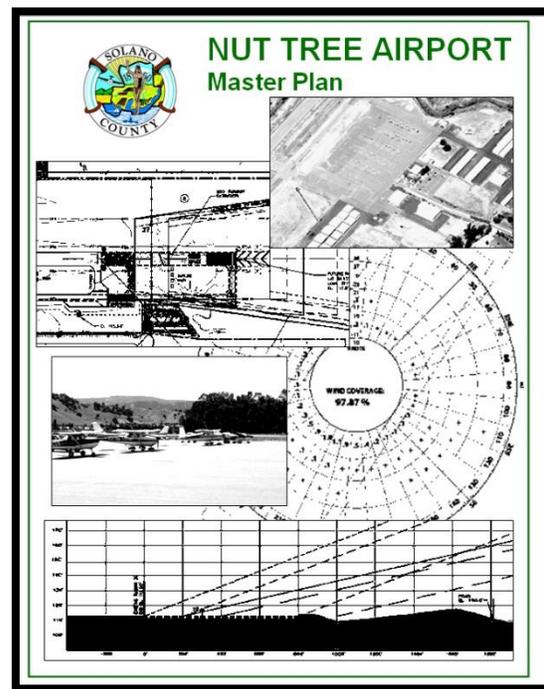


Airport Master Plan

The Nut Tree Airport is a general aviation (GA) airfield and a part of the National Plan of Integrated Airport Systems (NPIAS). The Airport is located roughly halfway between San Francisco and Sacramento. The Airport is located on the I-80 corridor and has easy freeway access. Vacaville and the Airport are stopping points for travelers visiting the SF Bay Area, the Napa Valley, the State Capitol and South Lake Tahoe. Due to south/south-west air currents, the Airport is located within a locally known micro-climate between the SF Bay Area marine environment and the California Central Valley region. The Airport boasts only a limited number of flight days each year that are obscured by weather.

The Airport property consists of 286 acres and is home to 169 based aircraft; and 116 aircraft hangars that total 288,150 square feet of floor area. Eleven businesses currently operate on the Airport employing 32 people. The Airport's 4,700 foot long runway can accommodate a variety of aircraft from single and multi-engine to small and medium sized business jets.

The Airport's Master Plan is a comprehensive planning document adopted by Solano County in November 2013 that establishes an Airport Capital Improvement Plan (ACIP) for Airport facilities and land development through 2031. Concurrent with the approval of the Airport Master Plan, the County also certified a Final EIR pursuant to the requirements of the California Environmental Quality Act (CEQA).



The FAA establishes Terminal Data for current Airport activity at 104,886 aircraft operations per year.³ The FAA approved forecasts under the Master Plan show that aircraft operations are expected to increase at a moderate annual 1.1% growth rate to 127,329 operations by 2031. The Master Plan identifies the type and extent of aviation facilities and improvements that are required to meet forecasted aviation demand and FAA standards for a public use airport.

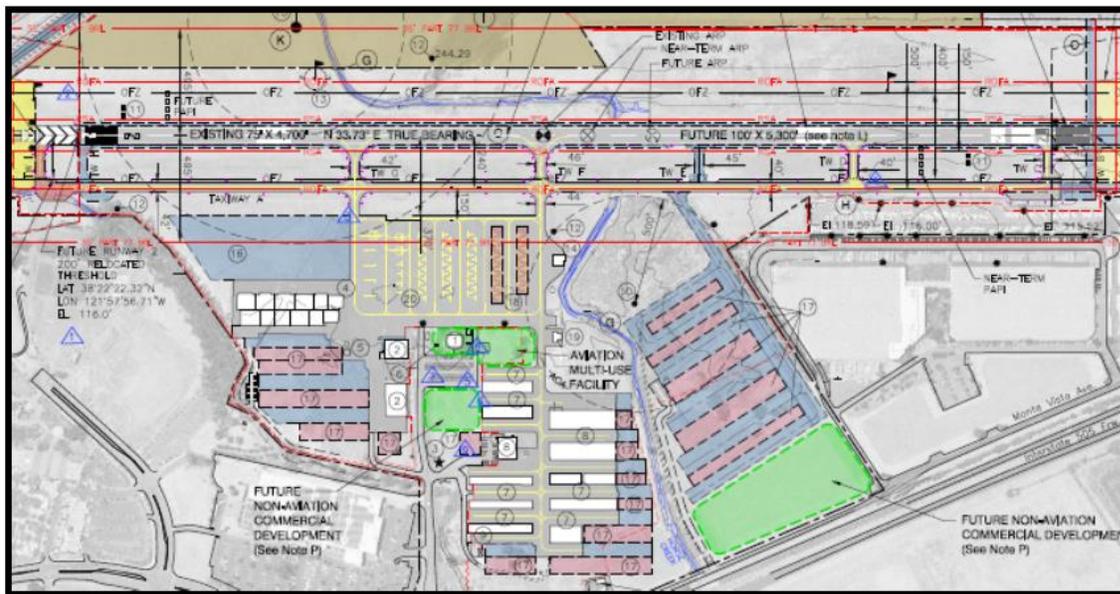
³ Annual Aircraft Operations based on FAA Terminal Forecast Data (base year 2012) and the FAA approved forecasts for the Nut Tree Airport Master Plan.

Figure 4 shows the FAA approved Airport Layout Plan (Jan. 2014) and depicts the capital improvements identified in the Airport Master Plan.

In summary, the Airport Master Plan and EIR provide for the following key elements -

- Plans for current and long-range aviation capacity and demand.
- Identifies and phases short and long-term aeronautical capital improvements.
- Provides for aeronautical and non- aeronautical development areas of airport property to accommodate future aviation demand and economic and business development.
- Shifts the ends of Runway 2-20 (completed in 2014/2015) and allows for long-term extension of the runway by 600 feet.
- Provides for rehabilitation, upgrade and expansion of the County Airport Office Building as a Multi-Use Aviation Facility.
- Allows construction of more than 320,000 square feet of additional aircraft hangar space.
- Designates areas for commercial development.

Figure 4 – Airport Layout Plan (ALP)



Aeronautical Development



Ancillary Commercial

Summary

The history of the Nut Tree and the Airport provides a context for the current and future potential of the Airport as a unique and diverse business enterprise supporting and providing private and public economic development opportunities. The Airport Business Plan will serve as an implementing tool to the development foundation established in the Nut Tree Airport Master Plan.

CH 3 – THE AIRPORT BUSINESS

The Nut Tree Airport is a business enterprise. The purpose of this chapter is to describe the business functions of the Airport, the County’s perspective for operating the Airport, and the services and facilities provided by the Airport. The chapter also profiles the current on-Airport businesses and services and the operating environment.

Self-Sustaining Enterprise

It is common for public airports such as the Nut Tree Airport to operate under an Enterprise Fund. An enterprise fund establishes a separate accounting and financial reporting mechanism for which fees are charged in exchange for goods and services and use of facilities. Financial transactions are reported using standards similar to private business sector accounting including the generation of independent annual financial statements.

The Airport receives revenue for operation and capital projects from different sources including rents, fees, charges, fuel sales and property taxes. The Airport additionally receives financial support from the FAA and State of California for Airport capital improvements. Pursuant to federal



grant agreements and assurances between the County and the FAA, and other FAA Orders / Policies, the FAA requires that all revenues generated by the Airport can only be used for airport operating expenses and investment in Airport capital projects and other improvements. The FAA further requires that the Airport be operated and developed as a financially self-sustaining public use aviation facility. This is achieved, in the eyes of the FAA, through putting the Airport to its greatest possible use including development and improvement of Airport property and facilities, and by charging adequate rates and fees for use of the Airport for private, commercial and development investment purposes.

Perspective and Understanding

The Airport is in large part a non-conventional government operation; and for its success and growth it requires an approach and perspective most comparable to a business enterprise

operation. For example, in the case of the Nut Tree Airport, property rental services for over 200 customers and retail fuel services and sales are two business and customer service functions provided by the Airport. Effective marketing and assisting development interests and the traveling public are two other current Airport business activities and services. These types of customer services are good practice, but are also business driven and translate into greater interest in the Airport by the aviation sector, improved business attraction and added revenues for Airport operation and investment. From an airport business perspective, additional airport development will generate revenues in the form of ground lease rents and fuel sales to additional aircraft, for two examples. Development and airport growth will also create additional property and personal taxes from improved land and can lead to the creation of job opportunities.

The Airport currently provides a number of services in a responsive, professional and customer service friendly environment. This perspective is reflected at all levels of Airport operation.

Airport Services and Products

Fuel Services

The County offers two types of aviation fuel including AvGas and Jet A fuels. The fuel storage and dispensing system, and the County's two fuel trucks, are operated by County staff which includes a Certified Underground Storage Tank Designated Operator. Fuel is available 24 hours a day at the Airport's self-serve fuel pumps. The County offers regular Jet truck service during business hours as well as after hour service normally with prior arrangement. A 24 hour call number is also provided for special assistance. The Airport's fuel is competitively priced, and



the delivery of high-quality customer service is the primary goal of Fuel Services. Fuel sales volumes have increased by more than 65% since the County assumed ownership of the Fuel Services operation in 2012. The County sold 170,216 gallons of aviation fuel in FY2013/14 adding substantially to the Airport's operating revenue and making investment in capital projects possible. Such projects included the removal of tree obstructions and shifting the ends of Runway 2-20 to improve runway safety and comply with FAA safety standards.

Hangar & Office Rental Services

Nut Tree Airport offers several types of rentals including aircraft parking and storage, aircraft hangars, office spaces

and ground leases. The Airport includes 116 aircraft hangars and various County owned office and other spaces. The Airport services over 170 rental and lease agreements. All aircraft hangar and offices spaces are currently at 100% occupancy. Hangar and office space is at a premium at Nut Tree Airport and there is currently a hangar waiting list. Inquiries by development interests are increasing and requests for additional office space are received by Airport staff on a regular basis. Assistance is provided to rental customers when vacating or occupying hangars and offices spaces. Services are also provided concerning questions on account statements and including support for automated bank check payments and payment processing.

Airfield / Facility Maintenance Services

Airfield maintenance staff work to maintain and operate airport facilities to the highest level of quality. Operation and maintenance includes airport fuel systems and services, County hangars



and buildings, airfield infrastructure and facilities, and other grounds on Airport property. Airport staff respond to requests by customers for assistance and for repair and maintenance items. Staff also strives to complete special airfield enhancement projects on a regular basis. Maintenance staff is readily available to Airport customers directly by phone or email or by contacting the Airport Office.

Visitor Services

Airport Services is contacted by visitors planning a trip to or through the Vacaville or Solano County area. Customers are referred to transportation services, local accommodations, directions to local businesses and restaurants. Visitors are assisted in connecting to a number of different local websites for additional information including Hertz Car Rental, Vacaville Magazine and Visit Vacaville, the Nut Tree Center, Vacaville Premium Outlets, Downtown Vacaville for Dining, Shopping or Events Downtown, and the Suisun Valley and Napa County wine touring information.

Airport Management and Development Services

Airport Management oversees airport customer services, operation and maintenance of Airport, and plans and prepares for improvements to facilities and future growth and

development of the Airport. Airport administration handles and processes acquisition of all materials, supplies and services for operation and maintenance of the Airport. Airport staff also maintain and operate the Airport Office Building and interface with building tenants and their operations on a regular basis.

Airport development services are provided on an open door basis and in a collaborative fashion and business friendly environment. The success of this type of approach to attracting business is reflected in the 2014 selection of the Airport and Vacaville by ICON Aircraft for its new headquarters and aircraft manufacturing facility.

Pilots Lounge

The Nut Tree Airport offers a Pilots Lounge for local and visiting pilots and passengers. The Pilots Lounge has a conference room for small business meetings or training sessions and is a great place to relax while waiting for a flight. A flat screen television is in the Lounge to catch up on current events and the Lounge also has free Wi-Fi, a free desktop computer and includes self-serve coffee and space to plan a flight or study. A vending machine is available with drinks and snacks. Public restrooms are located directly adjacent to the Lounge. Signs and other diagrams, provide direction to the Pilots Lounge and restrooms at various locations on the Airport.



Airfield Features and Amenities

In addition to a very favorable flying climate, an amply sized runway, easily accessible airfield parking and facilities, and competitive fuel prices and friendly service, the County offers several other important amenities and attractions for local pilots and the flying public.



Visitor Access to the Nut Tree Center and Restaurants from the Airport

Easy Access to Restaurants

The Airport's close proximity to shopping and dining in the Nut Tree Center are taken advantage of by local pilots, persons employed on the Airport, and transient aircraft pilots and passengers. The Nut Tree Center is accessed via a walkway, cart path and bridge which connects to the Airport's aircraft apron. During good flying weather, the Airport receives visitors looking for a good lunch on a daily and weekly basis.

Observation Deck and Picnic Areas

The Airport offers an observation deck and picnic tables with a westward view of the airfield and Runway 2-20. The Observation Deck is located on the second floor of the Airport Office Building and is accessed through the building lobby and elevator. Other picnic tables are also provided near the Pilots Lounge providing a good view to the airfield.

Airport Lobby

The Airport provides a comfortable lobby space located on the first floor of the Airport Office Building directly across from the aircraft transient parking row. The Lobby is regularly used for informal discussions as well as for taking a break to catch up on the latest aviation periodicals or aircraft for sale. Public restrooms and vending machines are also located just off of the lobby area.

Meeting Spaces

Private and larger conference room meeting space is located in the Airport Office Building and is used for business and groups on a daily basis. The conference room includes chairs and tables, a sink and counter space, a white board, a drop down projector screen and a large flat screen monitor. Casual meeting spaces are also provided in the Airport Pilots Lounge and office building lobby.

Fuel Island

The Airport's self-serve fuel island is open 24/7 and provides two AvGas dispensers and a Jet A fuel dispenser. The fuel island also



provides free windscreen cleaner, towels and cold ice water during the summer months. Airport contact information is also identified.

Transient Parking

Many Nut Tree visitors take advantage of the Airport's transient aircraft parking which is free during the day, and only \$8.00 per night for a standard tie-down. The Airport also provides free transient auto parking for visitors.

Aircraft Wash Rack

The Airport has a free aircraft washing area located on the north side of the tie-down ramp area. The wash rack includes an auto shut-off, nozzle controlled, water supply. The wash rack also provides a free air compressor for pilots to check aircraft tire pressure.

Airport Businesses

Aviation Businesses of many types are based at Nut Tree Airport. The Airport has everything from aircraft maintenance and repair to a flight school, and aircraft rental and car rental. Solano Community College offers an Airframe and Power Plant Certification Program and PG&E dispatches and manages logistics of utility helicopter services throughout Northern California from the Airport. The following are profiles of the current on-Airport businesses.

Wings Flight School

Wings Flight School is located within the County Airport Office Building and operates eight aircraft for flight training and rental. Wings offers various levels of certifications including recreational and private pilot, commercial and instrument ratings, certified flight instructor and multi-engine ratings. Wings has a staff of five certified flight instructors and was recently approved by the FAA and the Department of Homeland Security for international student flight training. Wings is also a certified FAA written test center. Wings offers introductory and sightseeing flights and supports the EAA's Young Eagles Program (free flights for kids).



Aviation Specialties

Aviation Specialties is located in a corporate hangar and provides a full range of aircraft services from basic oil changes and annual inspections to major sheet metal repair, fabric repair, and engine repair and replacement. Aviation Specialties is under new ownership and its business is

growing and is looking to expand. Aviation Specialties also services all of the aircraft used by Wings Flight School and the ICON A5 which has begun utilizing the Airport for flight instructor training and orientation.

Hertz Car Rental

Hertz Car Rental is located on the Nut Tree Airport within a County building and adjacent to the Airport public parking lot. Hertz provides easy access to a wide variety of vehicles for visiting pilots and the surrounding Vacaville and Dixon communities.

Solano Community College

Solano Community College operates a hangar at the Nut Tree Airport and offers FAA approved aeronautical curriculum. Classes and instruction are offered as part of an Aircraft Airframe & Power plant Mechanic Certification Program. Students graduate from the program certified to repair and maintain aircraft. In 2014, SCC purchased property in the Nut Tree area located adjacent to the Airport and is planning the development of an aeronautics center to include aircraft maintenance and repair and expand curriculum to include Air Traffic Controller (ATC) programs, and possibly flight training, as well as other aeronautical subjects and training for the aviation industry.



PG&E Helicopter Services

PG&E Helicopter Operations Department is located within the Airport Office Building and provides a full range of services needed for PG&E organizations to safely and efficiently utilize helicopters and helicopter services. The services can include utility monitoring,

inspection, maintenance, repair and construction.

PJ Helicopters

PJ Helicopters is a family-owned, world class precision helicopter lift service which has been serving all industries nationwide since 1971. In an effort to better serve customers in the Bay Area and Central California, PJ Helicopters began operating out of the Nut Tree Airport as a satellite base in 2012 and is a major contractor with PG&E Helicopter Services.

ICON Aircraft

ICON Aircraft will be relocating to the City of Vacaville, Nut Tree Airport, consolidating aircraft manufacturing, sales, training, service, and corporate headquarters. ICON plans to operate in a

137,000 sq. ft. aircraft production facility located adjacent to the Nut Tree Airport beginning Summer 2015. ICON will initially produce the A5 Amphibious Light-Sport Aircraft from the facility. Flight testing and flight training will occur from the Nut Tree Airport through new taxiway access to Runway 2-20 that



was funded by ICON and constructed by the County in 2014. ICON is also proposing a Water Operating Area on the Airport that, if approved by Solano County, would add sea plane operations to the Airport. ICON also plans to develop a Global Flight Center and HQ campus adjacent to the aircraft manufacturing facility and the Water Operating Area.

ICON's flight training program is anticipated to initially be provided to buyers of the A5 Aircraft for the purpose of new pilot certification and seaplane endorsement of current pilots. ICON plans to also provide flight training services to the general public in other types of aircraft subject to agreement with the County regarding aeronautical services and activities.

Jimmy Doolittle Education Foundation

The Jimmy Doolittle Education Foundation purchased a large aircraft hangar at the Airport in 2014. The Foundation plans to display vintage historic aircraft and is in the process of expanding education and other aeronautical programs for people of all ages. The Foundation envisions a future, interactive Jimmy Doolittle Center (JDC) located within the Nut Tree area adjacent to a SCC Aeronautics Center. The JDC plans to educate and inspire people to follow their natural curiosity and desire to explore patriotism and its place in our aviation history.

EAA Chapter 1230

Experimental Aircraft Association (EAA) Chapter 1230 is an active social aviation group based on the Airport. EAA Chapter 1230 meets on a monthly basis, promotes safe and fun aviation and provides technical assistance to aviators who wish to build and maintain their own aircraft. EAA Chapter 1230 also provides educational programs and sponsors a



Young Eagles Program – free flights for children ages 8-17 once a month, March - November of each year. EAA Chapter 1230 and pilot volunteers normally fly over 500 children each year as part of its Young Eagle Program and is nationally recognized by the National EAA organization located in Oshkosh Wisconsin.

Legends of Flight Collection

The Legends of Flight Collection (LOFC) was founded by two local pilots and aviation professionals. The primary mission of the LOFC is to promote aviation through restoration, preservation, and exhibition of historically significant aircraft in flying condition in order to provide an educational and inspirational "living history" experience to the general public. The Aircraft of the LOFC is currently located within various hangars on the Airport and plans to consolidate the aircraft into a single large hangar in the future.

Solano Pilots Association

The Solano Pilots Association (SPA) provides a friendly on-airport club that meets on a monthly basis for a pot-luck dinner and to discuss aviation topics including presentations from a variety of speakers. The Solano Pilots Association is dedicated to promoting safe general aviation operations as well as supporting the Nut Tree Airport.

Loan Simple Mortgages

Loan Simple is located in the Airport Office Building and offers a variety of financing options for first time buyers.

Pick Apple Corporation

Pick Apple Corp owns and operates the Buckhorn Grill restaurant chain and rents a small office at the Airport for administrative purposes and small staff meetings and training.

Summary

Operation of the Airport as a business is defined by the services that the County provides and the approach that is taken to deliver the services. The Airport is further characterized by the types of private businesses and entities that conduct operations and provide service at the Airport. A culmination of the public and private services creates a perspective that the Airport functions much like a business, generating economic activity, attracting development and growth, and creating revenue for investment and advancing its business interests as a self-sustaining and improving enterprise.

CH 4 – AERONAUTICAL DEVELOPMENT

The purpose of this chapter is to present information regarding additional aeronautical development at the Airport. Background and context for the different types of aeronautical uses and improvements are provided. Hangar and commercial aeronautical development, on and off of the Airport, and potential private and public investment are also identified and discussed. Airport revenue generated from aeronautical development and the sources of the development revenue will also be described.

FAA and Other Obligations

The County has historically received financial assistance for airport capital improvements from the FAA through the Airport Improvement Program (AIP). The most recent example of FAA funding assistance is the Runway 2-20 Threshold Shift Project completed by the County in FY2014/15. The County has received approximately 20 grants for capital projects or to acquire land over the last three decades. In exchange for accepting federal assistance the County is obligated to comply with grant assurances. The thrust of Federal airport grant assurances obligate the County to operate the Airport for public use under FAA regulations, policies and orders, and to develop the airport as a financially self-sustaining enterprise. The County is required to accommodate aeronautical growth, activity and development and provide the necessary airport facilities for the purpose of public use of the Airport and in support of aviation.

Approximately 62 acres of the current airport property was donated in 1970 to Solano County by the Power Land Company. The donated land is comprised of approximately 75% of the Airport's current runway and taxiways. As a condition of the land donation, the property is to be used only as a public airport.

FAA Airport Capacity and Demand

The Airport Master Plan is a comprehensive plan that established an Airport Capital Improvement Plan (ACIP) for facilities and airport development through 2031. The ACIP is used by the FAA to ascertain eligibility for AIP project funding.

The FAA generates Terminal Data (regional operational flight data) which is used for establishing forecasted aircraft activity. The Nut Tree Airport Master Plan provides an assessment of the Airport's aviation capacity and includes FAA approved forecasts for the Airport. The forecasts are used by FAA to show the level of aviation activity expected to occur

at the Airport. The Master Plan and ACIP identify the aviation facilities that will be needed to accommodate the aviation demand and growth.

Aircraft activity at the Airport during 2014 was 104,886 aircraft operations.⁴ The Master Plan forecasts show aircraft operations increasing to 127,329 operations by 2031. Aeronautical and ancillary commercial land uses are also identified in the Master Plan including their location on the airport property.

The Nut Tree Airport has sufficient runway capacity and adequate taxiways, as well as existing undeveloped property, to accommodate the approved FAA forecasted demand and aircraft activity and airport use. The Master Plan also reflects areas of Airport property that are designated for ancillary commercial use. Analysis from the Airport Master Plan identified a limited amount of airport property that is not needed for aviation; however, as allowed by the FAA the properties can be developed for non-aeronautical and commercial purposes.

Hangar Development

The Airport generates revenue from different sources. One of the primary opportunities for the County is to increase Airport revenues through development of underutilized airport property.

Figure 5 illustrates the overall development areas of the Airport.

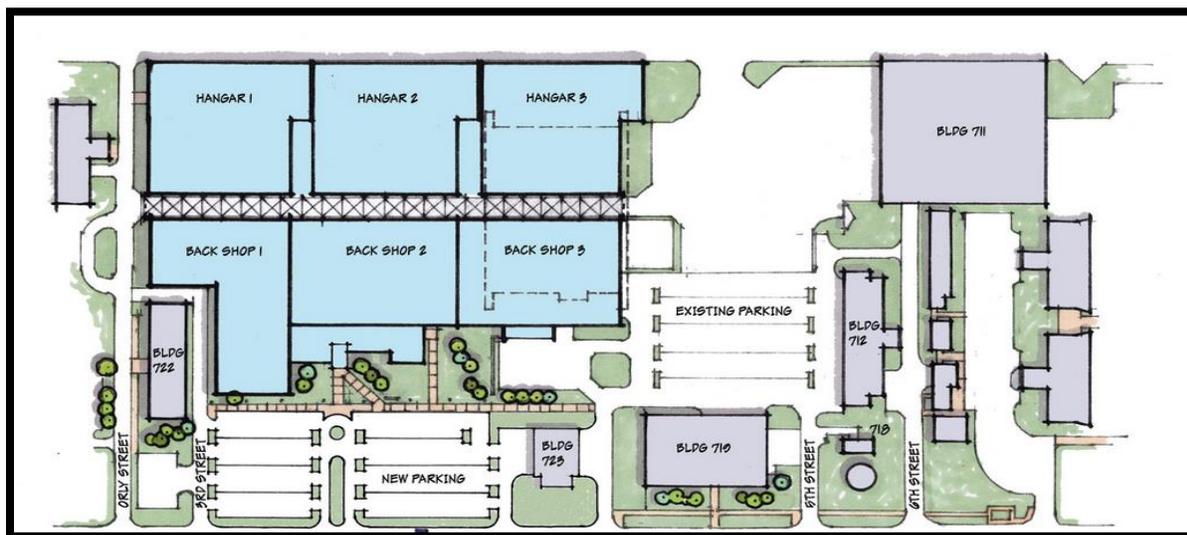


The FAA allows the County to develop the Airport property through public and private investment. Public investment in revenue generating development at general aviation airports is normally funded through public financing mechanisms. Private development can occur through contract with the County in the form of long-term ground leases and other agreements and can result in minimal up-front cost for the County.

The Airport currently includes 116 aircraft hangars equaling a total of 288,150 square feet in floor area. The County owns and operates 68 hangars. Forty-eight hangars are privately owned and located on individual ground lease agreements between each owner and the County. All aircraft hangars on the Airport are currently at 100% occupancy.

⁴ Annual Aircraft Operations based on FAA Terminal Forecast Data and the FAA approved forecasts for the Nut Tree Airport Master Plan.

The County owned hangars at the Airport range in size from 1,100 – 2,000 square feet. The County also owns a single 8,500 square foot hangar with office spaces. County owned hangars generated approximately \$310,000 in Airport rent revenue during Fiscal Year 2014/15. Privately owned hangars range in size from 3,000 – 5,000 square feet. Ground lease rent from privately owned hangars produced approximately \$125,000 in Airport revenue during FY2014/15.



Total rent revenue from County hangar and privately owned hangars during FY2014/15 was approximately \$435,000. Additionally, a ground lease for a private hangar that is subletted can provide for gross income based fees paid to the Airport.

Sixty-five percent of the aircraft hangars on the Airport are owned by the County and generate 71% of annual hangar rent revenue, or 2.5 times the amount of revenue generated from existing private hangar development. Private versus public investment in hangar development is discussed further below.

Hangar development also generates secured and unsecured property taxes and can result in personal property taxes from the aircraft stored within hangars. Property taxes on hangars and ground leases paid to the County during FY2014/15 were in the amount of \$56,337. New hangar construction attracts new aircraft to an airport increasing personal property taxes, fuel sales and aircraft repair services. There are 169 aircraft currently based at the Airport which created \$122,387 in personal property taxes for the County in FY2014/15.

The Airport Master Plan EIR provides for construction of additional hangar space through 2031, more than doubling the floor area of existing hangar development. Hangar construction can include a variety of hangar sizes. The demand for small, single aircraft storage hangars (less than 2,000 sq. ft.) is historically strong during good and poor economic periods. During the

period following the 2008 economic downturn the single unit aircraft hangars at the Nut Tree Airport remained at 100% occupancy. During slower economic times larger hangars are more susceptible to vacancies simply due to cost. Future hangar development on the Airport is expected to include a mix of hangar sizes, similar to the mix currently found on the Airport. Sixty-five percent of the aircraft hangars on the Airport are small, single aircraft, hangars.

Hangar site development would include the infrastructure and access necessary to serve hangar buildings. Hangar development includes investment in access taxi lanes, foundations and steel buildings. Electrical power is necessary and water supply is typically required for fire hydrant and fire suppression systems. Depending on the availability of utilities, larger scale, multi unit, hangar projects can include a public restroom. Private large hangars often allow for restroom improvements if sanitary disposal services are available. New Hangar development areas can also include WiFi capabilities.

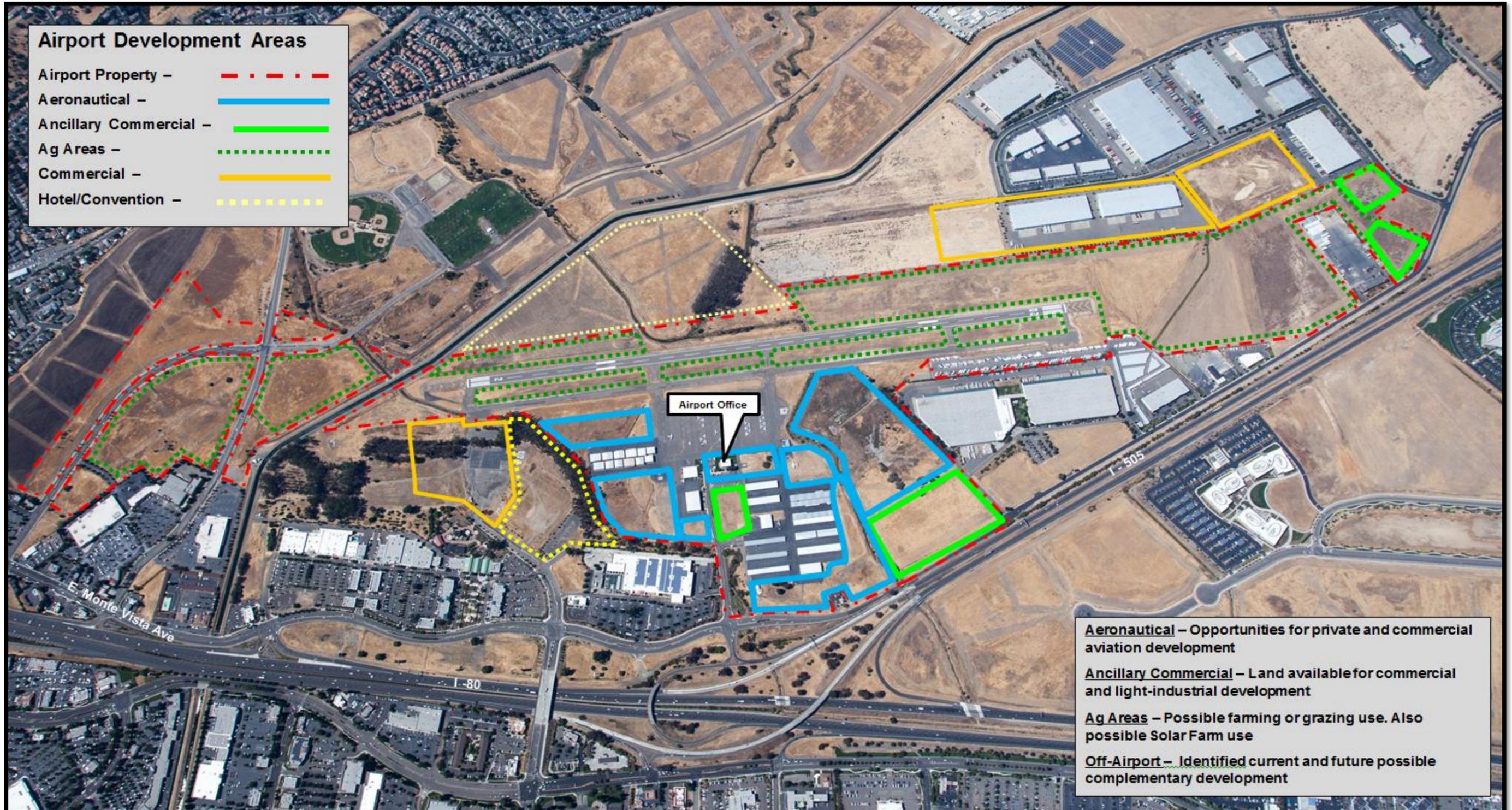
Hangar development can be privately financed similar to the existing private hangars on the Airport. Private hangar construction can occur without any large up-front cost to the County with the cost of development being borne by private development. For economies of scale, multi-unit private hangar



projects have greater cost efficiencies; however, depending on location and site space, private hangars might also be constructed on an individual or limited number basis.

Private hangars are developed under a long-term ground lease with the County and are normally owner occupied, but can be sublet as a business investment. Private hangar development can be a good short-term strategy for the County to generate Airport revenue. A properly structured ground lease can generate an immediate positive rent revenue stream for the Airport and adds property tax revenue for the County.

Figure 5 – Airport Property Development Map



As a long-term public investment, the County could opt to finance the development of hangars; however, rental income for a period of years from new public hangar construction is normally insufficient to meet construction loan payments. The result is that debt service must be subsidized by airport operating revenues or other public fund sources until rents annually increase to an adequate level. County investment in hangar development would be, in the short-term, financially challenging, but can be a good long-term strategy resulting in a significantly higher rent revenue stream for the Airport.

Table 1 profiles an example hangar project and compares Airport revenue from a private development project versus a public development project. The table also includes the estimated debt service as a public project. The amounts identified in the table are based on a public hangar project constructed in 2009 at an airport located in the Central Valley.



Demand for hangar space is currently strong at the Airport as reflected by a zero vacancy rate over the last 5 years. For a publically financed hangar project, the demand, however, is not sufficient to generate the necessary number of pre-occupancy deposits and commitments by new tenants. The carrying costs on newly constructed hangar vacancies can add substantially to project debt service in the short-term creating a higher than normal risk for a publically financed project. If demand for hangar space increases to significantly higher levels in the future, the financial confidence and feasibility of additional new County owned hangars would also increase.

Given the likely short-term negative return on a public hangar project, initial private hangar development may be a viable alternative and generate new Airport revenue that could subsequently be used to offset the financing cost and risk of the next County hangar project at the Airport.

Table 1 – Example Private and Public Hangar Project Comparison

Public Project – Financing for 32 T-Hangars (20 Yr. Loan Term)		Private Development – Ground Lease on 32 T-Hangars (40 Yr. Term)	
Site and Pad Cost	1,100,000	Project Lease Area (Sq. Ft.)	35,080
Hangar Construction Cost	1,200,000	Annual Lease Rate / Sq. Ft. - Year 1	0.85
Amount Financed @ 4.3%	2,300,000	Annual Revenue - Year1	29,820
Total Interest	1,138,720	2% of Gross Income Year-1	2,688
Total of Payments w/ Interest	3,438,720	Total Revenue – 20 Yrs.** - (incl. 2% annual rent adjustment)	871,479
*Total Revenue 20Yrs. - (incl. 2% annual rent adjustment)	3,927,793	Annual Revenue – Year 21	62,852
Net Revenue - 20 Yrs.	489,073	Total Revenue Year 21 - 40 (incl. 2% annual rent adjustment)	1,836,840
		Total Revenue* - 40 Yrs.	2,708,319
Annual Revenue – @ Yr. 21	283,269	**Not including 2% of Gross Income	
Total Revenue Years 21 - 40 (incl. 2% annual rent adjustment)	8,278,451		
*Assumes 100% occupancy			

Figure 6 and Table 2 respectively show the location of hangar development sites and provide information on each site. The hangar sites are identified for development by the Airport Master Plan.

Figure 6 – Hangar and Aeronautical Development Phases



Table 2 - Hangar and Aeronautical Development Data

Phase	Year	Acreage	Type	Total Floor Area (Sq. Ft.)	Approx. Units	Approx. Unit Sizes (Sq. Ft.)
1	2016	5.1	T and Box Hangars	77,800	45	1,100 – 4,500
2	2019	1.6	T-Hangars	24,400	20	1,100 – 1,300
3	2022	4.1	T-Hangars	44,700	36	1,100 – 1,300
4	2022	2.4	Box	52,300	10	4,500 – 5,500
5	2026	6.1	T and Box Hangars	93,100	76	1,100 – 4,500
6	2030	6.6	T and Box Hangars	100,600	82	1,100 – 4,500
A	2018	.37	Lg. Box	16,000	1	16,000
B	2020	.67	Lg. Box	30,000	1	30,000
C	2023	2.1	Box	22,800	10	2,200
A1	2017	1.1	Airport Building Rehab / Expansion	14,600	13	500 – 3,000
Total		30.1		475,700	293	

From the information provided above there are several potential sites for hangar development that are available in the short-term and long-term. Future hangar construction should occur in phases and the order of development should be based on criteria. Criteria should include readily available basic infrastructure and access that supports the financial feasibility and success of a project. An additional consideration should also be the project size to allow for adequate economies of scale regarding total project construction cost and hangar unit cost. The six phases of hangar development identified above are sequenced and based on these criteria; however, flexibility in the timing and sequencing should be allowed depending on market demand factors.

Additional hangar development sites are identified above as Sites A, B and C. These sites may be well suited for individual hangars or smaller hangar groups. These sites may develop in any order depending on hangar size and type and as the demand for such hangars and sites arise.

As described further in the next section, flexibility may be needed regarding hangar sites, or portions thereof, to accommodate aeronautical commercial uses that require different building types other than storage hangar construction.

Aeronautical Commercial Development

As described in Chapter 3 there are a number of existing aeronautical businesses and activities supporting the health and commercial vitality of the Airport. Historically, aeronautical business activities are located on-airport for the common reason that aeronautical services are centered on aircraft requiring access to airfield infrastructure, runways and taxiways. In addition to the

existing on-airport businesses, the Airport is capable of supporting a number of other aeronautical business services.



Concept for Hangar and Aeronautical Development – Phase 1

Development of aeronautical commercial sites would include the infrastructure and access necessary to serve buildings and business uses. Further discussion on site improvements for Aeronautical Commercial uses is provided in Chapter 7 (Capital Improvements and Infrastructure).

Aeronautical commercial services can be operated from aircraft hangars and/or aeronautical office spaces. There may be cases where an aeronautical business requires a commercial building other than a storage hangar or solely an office space for its operation. In those cases portions of the aircraft hangar sites identified in the Hangar Development section above may be improved for other aeronautical business activities.

The following aeronautical services could also be attracted to the Airport for additional business development. The following list is not intended to be all inclusive but is representative of the types of aeronautical services that can be found at a general aviation airport.

- Aircraft Component Assembly
- Business Aircraft Management and Charter

- Aviation Concierge Services
- Aircraft Owner Assist-Build Services
- Aircraft Upholstery and Interiors
- Avionics / Communication Equipment Services
- Aircraft Painting and Detailing
- Antique Aircraft Restoration

Local and regional customer demand for aeronautical services is normally the determining factor in attracting the above type, and similar aeronautical businesses, due to their specialized nature. With the exception of flight schools, most aeronautical business operations rely upon a very large geographic area for an adequate customer base.

Off-Airport Aeronautical Commercial Development

Opportunities may also arise regarding off-airport aeronautical economic uses within the industrial area surrounding the Airport. One example of this is the ICON aircraft production facility located adjacent to the Airport. The ICON aircraft production operation is a significant aeronautical business venture that is located off-airport. Future possible off-airport aeronautical uses may not be as economically significant but can contribute to the Airport economic environment.

Examples of other aeronautical development located off-airport may include aircraft component production and assembly, aircraft research and development, aircraft maintenance and repair and air traffic controller instruction. Economic business development of an aeronautical nature would require available space within existing off-airport buildings or property when involving new construction. Activities that utilize aircraft and require access to the Airport would need to be located directly adjacent to the airport property. Additional sites, beyond the ICON facility site, suitable for access to the Airport runway are very geographically restricted and limited to the Nut Tree area likely making it impracticable for aircraft / runway dependent uses.

Nut Tree Re-Integration

Given the proximity of the Airport to the Nut Tree Center, and the presence of the remaining undeveloped properties between the Center and the Airport, opportunities may exist for re-integration of the two areas through collaboration and careful design and planning between property owners, the City of Vacaville and Solano County.

The subject undeveloped Nut Tree properties are identified in Figure 6.1. Of the vacant properties, three parcels are owned by SCC, JDC and the City of Vacaville as reflected in the figure. These properties are designated by the City of Vacaville for General Commercial

development, are located in a prime location, and may still present an opportunity to re-integrate the Airport with adjacent commercial activities. The land uses currently allowed by the City of Vacaville are specified by the Nut Tree Ranch Policy Plan. Allowed uses include –

- Hotel and Conference Center
- Retail Uses
- Flex Spaces
- Commercial Office
- Residential

Chapter 1, Figure 2, also identifies land use and zoning designations for the subject undeveloped properties. Appendix B of the Business Plan identifies land use designations and provides additional description on the allowed land uses.

The aeronautical activities and uses that are planned by SCC and JDC may evolve into an opportunity to connect the Airport to the Nut Tree Center at a larger scale. If property ownerships change in the future, other aeronautical commercial uses on the subject properties may also be possible enabling a joint aviation connection to and from the Airport and to the Nut Tree Center.

Removal of tree obstructions along Pine Tree Creek can also assist in supporting a re-integration and create greater visibility of the Airport and of the Nut Tree Center from the Airport. The planning and environmental review process for the removal of the tree obstructions is slated to commence during the second half of 2015.

The following pages contain illustrations on development concepts for the properties currently owned by the City of Vacaville, JDC and SCC, including hotel, convention, aeronautical and educational uses.

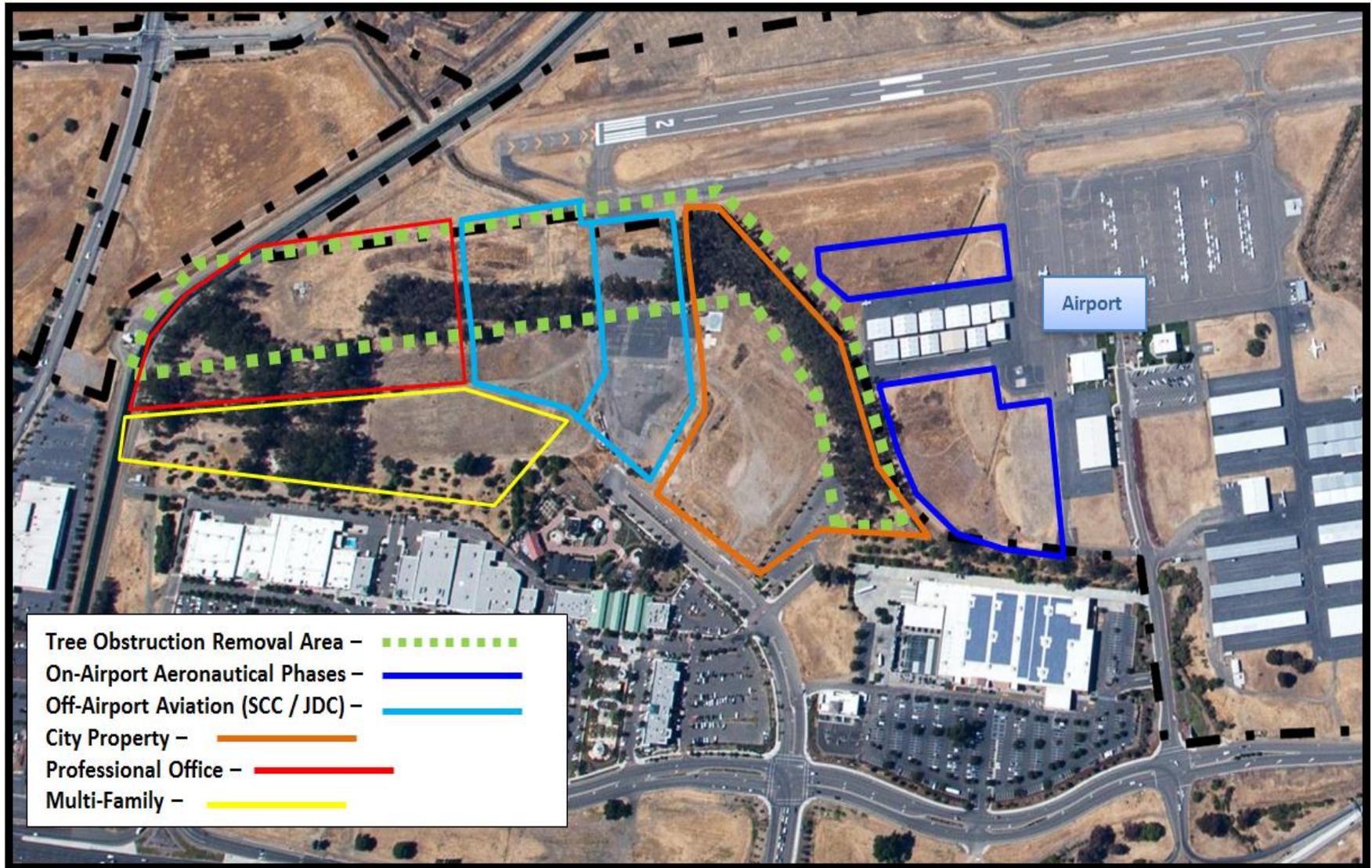
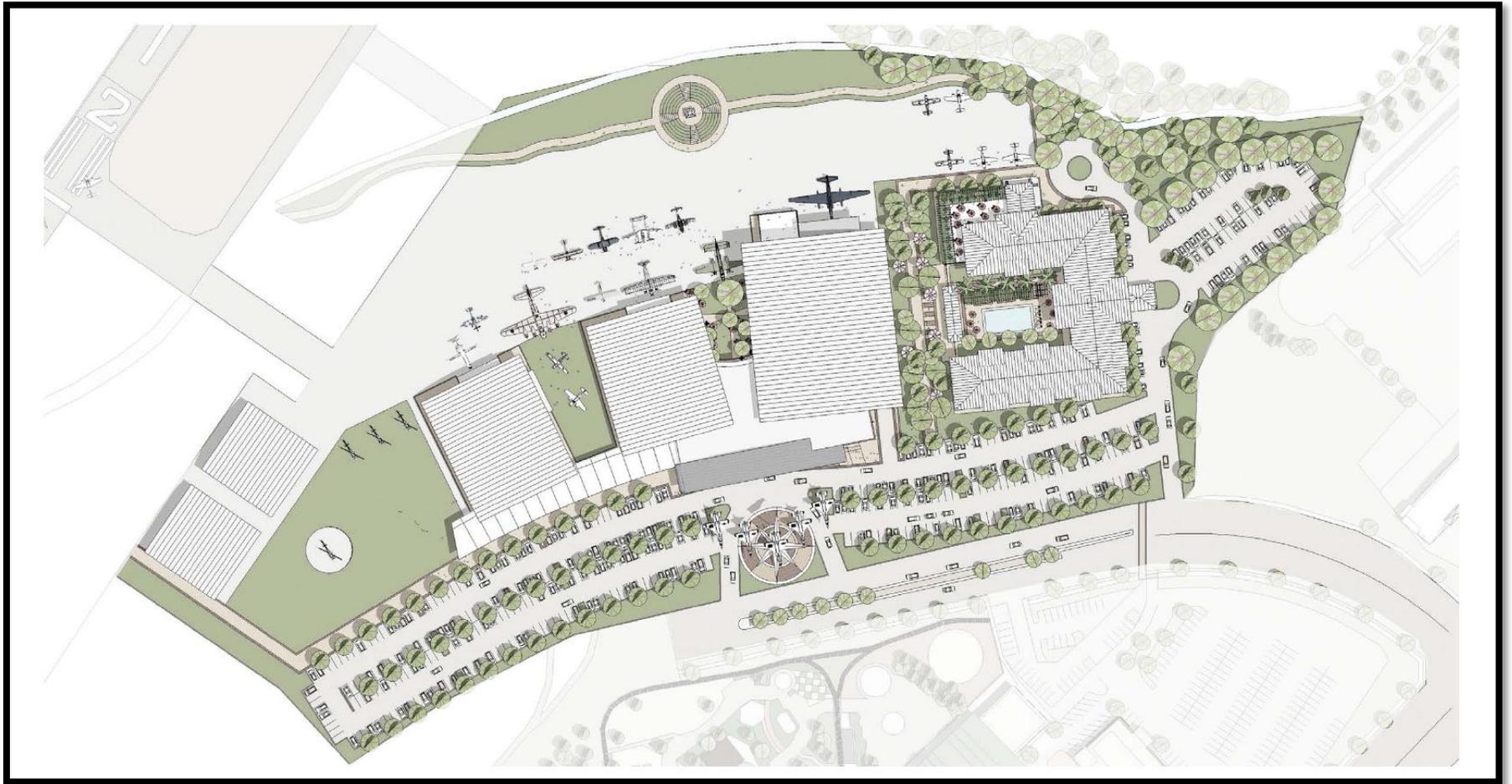


Figure 6.1 – Airport and Nut Tree Interface Area

Nut Tree Development Concepts







Airport Office Building

The current Airport Office Building is centrally located adjacent to the aircraft parking apron. The grounds surrounding the Building include landscaping, sidewalks and a public parking lot. The Building is two stories and has 8,600 square feet in floor area including eight office spaces. One space is occupied by Airport Administration and the remaining offices are occupied by tenant customers. The Building also includes a lobby, a large meeting room, a viewing deck, public restrooms and storage. Figure 6 and Table 2 above identify the Airport Office Building as Area A1. Figure 7 below is a photograph of the front of the Building. Additional Figures are also provided below showing the floor plans of the existing Airport Office Building.

As the Airport develops and activity increases the visibility and image of the Airport to the aviation and business communities should also improve. The Airport Office Building was constructed in 1995. The Building's exterior is composed of steel sheeting over standard commercial grade framing. With the exception of a roofline fascia, the Building's exterior appearance is square, featureless and includes two exposed steel stairwells at each end.

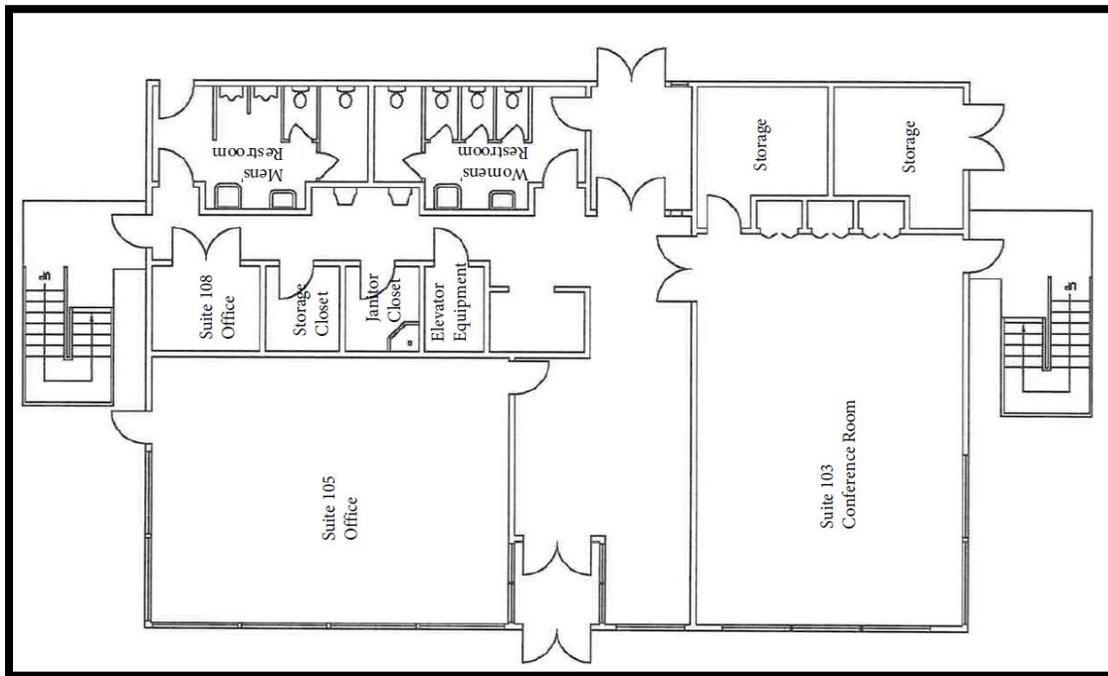
Figure 7 –Existing Airport Office Building



The Building's exterior doors can have issues during windy periods when strong airflow can cause the lobby doors to swing freely open and the second floor doors (north and south building elevations) can slam shut or jar open abruptly causing issues and moderate risks for tenant customers and the public.

The Building is largely exposed to daily outside temperatures given its steel exterior and flat terrain of the Airport. Temperatures can also vary widely at different locations within the Building. Ventilation of the building is designed on dual systems and dual thermostats for the first and second floors, creating warm and cool zones on each floor within office spaces and meeting spaces and uneven ventilation, causing conflicts between tenant customers.

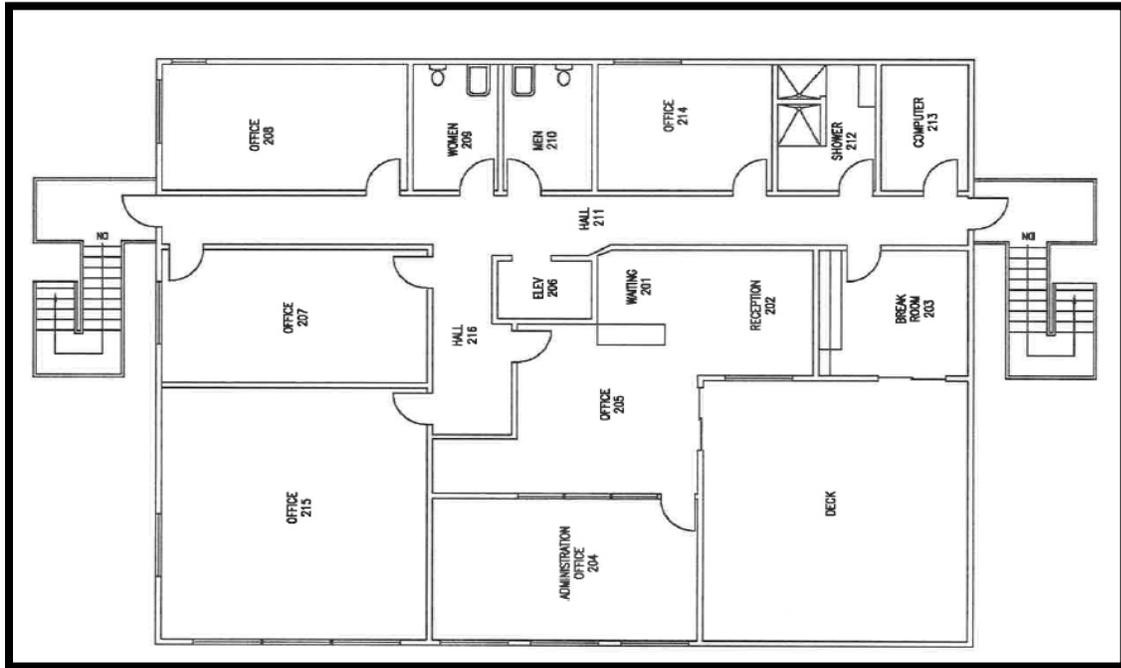
First Floor – Existing Airport Office Building



The office spaces within the Airport Building are currently at 100% occupancy and demand for additional office space at the Airport is high. Meeting space is also at a premium. Current tenants often hold small business meetings within public spaces including the lobby, the large public meeting room, the Building's break room/kitchen and on the viewing deck.

With economic development and growth of the Airport, additional office spaces and flexible business meeting spaces are expected to continue to be in strong demand. As the Airport develops and activity increases, the visibility and image of the Airport to the aviation and business communities should also improve.

Second Floor – Existing Airport Office Building



The location of the Airport Office Building is well placed for aeronautical services adjacent to airplane activity areas and direct access to the Airport apron. An upgrade-rehabilitation and expansion of the Airport Office Building may be a good approach to address current building issues and to provide additional office and meeting and other spaces. Undeveloped property is available directly adjacent to and north of the Office Building. See Area A1 in Figure 6 above.

The following pages provide illustrations on development concepts for a possible expanded Airport Office Building and Site.

Airport Office Building Concept



Airport Office Building Concept



Public financing sources can be sought for upgrade-rehab and expansion of the Airport Office Building. A Building project would not be eligible for FAA AIP grant funds; however, it may qualify for a hybrid of grant and loan funds through the Caltrans Aid to Airports Program. Additional discussion on Caltrans funding programs is provided in Chapter 8 (Airport Funding). Airport revenue from existing and future rented office spaces could be applied directly to any loan balance that would be assumed by the Airport and would offset debt service on the project. If the project is financially feasible, other Airport operating revenues could be used to close any resulting gap between office rent revenues and the cost of servicing a loan.

It is estimated that upgrade rehabilitation of the existing Building (8,600 sq. ft.) and the addition of 6,000 sq. ft. to the building would cost approximately \$3,200,000. Assuming that a Caltrans grant funds 15% of the cost, and 85% is funded through a loan from the Caltrans Local Airport Loan Program, the annual loan payment at 4% is estimated at \$123,600/year over a 20 Year term. The Airport is expected to receive \$53,600 in revenue during FY2015/16 from existing rented offices spaces located within the Airport Office Building.

Assuming the addition of 2,500 square feet in office space, and full occupancy, annual revenue is estimated to increase by the amount of \$67,500. Total annual office revenue post construction is estimated at \$121,100 (FY2015/16 values and per square foot rates).

Summary

Growth and development activity at the Airport will create greater interest in the Airport by the aviation and commercial development communities. Development and improvement of the Airport will increase Airport revenues and County property tax base from the value added to the Airport and additional aircraft being based at the Airport. Airport development will additionally provide opportunities for public and private investment generating business incomes and jobs.

Chapter Implementing Actions

Hangar Development -

1. Develop Airport Design Guidelines for Hangar Development to ensure building appearance uniformity including colors, materials and styles throughout development phases.
2. Solicit interest and proposals from Hangar Companies for Hangar Development Phase 1.
3. Negotiate and establish a long-term performance based ground lease for Hangar Development Phase 1.
4. Coordinate the design review of hangar building exteriors, materials and colors in

Chapter Implementing Actions

compliance with design policies established within Airport Design Guidelines for Hangar Development.

5. Coordinate and facilitate the City and County permitting, inspection and construction processes for Hangar Development Phase 1.
6. A variety of hangar sizes and types shall be provided for Hangar Development Phase 1 to the extent possible including small and larger T-Hangars and Box Hangars.
7. A mix of rental tenancy and ownership opportunities shall be offered to the degree possible across the hangar sizes and types within Hangar Development Phase 1 including the opportunity for: a) Hangar Development Company owned hangars, and b) individually owned hangars.
8. Complete Implementing Actions 1 -5 above for subsequent hangar development phases.
9. Integrate where possible public restroom improvements into hangar development phases.

Aeronautical Commercial Development –

1. Support and encourage additional aeronautical businesses within hangar development phases.
2. Consider alternative building occupancies within hangar development phases to accommodate aeronautical commercial uses that may require building spaces other than standard storage hangar occupancies.
3. Determine and consider options to fund a rehabilitation and upgrade of the Airport Office Building as a multi-use aviation facility.
4. Subject to funding, initiate design and construction to rehabilitate and upgrade the Airport Office Building; consideration will be given to expansion of the Building to provide additional commercial aeronautical business and other business and office spaces, flexible meeting spaces and other spaces in support of the Airport.

Off-Airport Aeronautical Development –

1. Collaborate with the City of Vacaville regarding off-Airport Aeronautical Development in the vicinity of the Airport.
2. Acquire funds and prepare and process environmental reviews and obtain permits for removal of the Pine Tree Creek Obstructions.
3. Request grant funding from the State of California, Caltrans Division of Aeronautics, for the removal of the Pine Tree Creek Obstructions.
4. Bid and procure a contract for the removal of the Pine Tree Creek Obstructions.
5. Collaborate with the City of Vacaville and property owners on the planning, design and development of an Airport / Nut Tree Center interface area located along Pine Tree Creek and explore additional means to connect the Airport to the Nut Tree Center.
6. County will consider a Through-the-Fence agreement with Nut Tree property owners for aeronautical uses and activities in compliance with FAA requirements and obligations

Chapter Implementing Actions

for access to the Airport taxiway and runway.

7. Work with property owners on the design and rehabilitation of the old connecting taxiway, subject to No. 6 above.
8. Develop in collaboration with property owners a pedestrian and electric cart connection as an attractive and user friendly pathway between the Airport and the Nut Tree area.

CH 5 – AERONAUTICAL TRAINING AND EDUCATION

This chapter presents the currently evolving landscape and future picture regarding Aeronautical Training and Education located on and adjacent to the Airport. The chapter also shows the relationship of the Airport in a support role to these activities and describes economic benefits.

Aviation Industry Forecasts

Recently, Boeing Aircraft released projections showing a significant growing demand for more pilots and aircraft-maintenance technicians worldwide over the next 20 years as the aviation industry booms across the globe. The Boeing forecast pegs worldwide demand over the next two decades at more than one-half million new commercial pilots and nearly 600,000 maintenance technicians⁵. The anticipated shortfall of U.S. airline pilots is also coming to fruition earlier and more dramatically than expected because of a mix of mass retirements, the FAA's new rest rules regulating pilot flight time and rest periods, and sharply higher training requirements for entry level Airline Transport Pilots (ATP). The pilot shortage is also not restricted to the U.S. airline industry. The U.S. Air Force projects it will have a shortage of 400 fighter pilots within the next three years.⁶

The education and training infrastructure for pilots, maintenance technicians and air traffic controllers worldwide is unable to produce a sufficient number of certified personnel to keep up with the outpacing demand.

In response to the shortage of pilots, Boeing Aircraft has developed the Pilot Development Program, a two-step training process to bring people off the street, thoroughly screen them for physical and psychological factors, and make them airline qualified, ATP certified.⁷ The Boeing program will provide full pilot training and certification from entry level student pilot through ATP. Boeing noted that the rationale behind the move is that for every 14 ATP's that it graduates, another wide bodied jet will be required by the airline and air cargo industry. Boeing is also expanding its maintenance aircraft technician training programs throughout its various campuses in the U.S.

As a local indicator of the current and future demand for ATP's, the Napa County Airport recently entered into a long-term lease agreement with the International Airline Training

⁵ The Seattle Times – Boeing Forecast Huge Need for Pilots Over Next Two Decades, July 30, 2014.

⁶ The Wall Street Journal – Airline-Pilot Shortage Arrives Ahead of Schedule, February 3, 2014

⁷ AOPA - Boeing Introduces Solution to Stem Global Pilot Shortage, August 1, 2014

Academy filling a 100,000 square foot building originally occupied by Japan Airlines located on the Napa County Airport.⁸ The Napa County Airport has been a long-time FAA tower controlled regional airport and can manage and support such a large flight training academy. The Training Academy plans to provide what is known as Bridge Training which involves the flight training necessary to become a certified ATP and which most local flight schools and smaller airports cannot provide due to the required aircraft fleet and simulator, and flight time requirements.

Aeronautical Training

The Nut Tree Airport is being positioned to play an important support and complementary role for the expansion of aeronautical training on and off the Airport for pilots, aircraft maintenance technicians and air traffic controllers, as well as other training for individuals to work in the aviation industry.

Figure 8, presented below in two illustrations, shows the location of current and potentially future flight and other aeronautical training and education operations.

Figure 8 – Wings Flight School, ICON, SCC and JDC



⁸ Napa Valley Register – County Airport Fills Vacant Japan Airlines Facility, June 25, 2014



In regards to flight training activities at the Nut Tree Airport, it is important to define the degree and extent of flight training operations that should be supported by Solano County and that are appropriate for an airport of the size of the Nut Tree Airport.

Although flight training operations at a local airport are a very important aspect of airport economic life and vitality, large conglomerate flight training academies involving hundreds of students and large fleets of aircraft can be negative and harmful to a local airport and the surrounding community and environment. Such a large operation can have an eclipse effect on the character of an airport and other airport activities. Large flight training academies create air traffic congestion and flight safety issues. Congested air space can also result in the need for air traffic control and a control tower and greater involvement of the FAA in airport operations. The development and operation of an air traffic control tower is very costly and FAA and federal funding for new control towers is not available and must be provided for by the local airport sponsor (County).

For the purpose of vital economic development, health and diversity of the Nut Tree Airport, a large flight training academy is not necessary for the Airport to support the flight training operations similar to those described below.

Wings Flight School

Wings Flight School has operated at the Nut Tree Airport since 2009, has steadily grown and currently operates eight aircraft for flight training. Wings has a staff of five certified flight instructors and was recently approved by the FAA and the Department of Homeland Security for international student flight training. Wings offers various levels of certifications including recreational and private pilot, commercial and instrument ratings, certified flight instructor and multi-engine ratings. Wings is also a certified FAA written test center. Wings desires to expand its office and ground school training space, but Airport offices spaces are at 100% occupancy and space is currently not available. For the purpose of accommodating the growing number of student pilots, Wings is often forced to utilize the Airport's public meeting room space, when available, for ground school training and testing purposes. The largest challenge facing Wings at



the current time is the recruitment and retention of Certified Flight Instructors (CFI). This is primarily due to competing flight schools, but also because many CFI's are being recruited earlier by the airline industry and then sent to Bridge ATP flight schools to complete training and flight time requirements.

As of the writing of this Business Plan, Wings is looking to add two additional aircraft to its training fleet at the Nut Tree Airport, and has an open advertisement for additional CFI's. Wings is also looking to possibly open branch flight training operations at two airports located within the north and east Bay Areas.

Another regional example of local flight training demand is from one of the longest standing and larger aero clubs and flight schools in the central valley located at the University Airport, Davis CA. Cal Aggie Flyers has a membership of over 300 pilots and provides a full range of pilot certification training. Call Aggie Flyers has 10 aircraft used for flight training and rental and currently has 6 CFI's. Cal Aggie, for the first time in several decades, has gone to a waiting list for new students. New, smaller flight schools, have also sprung up at Yolo County Airport and at Watts Woodland Airport, both located in Yolo County. According to both schools, they are busy and are looking for CFI's.

ICON Aircraft

During Spring 2014, ICON Aircraft selected the Nut Tree Airport and Vacaville for a future aircraft production facility, and flight training center and corporate headquarters. With the arrival of ICON Aircraft to the Airport, and commencement of aircraft production in Summer

2015, ICON plans to provide flight training to the buyers of its aircraft, but to also make flight training available to the general public. In support of the ICON project the County and Airport constructed a new taxiway (funded by ICON) that will connect the ICON aircraft production facility to Runway 20. Additionally, the County has completed the necessary FAA reviews and approval to allow the construction and use of an access security gate where the new taxiway connects to the ICON facility.

ICON is also proposing to develop a Water Operating Area (WOA) on the Airport west of the runway and adjacent to the ICON aircraft manufacturing and flight training facilities. The WOA will add support for flight testing and flight training operations by the aircraft producer. If the WOA is developed as a public facility it could be anticipated to be used by other flight schools for seaplane flight training purposes.

[Aeronautical Education](#)

Solano Community College

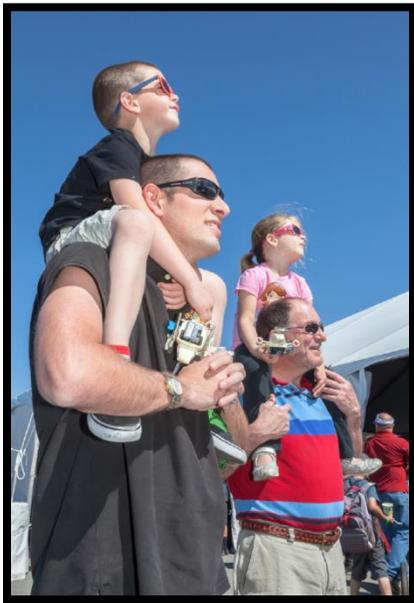
Solano Community College (SCC) currently provides aircraft mechanic certification training on the Airport within a hangar owned by SCC. With the use of Measure Q Facility Improvement funds, SCC recently purchased 5.45 Acres within the Nut Tree area east of and adjacent to the Airport for possible development of an Aeronautics Center and expansion of aeronautics curriculum. The curriculum is planned to include aircraft maintenance and repair and Air Traffic Controller (ATC) programs, as well as other aeronautical subjects and training of individuals for the aviation industry. As one comparable example, in response to the shortage of ATC's, Sacramento City College added an ATC certification program to its existing aircraft maintenance certification curriculum.

The preliminary SCC Aeronautical Center building would be approximately 40,000 square feet on two levels. The facility consists of a 14,000 square foot double height restoration hall, 8,000 square feet of classroom space, a 10,000 square foot corporate training center, and 8,000 square feet in support area.

More specifically, according to SCC, the Aeronautics Center is being planned to provide a focus on expanding SCC's aviation maintenance and operations programs and to house a portion of the airplane collection supplied by the Jimmy Doolittle Center (JDC) to be used by



students for hands-on training purposes. JDC members will also share use of the SCC facility to collaborate on aircraft repair and restoration. The equipment will be used for training purposes and will likely not be actively used or flown. The SCC Aeronautics Center will also have 4-6 classrooms, equipment storage, maintenance workshops, faculty and administrative offices, computer resource rooms, student break rooms, kitchen and lounge; and have access to an outdoor courtyard area which will be accessible to students for informal uses. The SCC Aeronautics Center will share use of the JDC facilities including: media theatre, classrooms, flight simulation equipment, living aviation exhibits, oral history center, and leadership exhibits. SCC also plans to house a corporate training center within the Aeronautics Center. The facility would be integral to the aeronautics program and include a large lecture room, 6-8 breakout meeting rooms, and informal break area.



Jimmy Doolittle Center

Recent acquisition of a large aircraft hangar facility on the Airport by the Jimmy Doolittle Museum Education Foundation / Jimmy Doolittle Center (JDC) may be another aspect of aviation education on and near the Airport. JDC plans to provide aviation education related programs to the general public as part of the museum's functions.

In the long-term, JDC hopes to develop the Jimmy Doolittle Center (JDC); a large museum and education facility in partnership with SCC. In 2014, in partnership with SCC, JDC also purchased 5.97 Acres within the Nut Tree area adjacent to the SCC property.

The JDC Center would focus on aviation education, leadership and patriotism. The JDC would be structured as a multipurpose non-profit entity that will sponsor and support a range of programs and activities that include hands-on learning programs focused on aviation technology, flight simulation, entrepreneurship and innovation, leadership and patriotism; and living exhibits on an Exploratorium-like hands-on approach. The JDC is also being planned as a multi-purpose event center – leveraging its space and exhibits for private parties, corporate training, educational day camps, lectures, and many other events.

If established, the educational link between the SCC Aeronautics Center and JDC would provide broader educational opportunities and missions. In addition to the aeronautics program, SCC would be able to collaborate with the JDC with its theatre programs, museum curator

programs, hospitality and event planning programs, and other core programs that can establish hands-on learning and training and shared activities by SCC students. The SCC-JDC partnership would provide a framework for future education and collaboration that may include leadership curriculums, entrepreneurship classes, lecture series.

Chapter 4 contains illustrations on development concepts for properties, currently held by the City of Vacaville, JDC and SCC, including hotel, convention, aeronautical and educational uses.

Summary

Given the proximity of the Airport to the Nut Tree Center, and the presence of the remaining undeveloped properties between the Center and the Airport, opportunities may exist for re-integration of the two areas through collaboration and careful design and planning between property owners, the City of Vacaville and Solano County.

The Master Plan for the Airport provides the foundation to support the aeronautical training services described above. The Master Plan also provides the base on which the Airport can play a significant role as a diverse aviation and commercial development enterprise.

Growth in the aviation industry regarding short and long-term demand for trained and qualified personnel is creating private and public business opportunities. Given the prospective increase in aeronautical training services by Wings Flight School, ICON Aircraft, and potentially by SCC, the Airport can play a support role and receive fair compensation for use of the Airport facility.

With the presence and operation of ICON Aircraft and Wings Flight School, and the possible development of the SCC Aeronautics Center and the JDC Center, visibility and popularity of the Nut Tree area and the Airport can create additional interest in the Airport which can lead to further investment and growth.



Chapter Implementing Actions

1. Explore and consider options to expand the facilities needed for growth and development of flight training businesses that are appropriately sized for the Nut Tree Airport and Vacaville area.
2. Consideration will be given to expansion of the Airport Office Building to provide additional commercial aeronautical business and other business and office spaces, flexible meeting and other spaces in support of the Airport.
3. Prepare a supplement to the airport master plan, environmental review and other necessary materials and agreements, for the ICON Aircraft project.
4. Support and facilitate the SCC and JDC development proposals through planning, environmental review and design processes.

CH 6 - ANCILLARY COMMERCIAL DEVELOPMENT

This chapter presents information regarding ancillary commercial development on portions of the Airport. Background regarding ancillary commercial uses will be provided and potential private investment approaches will be discussed. Airport revenue generation from ancillary commercial development will also be profiled.

FAA Policy

FAA policy allows a public use airport to develop airport property for ancillary commercial purposes when the property is not needed to satisfy aviation forecasted demand and aeronautical purposes. The Nut Tree Airport has sufficient existing facilities and undeveloped property to accommodate FAA forecasted aviation demand and aeronautical growth as identified in the Airport Master Plan. The Master Plan also identifies a limited amount of airport property that is not needed to accommodate forecasted aviation demand and that can be developed for ancillary commercial purposes.

Commercial Development

The Airport generates revenue from different sources. One opportunity for the Airport to increase revenue is by developing ancillary commercial areas. The County can develop ancillary commercial Airport property through private investment. Private ancillary commercial development can occur through contracts with the County in the form of long-term ground leases. Such an approach can result in project costs being borne by private development with potentially minimal up-front cost for the County and can create a short and long-term revenue stream.

Private development on Airport property can generate long-term ground lease rents and secured and unsecured property taxes for the County. A properly structured ground lease can generate an immediate positive rent revenue stream. Property taxes result from the value added by the building and site improvements and ground lease value. Additionally, a ground lease can require payment of a gross income fee or other charges as a result of utilizing Airport property for private business investment.

Figure 9, presented below in two illustrations, shows the areas of the Airport property that are designated by the Airport Master Plan for Ancillary Commercial Development.

Figure 9 – Ancillary Commercial Development Areas

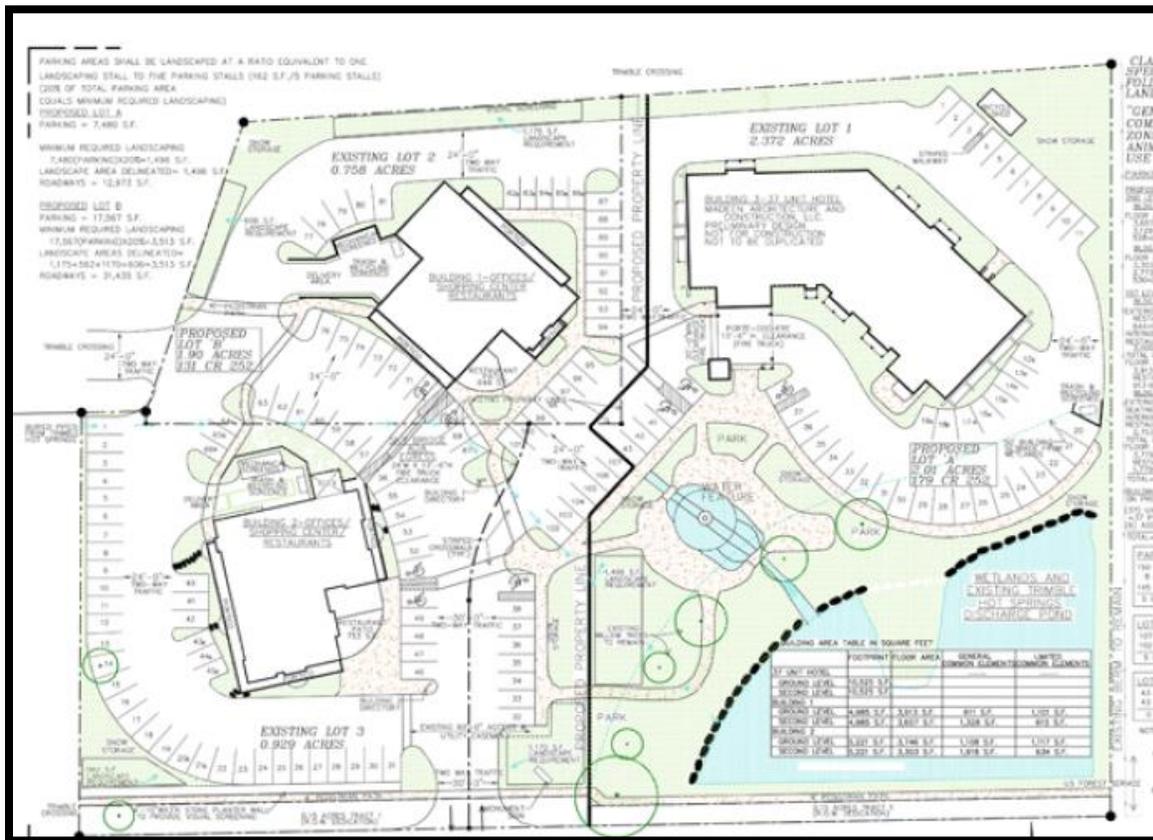


Table 3 identifies each commercial development site and includes site data and Airport revenue estimates.

Table 3 – Commercial Development Site Data

Area	Type	Estimated Year	Acreage	Total Square Feet	Estimated Annual Ground Lease Revenue*
1	Professional Office	2020/21	1.8	78,408	\$40,459
2	Commercial / Light-Industrial	2017/18	9.3	405,108	\$209,036
3	Commercial / Light-Industrial	2021/22	6.1	265,716	\$137,109
4	Commercial / Light-Industrial	2021/22	2.5	108,900	\$56,192
Total			19.7	858,132	\$442,796

*Estimated using a land value of \$3.44 / Sq. Ft. with a 15% Rate of Return based on current Airport property ground lease rates for hangar development. Estimated revenue does not include Airport gross income fees.



Ancillary Commercial Site Design Concept

The Airport Master plan gives general land use designations to each site identified above including professional office and commercial / light Industrial uses. The specific types of business development under each of the above designations are not identified with the Airport Business Plan and will be subsequently determined as driven by the demand for commercial development under a long-term commercial ground lease structure.



Professional Office Site Design Concept

Regarding Area 1 identified in the above table, The current local supply of available Professional Office (Commercial) space is ample in the Vacaville / Solano County area. The supply of available office space is expected to decrease in the next several years increasing the demand for new space. Examples of Professional Office uses normally include personal service, dental and medical service, or consulting, legal and financial services.

The existing local supply of land available for non-retail commercial or light-industrial development in the Vacaville area is on the decline and demand for property is increasing. This trend is anticipated to continue over the next few years. There are a wide range of uses and activities that can develop under these two general land use categories.

Site development would include the infrastructure and access necessary to serve on-site buildings and improvements. Further discussion on infrastructure improvements for Ancillary Commercial Development is provided in Chapter 7 below.

Summary

The Airport Master Plan identifies a limited amount of airport property that is not needed to accommodate forecasted aviation demand and that can be developed for ancillary commercial purposes. Opportunities for the Airport to increase revenue exist in the form of developing ancillary commercial areas. The County can develop commercial Airport property through private investment.

Chapter Implementing Actions

1. Develop Airport Design Guidelines for Professional Office, Commercial and Light-Industrial development to ensure building appearance uniformity, and integration into City of Vacaville street frontages and views where applicable.
2. Solicit interest and proposals from commercial development companies for Commercial Development Areas 1 - 4.
3. Negotiate and establish long-term performance based ground leases for Commercial Development Areas 1 - 4.
4. Review Commercial Development for compliance with design policies established within Airport Design Guidelines.
5. Coordinate with the City of Vacaville on the design review of building exteriors and site appearances for Areas 2 - 4.
6. Coordinate and facilitate the City and County plan review, permitting and construction processes.

CH 7 – CAPITAL IMPROVEMENTS AND INFRASTRUCTURE

The purpose of this chapter is to describe the key capital improvements and infrastructure necessary for development of the Airport. Capital improvements will occur in support of airfield and aviation growth and aeronautical and commercial development.

Airport Capital Improvement Plan (ACIP)

The Airport Master Plan identifies the aeronautical capital improvements necessary to accommodate forecasted aviation growth for the Airport by the FAA. The ACIP is used by the FAA to determine project eligibility and for the County to receive grant funding through the FAA's Airport Improvement Program (AIP) and Caltrans Aeronautics. The ACIP can also be used by the County to identify other capital projects that may not be aeronautical but are related to and necessary for aeronautical development to occur, such as utility improvements. Lastly, the ACIP can assist the County to identify capital improvements for commercial projects.

Table 4 reflects the current ACIP for the Nut Tree Airport for 2015 - 2021.

Development Site Infrastructure

Hangar site development would include the infrastructure that is necessary to serve hangar buildings. Hangar sites will include investment in access taxi lanes, foundations and steel hangar buildings. Electrical power is necessary and water supply is typically required for fire hydrant and fire suppression systems. Underground storm drainage systems are also normally needed. Depending on the availability of utilities, larger scale multi-unit hangar projects can include public restroom facilities. Private large hangars often allow for restroom improvements if sanitary sewer lines are available.

Development of aeronautical commercial sites would also include infrastructure comparable to that required for hangar development sites but would additionally include vehicle parking, landscaping and sanitary sewer services and restroom facilities.

Improvements to commercial areas would vary for each site. Generally, each site would include frontage improvements (sidewalks, landscaping) access drives, on-site parking and landscape and building improvements. Utility improvements would also normally



include electrical power, tele-com, water supply, sewer service and storm drainage systems. Privately developed sites and buildings can be owner occupied or sublet as a business investment.

Aeronautical capital projects can be eligible for AIP funding up to 90%. Certain projects are additionally eligible for 2.5% – 5% in funding by the State of California, Caltrans Aeronautics program. Under the AIP and State funding programs the County is responsible for supplying a local match for the balance of cost on a project which is normally funded from Airport operating revenues. Other non-eligible capital projects are funded or financed by the County or through private development.

In the short-term, airfield capital projects funded through the use of state or federal funds will primarily be oriented toward maintenance, rehabilitation or replacement of existing airfield facilities and infrastructure. These projects can include pavement rehabilitation, airfield lighting, and runway and taxiway safety features. Other more significant airport capital projects that may or may not be eligible for state or federal assistance may involve removal of tree obstructions and upgrade and expansion of the Airport Office Building, as well as hangar construction and commercial and utility infrastructure improvements.

Airport Utility Master Plan (UMP)

The current Airport Utility Master Plan (UMP) was prepared in 2008 in draft form and was based on a 1992 Airport Master Plan and 2007 Airport Layout Plan. A significant amount of the information and planning within the 2008 draft UMP remains valid for the Airport. The draft UMP will be updated and then completed in a final form in close coordination with the City of Vacaville during the second half of 2015 to reflect the current 2014 Airport Master Plan and this Airport Business Plan.

The UMP describes the existing airport and pertinent surrounding infrastructure, including water, sanitary sewer, and dry utilities (electrical, gas, and telecommunications). The utility study within the UMP addresses the existing facilities, service standards, and provides a description of the proposed facilities needed to serve current and future development. Update of the draft UMP will re-evaluate and identify the utility service mains and lines necessary to adequately serve the Airport's current and future aeronautical and commercial development areas.

Table 4 – Airport Capital Improvement Plan (2015-2021)

Project No.	Project	FAA Funds	Airport Fund	Airport (Financed)	Caltrans Funds	Private Funds	Total Project	FY	Detailed Description
1	East Side Tree Obstruction Removal		\$60,000				\$60,000	15/16	Environmental / Permitting
			\$70,000		\$120,000		\$190,000	16/17	Mitigation / Removal
2	Airfield Pavement Rehabilitation		\$15,000				\$15,000	15/16	Pavement Assessment
		\$458,865	\$25,493		\$25,493		\$509,850	16/17	Design/Construction
3	Phase 1 Aeronautical Development (Hangars)					\$2,645,000	\$2,645,000	16/17	Design/Construction
4	Shade Hangars (Solarized)					\$480,000	\$480,000	16/17	Design/Construction
5	Area 2 Ancillary Commercial Development					\$21,889,000	\$21,889,000	17/18	Design/Construction
6	Airfield Perimeter Fencing & Gates	\$585,000	\$32,500		\$32,500		\$650,000	17/18	Design/Construction
7	ASOS Relocation		\$75,000				\$75,000	17/18	Design/Construction
8	Rehab / expand multi-use Airport Building			\$250,000			\$250,000	17/18	Design
				\$3,200,000			\$3,200,000	18/19	Construction
9	Apron Lighting Refurbishment & New Rotating Beacon	\$153,000	\$8,500		\$8,500		\$170,000	18/19	Design/Construction
10	Phase 2 Aeronautical Development (Hangars)			\$82,900			\$82,900	18/19	Design
				\$829,000			\$82,900	19/20	Construction
11	Runway / Taxiway Lights Replacement	\$58,500	\$6,500				\$65,000	19/20	Design
		\$405,000	\$22,500		\$22,500		\$450,000	20/21	Construction
12	Area 1 Ancillary Commercial Development (Professional Office)					\$1,960,000	\$1,960,000	20/21	Design/Construction
	Total	\$1,660,365	\$315,493	\$4,361,900	\$208,993	\$26,974,000	\$32,774,650		

Water Services

Water service to the Airport is provided by the City of Vacaville via an existing 18-inch main, with reduction to 12-inch water main, located within County Airport Road. The City extended their 18-inch water main in County Airport Road to the east side of Pine Tree Creek in 2007. The County completed the 12-inch water main improvements within



County Airport Road also in 2007. An 8-inch fire hydrant line and a 4-inch domestic line were also completed concurrently by the County. Extension and looping of water service lines will be necessary to further serve Airport development areas and will be evaluated within an updated Airport UMP.

The airport currently consumes approximately 825,000 gallons of water annually for domestic purposes. For the purpose of landscape irrigation the Airport used an average of 2,450,000 gallons during each of FY2013/14 and FY2014/15. The Airport is in the process of implementing water conservation methods for landscape irrigation including 1) limits on watering frequency and duration in compliance with new County and State water conservation requirements, 2) the installation of reduced flow irrigation sprinkler heads where necessary, and 3) the use of alternative fertilizers to maximize plant drought tolerances and reduce water needs.

Sanitary Sewer

A single 8-inch sanitary sewer line connects the Airport to the City's disposal system and currently serves the Airport from the southeast side near the Nut Tree Center area. To ascertain the amount of the capacity of the 8-inch line that is currently utilized by the Airport, the County and City plan to jointly monitor the sewer flow from the Airport through a sewer line flow meter installed by the City with shared funding for the metering equipment between the City and Airport.

The Airport is allocated 20,000 gallons per day for disposal into the City of Vacaville sanitary sewer system as identified in the Northeast Sewer Master Plan. Since the adoption of the Northeast Sewer Master Plan by the City of Vacaville, 39 Acres of non-airport property were purchased by the County and added to the Airport. The City of Vacaville confirmed that the subject additional properties include a sewer allocation within the Northeast Sewer Master Plan in the amount of 78,000 gallons per day. As a result, the Airport has a total allocation of sewer flow disposal of 98,000 gallon per day. It is estimated that the Airport is currently

producing 3,500 gallons of sewer flow per day; however, this figure will be updated as data is obtained from the above noted City-County sewer flow meter.

Storm Drainage

Storm water generated from the Airport's improved hangar and apron areas drains primarily into either Horse Creek or Pine Tree Creek and is conveyed to each creek by swales and underground storm drain lines. Surface drainage also occurs from the runway and taxiways into storm drainage swales and drain lines. Storm drainage capacity for the Airport has not been identified as a constraint for the development identified in Airport Master Plan and evaluated in the related Environmental Impact Report (EIR).

The Airport is under a Statewide Storm Water Permit issued to the Airport California Storm Water Monitoring Group (ACMG). The Airport's storm water quality control and monitoring program is managed by the Airport under the Nut Tree Airport Storm Water Pollution Prevention Plan (Airport SWPPP – Water Discharge I.D. #5A48S000962). The ACMG assists the Airport with compliance to storm water quality, monitoring and reporting requirements.

Electrical Power

PG&E currently supplies electrical power to the Airport for airfield lighting, and hangar and office building areas. PG&E has the capacity to provide additional power as required. There is also a power pole line along East Monte Vista Avenue which has primary power to serve future Airport development areas. PG&E typically does not require a user to relocate facilities underground so long as the system is performing to standards.

Gas Supply

The airport is presently being served by propane gas from two re-chargeable tanks. PG&E has a gas main in East Monte Vista Avenue. Extension of the gas main into the Airport along County Airport Road is likely unnecessary for hangar development, but may be warranted for other commercial development located on East Monte Vista Avenue and Piper Drive. Financing mechanisms could be explored to allow a gas main extension along County Airport Road to provide natural gas service to the central area of the Airport.

Telecommunications

Underground telephone service to the existing airport is located within County Airport Road, adjacent to the existing PG&E electrical services. Telephone service is currently provided to Airport Office Building, County Hangar A, the JDC Hangar and the Solano Community College

building. Other telecom services are available for future development phase from East Monte Vista Avenue.

Access to Airport

Current street access to the Airport is from East Monte Vista Avenue via County Airport Road. Pedestrian access is also available from Nut Tree Road, across Pine Tree Creek, located behind the Nut Tree Center.

The development phases and areas presented in this Business Plan are described in Chapter 5 above. Current street access to the Airport is sufficient to allow improvement to Aeronautical Development Phases 1 -4 and A - C, as well as Commercial Development Area 1.

Horse Creek currently separates Aeronautical Development Phases 5 and 6, and Commercial Development Area 2, from the balance of the improved Airport apron and hangar areas.

Bridging Horse Creek would be costly, including the cost of environmental mitigation and bridge design and construction, and is unnecessary to gain access to those areas. The Airport Master Plan identified a preliminary street and taxiway layout. Figure 10 illustrates possible taxiway and road locations.



Phases 5 and 6 should be accessible by aircraft via the Airport's apron and primary taxiway. Area 2 fronts on East Monte Vista Avenue. Construction of an additional point of access to East Monte Vista concurrent with the development of Area 2 can provide vehicle access to the Area and subsequently to Aeronautical Development Phases 5 and 6. Vehicle access into hangar areas normally occurs by tenants through vehicle security gates. It is expected that the initial improvement of access, and including infrastructure and utilities, would be through private development funding for Area 2, and could subsequently be extended as needed into Phases 5 and 6. Depending on the approach taken by the County to develop Phases 5 and 6, funding of site improvements may be privately or publically funded.

New driveway access points will also be necessary for Commercial Development Areas 3 and 4 from East Monte Vista Avenue and Piper Drive (newly re-named Innovator Way). See Figure 9 above for the location of Areas 3 and 4.

Figure 10 – Access to Phases 5 and 6 and Area 2



Summary

The Airport Master Plan identifies the aeronautical capital improvements necessary to accommodate forecasted aviation growth for the Airport and used by the FAA to determine project eligibility and for the County to receive grant funding through the FAA’s Airport Improvement Program (AIP) and Caltrans Aeronautics.

The Airport Utility Master Plan (UMP) describes the existing airport and pertinent surrounding infrastructure, including water, sanitary sewer, and dry utilities (electrical, gas, and telecommunications). Update and completion of the draft Airport UMP is necessary and will

occur during FY2015/16. The Airport UMP will evaluate and identify the utility service mains and lines necessary to adequately serve the Airport's current and future aeronautical and commercial development areas.

Chapter Implementing Actions

1. Annually update the ACIP in coordination with the FAA and Caltrans Aeronautics to identify project priorities and funding eligibility.
2. Obtain federal and state grant funds and other funding as necessary for the design and construction of Airport capital improvements.
3. Identify alternative means and sources of funding for development of infrastructure and utilities.
4. Update and complete the Airport Utility Master Plan for Airport growth and development in coordination with the City of Vacaville.
5. Coordinate with private development for the inclusion of infrastructure and utilities with private aeronautical and ancillary commercial development projects.
6. Coordinate and facilitate the City and County plan review, permitting and construction processes for utility extensions, connections and improvements.

CH 8 – AIRPORT FUNDING

This chapter presents background on the Airport Enterprise Fund and information on the Airport's financial structure and operating resources. A summary of the Airport's financial condition is covered including current revenue and expenses. Airport funding sources and trends are presented and a financial outlook is provided with future Airport development and growth. The Airport's total current economic value and contribution is also highlighted.

Background and Funding Structure

The Nut Tree Airport is operated as an Enterprise Fund with a separate accounting and financial reporting mechanism for which fees are charged in exchange for goods and services and the use of facilities. Financial transactions are reported using standards similar to private business sector accounting including the generation of independent annual financial statements. To receive federal funding assistance for capital projects, the FAA requires that the Airport be operated and developed as a financially self-sustaining public use aviation facility. For an airport, this is normally achieved through use of airport services by the public, development and growth, and airport rates, fees and charges. The FAA requires that all revenues generated by the Nut Tree Airport only be used for airport operating expenses and investment in capital projects and other Airport improvements.

The Airport receives revenue for operation from three primary sources including rental property and leases, and fuel sales and property taxes. The Airport additionally receives financial support from the FAA and the State of California for Airport capital improvements.

Airport Financial Condition

As an Enterprise Fund the Airport's financial condition is expressed in the form of a Financial Statement prepared annually by the Solano County Auditor-Controller. The Financial Statement is comparable in form to financial statements prepared on private businesses. The most current available Financial Statement for the Airport is for Fiscal Year 2013/2014 and can be found in Appendix A of this Business Plan. At the end of FY2013/14, Total Airport Assets were \$15,873,984 and Total Liabilities were \$3,063,119 resulting in a Net Position⁹ of \$12,810,865.

In 2010, the County funded the purchase of property through a loan to the Airport; however, a 14 Acre portion was not used for Airport purposes. The portion of property was sold in 2014 and upon final payment and all interest being received by the County in 2017, the Airport's

⁹ County of Solano Comprehensive Annual Financial Report – Fiscal Year Ended June 30, 2014

total Liabilities noted above will be reduced by \$1,890,000. The resulting 2010 loan balance owed by the Airport will be \$689,178.

Current Total Expenses and Revenues

As reflected in the FY2013/14 Financial Statement (Appendix A) Airport revenue exceeded expenses (not including depreciation). Total Revenue was \$2,157,355 and Total Expenses were \$1,792,031 a difference of \$365,324. Table 5 below provides a summary of total Airport expenses and revenues as reflected the FY2013/14 Financial Statement.

Table 5 – Summary of Total Expenses and Revenues - FY2013/14

Item	Amount
Total Revenues	
Charges for Sales and Services	\$1,406,208
Intergovernmental	77,445
Property Taxes	313,311
Other Revenue	372,901
Total	\$2,169,865
Total Expenses	
Personnel Services	\$362,710
Maintenance	33,826
Materials and Supplies	796,904
Insurance	55,169
Rent, Utilities and Others	556,561
Interest Expense	12,510
Total	\$1,817,680*

*Not including depreciation in the amount of \$453,280

Table 5.1 below shows a preliminary un-audited summary of total expenses and revenues for FY2014/15.

**Table 6.1 – Summary of Total Expenses and Revenues - FY2014/15
(Preliminary Un-Audited)**

Item	Amount
Total Revenues	
Charges for Sales and Services	\$1,274,192
Intergovernmental	903,651
Investment Earnings	69,531
Property Taxes	350,112
Other Revenue	428,352
Total	\$3,025,838
Total Expenses	
Personnel Services	\$368,880
Maintenance	24,311
Materials and Supplies	774,044
Insurance	39,150
Rent, Utilities and Others	1,466,511
Total	\$2,672,896*

*Not including depreciation in the amount of \$451,955

The Solano County trial balance for FY2014/15 on the Airport Fund (dated August 2015) shows that the Airport has \$1,279,016 in Cash in the Treasury and an Available Fund Balance of \$226,495.

Airport revenue began to trend upward during FY2012-13 primarily as a result of the County re-assumed operation of the Airport’s retail fuel concession and the rental of several previously vacant County owned building spaces that since were rented. Current Airport costs in the areas of County administration overhead and liability insurance have also decreased since FY2012/13.

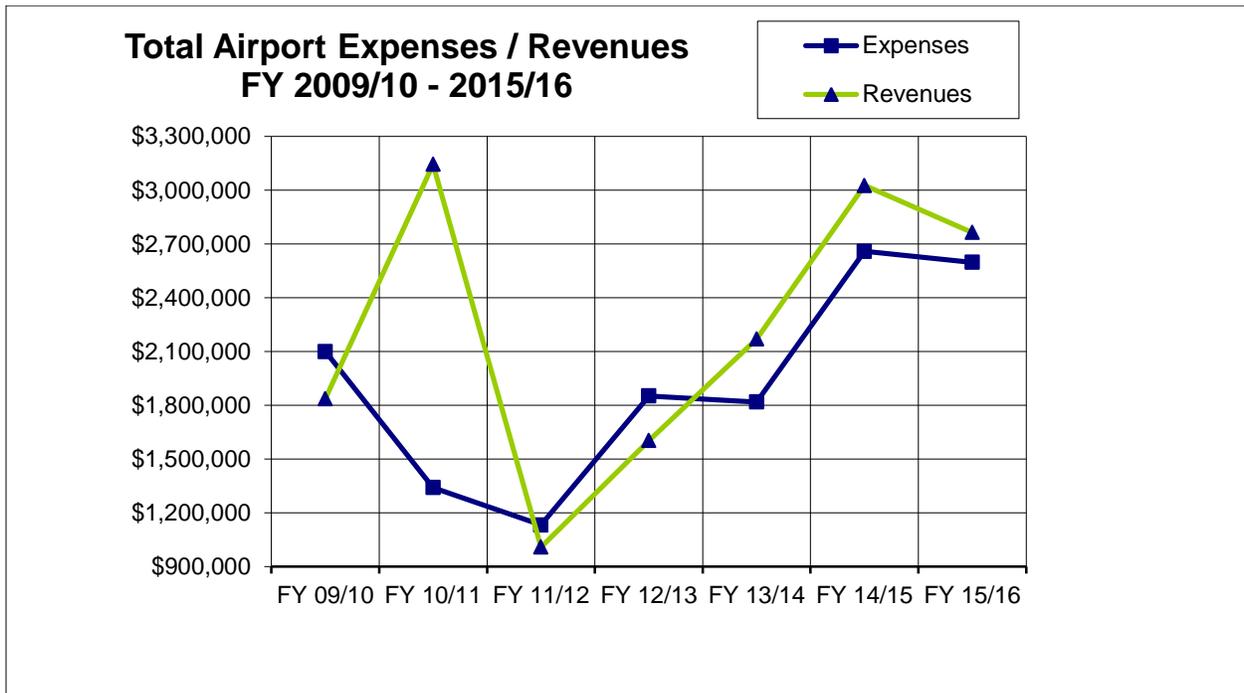
Table 6 below and the accompanying chart reflect Airport expense and revenue trends for the period FY2009/10 – FY2015/16.

Table 7 – Total Airport Expenses and Revenue FY2009/10 – FY2015/16

Item	FY2009/10	FY2010/11	FY2011/12	FY2012/13	FY2013/14	FY2014/15	FY2015/16**
Expenses*	2,099,317	1,340,135	1,131,751	1,851,644	1,817,680	2,658,773	2,597,718
Revenues	1,836,547	3,144,115	1,008,168	1,603,342	2,169,865	3,025,841	2,764,059
Operating Gain/(Loss)	(262,770)	1,803,980	(123,583)	(248,302)	352,185	367,068	166,341

*Expenses excluding depreciation.

** Based on FY2015/15 Budget



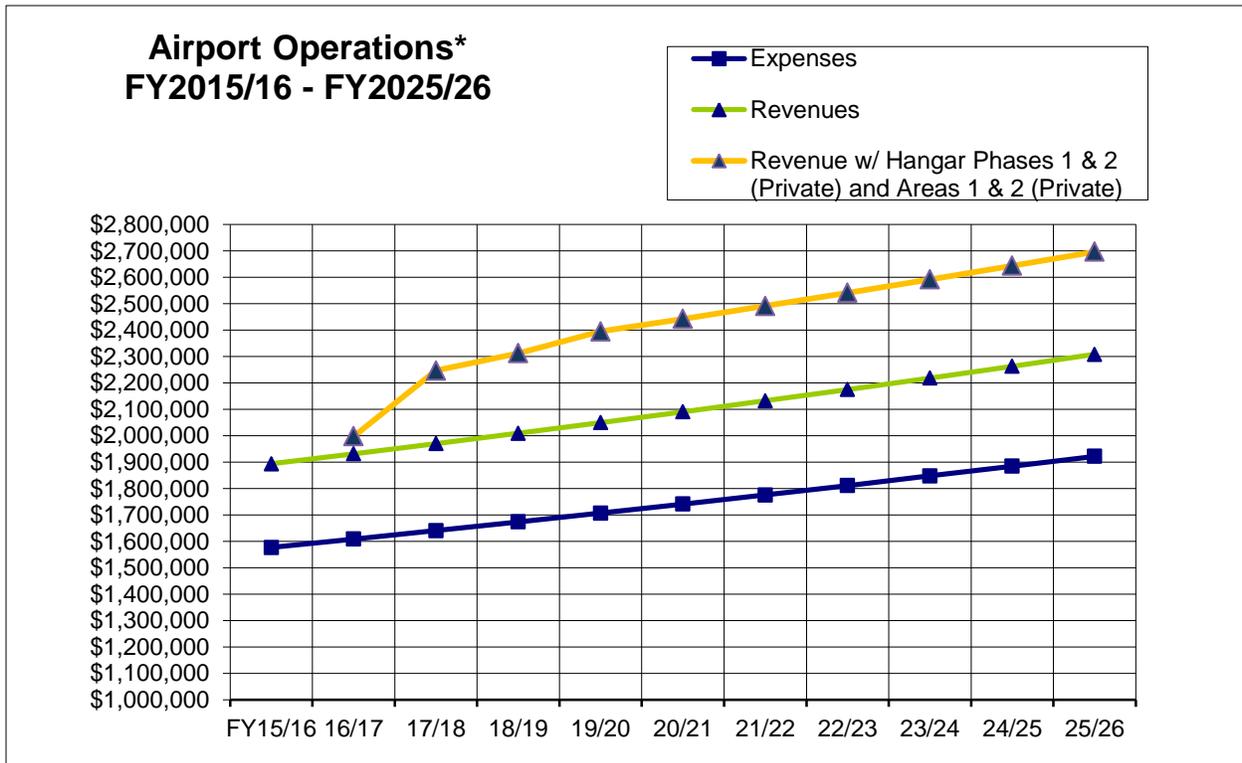
For forecasting purposes, the chart below depicts the estimated Airport operating expenses and revenue for a 10 Year period through FY2025/26. Estimated revenue is also presented with Hangar Phases 1 and 2 as privately developed projects and Commercial Development Areas 1 and 2 also privately developed.

Operating Revenue Sources

As described previously, the Airport receives operating revenue from three primary sources including fuel sales, rental property and leases, and property taxes.

Fuel Sales

The Airport sells two types of aviation fuel including 100LL (AvGas) and Jet Fuel. The volume of each type of fuel sold has changed since 2006. The County re-assumed ownership and operation of Airport Fuel Services in 2012.



* Assumptions – Excluding Airport Capital Projects. Expenses excluding depreciation. Airport operating expenses are increased at a constant annual rate of 2% and no additional full-time Airport positions are required. Airport operating revenue without hangar or ancillary commercial development increase at a constant annual rate of 2%. Revenue from development of Hangar Phases 1 & 2, and Ancillary Commercial Development Areas 1 & 2, based on site development data provided in Chapter 4, Tables 2 & 3, and on a constant annual ground lease rate increase of 2%.

The volume of Avgas and Jet Fuel sold were comparable in 2006 followed by a period of increased Jet Fuel sales through 2009. The increase was attributable to Jet Fuel customers based at the Airport. Jet Fuel sales began to decline in 2009 due to the economic downturn and decreasing activity by Jet Fuel customers. Jet Fuel volumes have continued to decline through 2014 driven by changes in the number of Jet Fuel customers based at the Airport. Early indications in 2015 are that the volume of Jet Fuel sold at the Airport has leveled off and Business Jet traffic activity is slowly increasing along with a slight but slow increase in Jet Fuel sales.

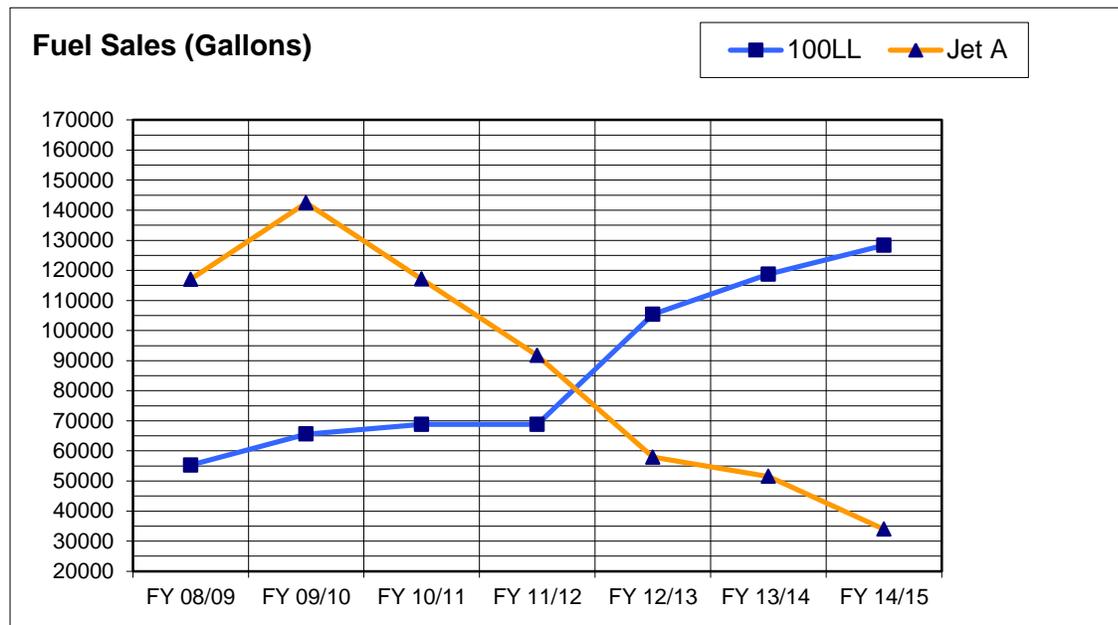
The volume of AvGas gallons sold remained relatively flat between 2006 and 2012. As a result of improved customer services and marketing, and competitive fuel pricing, the volume of AvGas sold by the County sharply increased between FY2011/12 and FY2014/15 by 73%. AvGas

sales are anticipated to remain strong with a possible, moderate continued increase in the short-term. In the long-term, as the Airport develops and grows AvGas sales can be expected to increase as additional aircraft are based at the Airport.

Table 7 below and the related chart includes the number of gallons in aviation fuel sold from FY2008/09 through FY2014/15.

Table 8 – Fuel Gallons Sold By Fuel Type

Fuel Type	FY2008/09	FY2009/10	FY2010/11	FY2011/12	FY2012/13	FY2013/14	FY2014/15
100LL	55,253	65,579	68,795	68,792	105,398	118,728	128,324
Jet A	117,012	142,479	117,091	91,696	57,918	51,488	33,969
Total Gallons	172,265	208,058	185,886	160,488	163,316	170,216	162,293



As described above the other two central sources of revenue for the Airport are rents and property taxes. These two sources have incrementally increased over time.

Rents, Leases and Property Taxes

Revenue from Airport rental property and leases has steadily increased in the last several years with a jump in rent revenue between FY2012/13 and FY2013/14 due to a diminishing vacancy rate. The Airport is currently at 100% occupancy and indications are that the demand for rental spaces and development sites is increasing. Irrespective of additional building spaces or development, revenue from rents and lease can be expected to incrementally increase in the

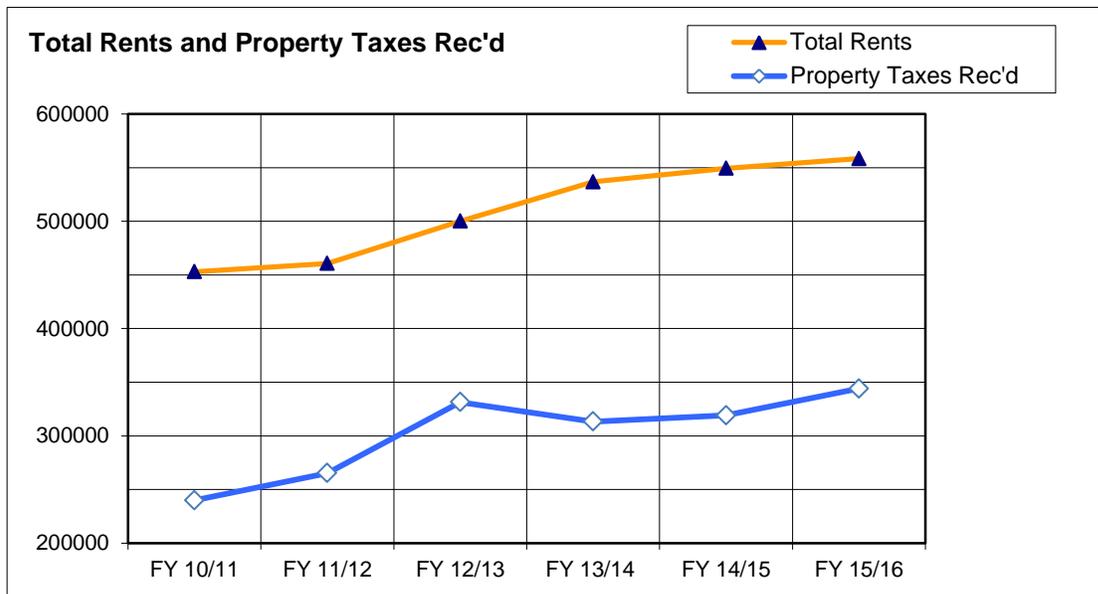
future, assuming occupancy rates remain high, as a result of automatic and normal County rental rate adjustments.

The Airport receives a percentage of the general property tax apportionment the County receives. The amount of property tax revenue received by the Airport fluctuates slightly year-to-year and can swing depending on the property values in Solano County.

Table 8 and the chart below reflect Airport revenues received from rents and leases and from property taxes from FY2010/11 through.

Table 9 - Revenues from Rents and Property Taxes Received

Item	FY1010/11	FY2011/12	FY2012/13	FY2013/14	FY2014/15	FY2015/16*
Total Rents	\$448,991	\$454,210	\$488,483	\$520,271	\$537,853	\$542,528
Property Taxes Received	\$239,913	\$265,191	\$331,418	\$313,311	\$319,100	\$343,917
*Forecasted						



Airport Economic Value and Contribution

A General Aviation airport contributes to a local and regional economy. A combination of economic factors can create a total value brought by an airport. As profiled in Chapter 3 a number of businesses and services operate at the Nut Tree Airport. The entities profiled generate income, expend funds for services and supplies, and include jobs that create personal incomes used to purchase additional goods and services. Various property and other taxes also

result from Airport operations including hangar and aircraft property taxes and federal and state fuel excise and sale taxes. Table 9 provides several estimated economic values that were generated by the Airport during 2014.

Table 10 – Estimated Airport 2014 Economic Value

Item	Value
Hangar & Aircraft Taxes	\$178,724
State & Fed Fuel Taxes	\$73,546
Value All Jobs¹⁰	\$1,298,376
Airport Operations	\$1,270,117 ¹¹
Gross Value of Services¹²	\$4,039,869
Total Estimated 2014 Economic Value	\$6,860,632

The values estimated above can be expected to improve in the future as the Airport further develops including hangar and commercial building improvements; and attraction of additional aircraft and businesses that will generate Airport revenue and business incomes and provide employment opportunities.

Sources of Capital Funding

Funding sources for Airport capital improvements depend upon many factors including FAA Airport Improvement Program (AIP) grants, State of California Aeronautics funding sources, debt capacity of Solano County - Airport, the availability of other public financing sources, and capital funding for private business development purposes.

Federal Airport Improvement Program (AIP) Grants

The FAA is expected to provide grants on a 90%/10% basis to airports similar to the Nut Tree Airport for public-use capital improvement projects. On an entitlement grant basis, under new funding guidelines, the Airport should receive \$150,000 annually in AIP non-discretionary entitlement funds from 2015-2019 . If not utilized in any given year by an airport, non-

¹⁰ 32 persons are currently employed at the Airport. Value of All Jobs estimated at 75% of Median Income per job (Solano County). Source: www.bayareacensus.ca.gov/counties/SolanoCounty.

¹¹ Figure reflects total expenses by Airport Operations on goods and services not including salaries. (projected May 1, 2015 for FY2014/15)

¹² Estimated combined gross incomes by on-Airport businesses. Includes total revenues generated by Airport Operations. (projected May 1, 2015 for FY2014/15)



discretionary funds roll forward to the following year and can accumulate for three years (\$450,000) and be used with the fourth year's non-discretionary funds (total of \$600,000). The FAA also has available discretionary funds through the AIP. Discretionary grants are over and above entitlement funding, and are provided to airports for projects that have a high federal priority for enhancing safety, security, and capacity of the Airport, and would

be difficult to fund otherwise. The dollar amounts of individual grants vary and can be significant in comparison to entitlement funding. Discretionary grants are awarded at the FAA's sole prerogative. Discretionary grant applications are evaluated based on need, the FAA's project priority ranking system, and the FAA's assessment of a project's significance within the national airport and airway system. A recent example of the use of discretionary funds was the completion of a Runway Threshold Shift Project (safety enhancement project) completed by Solano County and funded 90% through AIP funds. The project cost approximately \$1.6 Million to design and construct.

Caltrans - Division of Aeronautics

The following discussion regarding Caltrans funding is appropriate to describe as it can be a favorable factor in long-term capital planning; however, Caltrans funding is more supportive in nature, rather than sustaining as is the case with FAA funding.

The Division of Aeronautics administers four state aid programs for airports: 1) Annual Grants, 2) AIP Matching, 3) Acquisition and Development (A&D) Grants, and 4) Loans to Airport Program. The sole funding source for the above grants is the excise tax revenue on aviation fuel.

Caltrans Annual Grants –

The annual state grants are in the amount of \$10,000 annually to eligible airports, normally smaller, for airport and aviation purposes at the County's discretion. The Annual Grant can be used toward capital projects or maintenance of airfield facilities, for example. The Annual Grant can also be applied toward the County's local match on projects that are funded by FAA AIP grants. To receive the Annual Grant the airport cannot be an FAA designated Reliever or Commercial Service Airport. Nut Tree Airport is expected to remain eligible to receive the Annual Grant.

Caltrans AIP Matching Grants –

These are state grants to eligible airports for capital projects funded by the FAA AIP program. The Caltrans AIP Matching Grant is normally 5%, or half, of the County's local match, and can assist in meeting the local match requirement. Generally, state matching is limited to projects that primarily benefit general aviation and matching grants are limited to non-commercial service airports. The eligibility of capital projects for Caltrans AIP Matching funding are determined on a two year cycle subject to allocation by the California Transportation Commission (CTC). The capital projects identified in the ACIP for the Nut Tree Airport were approved for eligibility by the State during the most recent 2-year cycle in early 2015.

Caltrans Acquisition and Development (A&D) Grants –

In general, the sponsor must meet the same eligibility requirements for the Annual Grant. An A&D grant cannot be used as local match for an FAA grant. The minimum amount of an A&D grant is \$20,000. The maximum amount that can be allocated to an airport in a single fiscal year is \$500,000. The amount available for A&D grants is what remains in the State Aeronautics Account after funding Annual Grants and AIP Matching Grants. The local match can vary from 10% to 50% of the project's cost. An Annual Grant may not be used for the local match to an A&D grant. A recent example on the use of an A&D Grant by Solano County is for the removal of the West Side Tree Obstructions in 2013.



Caltrans Local Airport Loan Program –

The Local Airport Loan Program account is a revolving fund that was established with seed money from the State Aeronautics Account. As principal and interest payments are returned to the Loan Account, additional loans can be provided to other airports. Loans are available for revenue generation projects such as hangars and fueling facilities. Loans can also be made for a number of other airport development projects or to assist an airport with a significant local match requirement on a large AIP project. No limit on the size of a loan has been established. The Aeronautics Division determines the amount for each individual loan in accordance with the feasibility of the project and the sponsor's financial status.

Airport Revenues and Financing –

Nut Tree Airport revenues can be utilized for capital projects although 100% funding by the Airport is normally limited to smaller improvements that are not eligible for federal or state assistance. On larger capital projects, funded by FAA or State Grants, a 5% – 10% local match is required. Provided that sufficient operating revenues are being generated, the Airport can supply the required local matching funds. A recent example includes the 2014 Runway Threshold Shift project where Airport operating revenues in the amount of \$163,000 were used for the FAA grant and 10% local match on project design and construction. An ongoing challenge for the Airport will be to sustain and improve operating revenues to provide required local matching funds on larger capital projects.

In addition to the Caltrans Airport Loan Program highlighted above, other public financing sources are available to Solano County for larger Airport capital projects that are not eligible for federal or state grant funding and that the Airport may not be able to front the funds necessary.

Private Development Funding –

Capital improvements on the Airport through investment by private development interests. Projects of this kind typically include hangars, interior taxi-lanes that serve hangars, commercial aeronautical facilities, exclusive aircraft parking aprons, and non-aeronautical facilities including office, commercial, and industrial developments. Private development needs to extend water, sewer, storm drainage systems and utilities for the purpose of serving specific project sites. For such private development projects an airport would not normally participate as the site improvements would not otherwise be necessary. There may be instances where site improvements are not exclusively serving or benefitting a private project, and would also benefit and enable common public use warranting a contribution of Airport funds if in compliance with the County's federal and state grant obligations.

Summary

The state of the Airport Enterprise Fund is currently strong. At the end of FY2013/14, Total Airport Assets were \$15,873,984 and Total Liabilities were \$3,063,119 resulting in a Net Position¹³ of \$12,810,865. Airport operating expenses and revenues are currently stable. Airport operating revenue have increased since FY2012/13 and are outpacing operating expenses primarily due to 100% occupancy of County owned properties, County operation of

¹³ County of Solano Comprehensive Annual Financial Report – Fiscal Year Ended June 30, 2014

Airport Fuel Services, and decreases in costs to the Airport for County administrative overhead and insurance. Airport operating expenses are expected to moderately increase over time and additional full-time staff at the Airport are not anticipated. Through the development of Airport property and revenue generating projects, operating revenue should remain ahead of expenses into the future.

Various funding sources for capital improvements and development are available to the Airport through the FAA and Caltrans Aeronautics Program. A financial challenge for the Airport into the future will be to generate sufficient operating revenue to provide required local matching funds toward federal and state funded capital projects.

Chapter Implementing Actions

1. Controlling Airport operating costs.
2. Improve existing sources of Airport operating revenue.
3. Develop new sources of Airport operating revenue from, but not limited to, airport property development.
4. Obtain federal and state grant funds and other funding as necessary for the design and construction of capital improvements, infrastructure and utilities.
5. Plan for local Airport matching contributions toward federal and state eligible and funded capital projects.
6. Attract revenue producing aeronautical and ancillary commercial development.

CH 9 – AIRPORT MARKETING

The Nut Tree Airport has a growing positive image and reputation in the local and broader aviation community and aeronautical development area. The purpose of this Chapter is to describe the desired image for the Airport and to identify the possible marketing methods that could be utilized to further promote a positive image and to increase interest in the Airport for economic development.

Airport Image

There are a wide variety of Airport customers including, but not limited to, local and visiting pilots, hangar owners and tenants, airport business operators, aviation business and development interests, and non-profit groups and interests. Two common opinions about the Airport shared between these customers are that: “good things are happening at the Airport”; and “the Airport has a business friendly environment”.

As a result of changes at the Airport and accomplishments by the County, the above opinions and images has developed through direct experience by persons and businesses and by word of mouth.

A positive image and reputation of the Airport can continue to be improved. The Airport’s Mission Statement defined in Chapter 1 (Airport Mission and Vision) provides the approach that should be taken.



Airport Mission Statement

To provide excellent services to all Airport customers for the advancement of aviation.

Airport Vision Statement

To promote and develop the Airport as a regional economic asset by supporting complementary commercial and aeronautical enterprise and maximizing economic development opportunities.

The strongest approach to further building up the positive image and reputation of the Airport is through the delivery of a high level of service to all Airport customers and to promote the many services and activities available to people located on the Airport and within the Nut Tree

Center – such as the many restaurants and other shopping opportunities directly adjacent to the Airport. The result will increase the attractiveness of the Airport and improve interest in the Airport as a place to visit, a place to do business, and a place to invest.

Marketing Opportunities

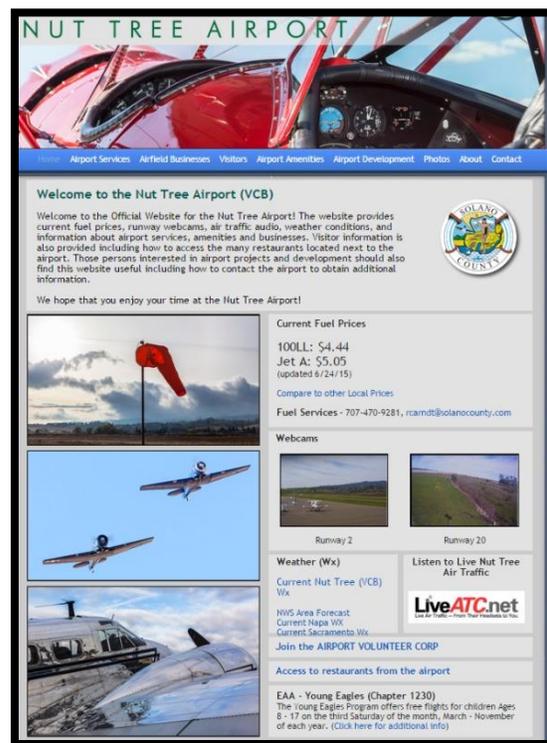
In addition to further developing the image and reputation of the Airport, through the delivery of a high level of service, other approaches to marketing and promotion can be taken. The image of the Nut Tree Airport as discussed above is not limited to the services provided by the Airport, but also the businesses that operate at the Airport and provide a variety of services to customers. Attraction of additional commercial business operators can lead to additional Airport customers and greater visibility of the Airport. Chapter 3 (The Airport Business) describes the services currently provided by the Airport and by on-airport business operators.

Marketing Sources

Numerous methods are available to market and promote information about the Airport to pilots and aviation interests. Many airplane and aeronautical sites and publications are available online and/or in print form. The following list identifies several websites and publications available for Airport promotion.

Online Sources –

- AirNav (www.airnav.com)
- AOPA (Airplane Operators and Pilots Association, www.aopa.org)
- Controller Magazine (www.controller.com)
- Airport Business Magazine (www.airport-business.com)
- Aviation Pros (www.aviationpros.com)
- Southwest American Assoc. of Airport Executives (www.swaaae.org)
- Cal Pilots Association (www.calpilots.org)
- FAA Airport/Facility Directory (www.faa.gov)
- 100LL (www.100ll.com)
- Flight Aware (www.flightaware.com)
- Flight Plan (www.fltplan.com)



- Trade-A-Plane (www.trade-a-plane.com)

Several of the websites above provide standing information about the Nut Tree Airport and the on-airfield services available. Depending on the purpose and extent of a special promotion and marketing effort one or more of the above sites can be employed. For example, the aviation fuel pricing sites listed above are used by the Airport during fuel price specials. Many pilots locally and within the Bay Area and Central Valley regions use the fuel pricing sites for trip planning and fuel purchases given the high price of aviation fuel.

Airport Development

With any product the first step is to bring the product to the attention of potential customers. As an implementing action of this Business Plan, direct and distributed information to potential development interests regarding availability of Airport should cover the following general categories.

- Hangar and Aeronautical Development Companies
- Commercial Aeronautical Service Providers
- Ancillary Commercial / Light-Industrial Brokers and Interests

As an initial solicitation, information regarding Airport property features and highlights can be assembled for each of the above categories in a presentation-promotional format and distributed requesting letters of interest.

Airport Website

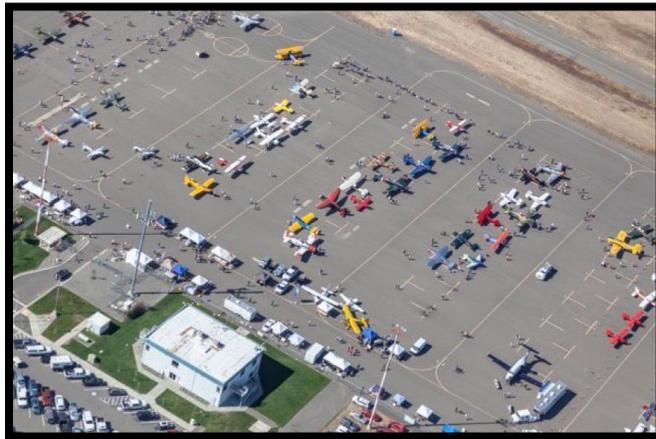
Presentation of an airport website on the World Wide Web should be accomplished in a uniform fashion reflecting a complete picture of an airport, the services provided, and the development opportunities available. An airport website should present the image of an airport as a business operation and enterprise.

The Airport website, www.TheNutTreeAirport.com, presents a complete picture of the Airport as a business entity targeted to its customers. The Airport website provides a number of features including current fuel prices, runway webcams, air traffic audio, current and forecasted weather conditions; and information about airport services, amenities and businesses. Visitor information is also provided including how to access the many restaurants located next to the airport. Those persons interested in airport projects and development can also find the website useful including how to contact the airport to obtain additional information. The primary pages of the Airport website include –

- Entrance Page
- Home
- Airport Services
- Airport Businesses
- Visitors
- Airport Amenities
- Photographs
- Contact

For development information, the Airport website currently contains the Airport Master Plan, the Airport Capital Improvement Plan and other diagrams. Additional development information can be included on the website as it becomes available. This Business Plan will also be uploaded so it can be accessed by development interests and others online. The major search engines

give priority listing to the Nut Tree Airport website.



[Airshows and Airport Events](#)

Airshows and other similar events can be great promotional avenues to open the airport to the local community and region and give visibility to the Airport, local pilots and airplanes, civic groups and services, and on-airport businesses. Airshow and other airport events can attract members from local communities

in Solano County and the larger North Bay and Central Valley Regions. A properly promoted Airport event can also draw in aviation enthusiasts and give great exposure of the Airport to persons in the aviation industry.

Between 2010 and 2014 the Jimmy Doolittle Museum sponsored a local fly-in event called Mustang Days. The event was largely a success as reflected by good attendance and participation by a wide variety of vintage and contemporary aircraft. Future Airshows or other similar events such as Air-Meets or Fly-Ins will be held at the Airport but will have a new local organizational structure and airport promotional purpose different from the past Mustang Days. The next Airport event is tentatively planned for 2016. The Airport will be assuming a leadership role in future events with support of involved and experienced volunteers and aviators.

Summary

The Nut Tree Airport has a positive image and reputation in the local community, the broader aviation community and in the aeronautical development areas. There are a wide variety of Airport customers including, but not limited to, local and visiting pilots, hangar owners and tenants, airport business operators, aviation business and development interests, and non-profit groups and interests. The strongest approach to further building up the positive image and reputation of the Airport is through the delivery of a high level of service to all Airport customers. The result will increase the attractiveness of the Airport and interest in the Airport as a place to visit, a place to conduct business, and a place to invest.

Chapter Implementing Actions

1. Provide the highest level of service to all Airport customers.
2. Advertise and promote the Airport through the use of airport and aviation websites and publications.
3. Organize and plan, with the assistance of volunteers, airshow or other similar community airport events as an Airport promotional and visibility tool.
4. Solicit interest by aircraft hangar companies in Hangar Development Phase 1 and subsequent phases.
5. Work with County Real Estate officials and commercial real estate brokers to attract development of Commercial Development Areas 1 – 4.
6. Collaborate with local outside marketing organizations such a Solano County Economic Development Corporation, Visit Vacaville and Vacaville Chamber of Commerce to increase the visibility and attractiveness of the Airport.

CH 10 – IMPLEMENTATION PLAN (UPDATED OCTOBER 24, 2017)

Actions for the Airport Business Plan (ABP) are identified at the end of each Chapter. Chapter 10 comprises the Implementation Plan and identifies Implementing Actions (IA) from each chapter. The Implementing Actions are presented below in order as they appear in the Business Plan chapters. The Airport Mission and Vision Statements, and the Goals of the ABP are also provided below.

The Implementation Plan provided below includes estimated completion timelines and the current status on each IA.

Airport Mission Statement

To provide excellent services to all Airport customers for the advancement of aviation.

Airport Vision Statement

To promote and develop the Airport as a regional economic asset by supporting complementary commercial and aeronautical enterprise and maximizing economic development opportunities.

BUSINESS PLAN GOALS

Striving for Business Plan Goals is Continuous

1. Further enhance the Airport as a regional economic development asset and create a Nut Tree Airport iconic image.
2. Continually improve the attractiveness of the Airport as an iconic destination.
3. Re-integrate the Airport and Nut Tree commercial area through collaboration, careful design and planning with property owners and the City of Vacaville.
4. Deliver a high level of service to all Airport customers.
5. Advance aeronautical and commercial business opportunities for Airport economic development.
6. Attract aeronautical and ancillary commercial investment and businesses enhancing the overall airport experience.
7. Further enhance the Airport as a regional economic development asset.
8. Build-out unimproved Airport property for public, private and commercial investment and revenue generating purposes.
9. Develop the Airport with the highest and best aeronautical and commercial uses.

Striving for Business Plan Goals is Continuous

- 10. Implement Airport capital projects and infrastructure through local, state, federal and private funding sources.
- 11. Create the Airport as - A Place to Visit, A Place to Do Business, A Place to Invest.

IMPLEMENTING ACTIONS (IA)

<u>Chapter 4 – Aeronautical Development</u>	<u>Completion Date - Timeline</u>	<u>Status</u>
Hangar Development -		
10. Develop Airport Design Guidelines for Hangar Development to ensure building appearance uniformity including colors, materials and styles throughout development phases.	May 2018	In progress
11. Solicit interest and proposals from Hangar Companies for Hangar Development Phases.	Ongoing	County is actively marketing airport property; the County has received limited interest in private hangar development
12. Negotiate and establish a long-term performance based ground lease for Hangar Development Phases.	As development proceeds	County is preparing to develop new County rental hangars during FY2018/19. Future hangar develop will progress as the market conditions dictate.
13. Coordinate the design review of hangar building exteriors, materials and colors in compliance with design policies established within Airport Design Guidelines for Hangar Development.	As development proceeds	County will implement uniform hangar building appearances
14. Coordinate and facilitate the City and County permitting, inspection and construction processes for Hangar	As development proceeds	Preliminary discussions, being held on County hangar project, and will be held

Chapter 4 – Aeronautical Development	Completion Date - Timeline	Status
Development Phases.		on future projects when proposed
15. A variety of hangar sizes and types shall be provided for Hangar Development Phase 1 to the extent possible including small and larger T-Hangars and Box Hangars.	As development proceeds	Concurrent with project review
16. A mix of rental tenancy and ownership opportunities shall be offered to the degree possible across the hangar sizes and types within Hangar Development Phases including the opportunity for: a) Hangar Development Company owned hangars, and b) individually owned hangars.	Concurrent with Hangar Development - IA 3 and 6 above	Concurrent with project review
17. Complete Implementing Actions 1 -5 above for subsequent hangar development phases.	As development is proposed	Concurrent with Phase 1 project review
18. Integrate where possible public restroom improvements into hangar development phases.	Concurrent with Hangar Development	Concurrent with project review. County hangar project within Phase 2 to include public restroom
Aeronautical Commercial Development –		
5. Support and encourage additional aeronautical businesses within hangar development phases.	Ongoing	The County is actively marketing airport property; the County has received interest in hangar development
6. Consider alternative building occupancies within hangar development phases to accommodate aeronautical commercial uses that may require building spaces other than standard storage hangar occupancies.	Concurrent with Hangar Development - IA 3, 6 and 8 above	Upon consideration of development
7. Determine and consider options to fund a rehabilitation and upgrade of the Airport Office Building and office space within	November 2017	Design of office remodels to commence November 2017 with repurposed funds

Chapter 4 – Aeronautical Development	Completion Date - Timeline	Status
Hangar A.		from payment of property sale note receivable
8. Subject to funding, initiate design and construction to rehabilitate and upgrade the Airport Office Building; consideration will be given to expansion of the Building to provide additional commercial aeronautical business and other business and office spaces, flexible meeting spaces and other spaces in support of the Airport.	2018 - 2019	Subject to Aeronautical Development IA 3 above
Off-Airport Aeronautical Development –		
9. Collaborate with the City of Vacaville regarding off-Airport Aeronautical Development in the vicinity of the Airport.	Ongoing	Upon inquiry by aeronautical development interests
10. Acquire funds and prepare and process environmental reviews and obtain permits for removal of the Pine Tree Creek (East Grove) Obstructions.	September 2016	Complete
11. Request grant funding from the State of California, Caltrans Division of Aeronautics, for the removal of the Pine Tree Creek (East Grove) Obstructions.	May 2016	Complete. State grant funds were unavailable for project.
12. Bid and procure a contract for the removal of the Pine Tree Creek (East Grove) Obstructions.	September 2016	Complete
13. Collaborate with the City of Vacaville and property owners on the planning, design and development of an Airport / Nut Tree Center interface area located along Pine Tree Creek and explore additional means to connect the Airport to the Nut Tree Center.	Ongoing - as development proceeds	In preliminary discussion

<u>Chapter 4 – Aeronautical Development</u>	<u>Completion Date - Timeline</u>	<u>Status</u>
14. County will consider a Through-the-Fence agreement with Nut Tree property owners for aeronautical uses and activities in compliance with FAA requirements and obligations for access to the Airport taxiway and runway.	As development proceeds	In preliminary discussion
15. Work with property owners on the design and rehabilitation of the old connecting taxiway, subject to No. 6 above.	As development proceeds	In preliminary discussion
16. Develop in collaboration with property owners a pedestrian and electric cart connection as an attractive and user friendly pathway between the Airport and the Nut Tree area.	June 2018	Existing path available and used by pedestrians, pending further improvement. Courtesy golf cart acquired by airport for public use.

<u>Chapter 5 – Aeronautical Training and Education</u>	<u>Completion Date - Timeline</u>	<u>Status</u>
1. Explore and consider options to expand the facilities needed for growth and development of flight training businesses that are appropriately sized for the Nut Tree Airport and Vacaville area.	September 2017 – Ongoing thereafter	Working with existing flight school on options to expand office facilities within Hangar A
2. Consideration will be given to expansion of the Airport Office Building to provide additional commercial aeronautical business and other business and office spaces, flexible meeting and other spaces in support of the Airport.	See Aeronautical Commercial Development IA 3 and 4	Unused office space within Hangar A providing opportunity to remodel and expand rentable office space. Remodel of Hangar A office space to be included with remodel of Airport Administration Building – Design to commence November 2017, with construction following in FY2018/19

<u>Chapter 5 – Aeronautical Training and Education</u>	<u>Completion Date - Timeline</u>	<u>Status</u>
3. Prepare a supplement to the airport master plan, environmental review and other necessary materials and agreements, for the ICON Aircraft water landing area project.	-	Project placed on-hold by Icon Aircraft
4. Support and facilitate SCC and JDC development proposals through planning, environmental review and design processes.	TBD	Projects postponed by SCC and JDC

<u>Chapter 6 – Ancillary Commercial Development</u>	<u>Completion Date - Timeline</u>	<u>Status</u>
1. Develop Airport Design Guidelines for Professional Office, Commercial and Light-Industrial development to ensure building appearance uniformity, and integration into City of Vacaville street frontages and views where applicable.	May 2017	Drafting of guidelines in progress.
2. Solicit interest and proposals from commercial development companies for Commercial Development Areas 1 - 4.	July 2016	Since July 2016, the County has actively marketing airport property through MLS, LoopNet and Economic Development networks, and including Moving Solano Forward
3. Negotiate and establish long-term performance based ground leases for Commercial Development Areas 1 - 4.	As development proceeds	Pending development interest
4. Review Commercial Development for compliance with design policies established within Airport Design Guidelines.	As development proceeds	Concurrent with project review
5. Coordinate with the City of Vacaville on the design review of building exteriors and site appearances for Areas 2 - 4.	As development proceeds	Concurrent with project review
6. Coordinate and facilitate the City and County plan review,	As development	Concurrent with project review

<u>Chapter 6 – Ancillary Commercial Development</u>	<u>Completion Date - Timeline</u>	<u>Status</u>
permitting and construction processes.	proceeds	

<u>Chapter 7 – Capital Improvements and Infrastructure</u>	<u>Completion Date - Timeline</u>	<u>Status</u>
1. Annually update the ACIP in coordination with the FAA and Caltrans Aeronautics to identify project priorities and funding eligibility.	Annually – October	2018 - 2023 ACIP under FAA review
2. Obtain federal and state grant funds and other funding as necessary for the design and construction of Airport capital improvements.	Annually - January	Concurrent with project preliminary scoping
3. Identify alternative means and sources of funding for development of infrastructure and utilities.	Ongoing	Concurrent with project preliminary scoping
4. Update and complete the Airport Utility Master Plan (UMP) for Airport growth and development in coordination with the City of Vacaville.	April 2018	Draft UMP under review. Coordinating with City of Vacaville Utilities and Public Works as utility service providers
5. Coordinate with private development for the inclusion of infrastructure and utilities with private aeronautical and ancillary commercial development projects.	As development proceeds	Concurrent with project review
6. Coordinate and facilitate the City and County plan review, permitting and construction processes for utility extensions, connections and improvements.	As development proceeds	Concurrent with project review

<u>Chapter 8 – Airport Funding</u>	<u>Completion Date - Timeline</u>	<u>Status</u>
1. Controlling Airport operating costs.	Ongoing	Annually
2. Improve existing sources of Airport operating revenue.	Ongoing	Annually
3. Develop new sources of Airport operating revenue from, but not limited to, airport property development.	Ongoing	See Aeronautical Development (Hangar Development) IA 2 and 3; and Aeronautical Training and Education IA 1. County rental hangar project represents economic development and long-term revenue generation for the Airport Fund
4. Obtain federal and state grant funds and other funding as necessary for the design and construction of capital improvements, infrastructure and utilities.	Annually	FAA grants obtained in 2014 – 2016 for \$1.93 Mil. FAA grant for \$380,000 requested for Airport Perimeter Fencing and Gate Rehabilitation Project in 2018
5. Plan for local Airport matching contributions toward federal and state eligible and funded capital projects.	Concurrent with 5-year ACIP	Concurrent with project preliminary scoping
6. Attract revenue producing aeronautical and ancillary commercial development.	Ongoing	County is actively marketing airport property through MLS, LoopNet and Economic Development networks, including Moving Solano Forward

<u>Chapter 9 – Airport Marketing</u>	<u>Completion Date - Timeline</u>	<u>Status</u>
1. Provide the highest level of service to all Airport customers.	Continuous	Meeting or Exceeding Expectations
2. Advertise and promote the Airport through the use of airport and aviation websites and publications.	Complete – Ongoing	General airport marketing through use of aviation websites identified in ABP Marketing Chapter. County is actively marketing airport development through MLS, LoopNet and Economic Development networks
3. Organize and plan, with the assistance of volunteers, airshow or other similar community airport events as an Airport promotional and visibility tool.	Annually	Nut Tree Air Fair held October 2016 and planned for 2018
4. Solicit interest by aircraft hangar companies in Hangar Development Phase 1 and subsequent phases.	Ongoing	County is actively marketing airport development through MLS, LoopNet and Economic Development networks
5. Work with County Real Estate officials and commercial real estate brokers to attract development of Commercial Development Areas 1 – 4.	Annually - Ongoing	County is actively marketing airport development through MLS, LoopNet and Economic Development networks
6. Collaborate with local outside marketing organizations such a Solano County Economic Development Corporation, Visit Vacaville and Vacaville Chamber of Commerce to increase the visibility and attractiveness of the Airport.	Annually	Networked with Solano EDC complete. Networking with other organizations pending

APPENDIX A – FY2013/2014 AIRPORT FINANCIAL STATEMENT

COUNTY OF SOLANO, CALIFORNIA
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Nut Tree Airport	
ASSETS		
Current assets		
Cash and investments	\$ 788,168	\$ 26,627,420
Accounts receivable	98,789	421,890
Due from other agencies	-	43,882
Due from other funds	417	119,653
Other assets	42,322	505,832
Total current assets	<u>929,696</u>	<u>27,718,677</u>
Noncurrent assets		
Capital assets:		
Land	10,319,365	-
Buildings	10,795,227	298,031
Machinery and equipment	151,950	21,724,954
Intangibles	-	5,882,504
Less: accumulated depreciation	(6,322,254)	(20,083,206)
Total capital assets	<u>14,944,288</u>	<u>7,822,283</u>
Total assets	<u>15,873,984</u>	<u>35,540,960</u>
LIABILITIES		
Current liabilities		
Outstanding warrants	42,924	217,265
Payables	128,021	2,570,107
Due to other funds	1,051	424,358
Other liabilities	25,490	-
Due to other agencies	-	1,555
Current portion of long-term obligations	14,929	4,953,229
Total current liabilities	<u>212,415</u>	<u>8,166,514</u>
Noncurrent liabilities		
Advances from other funds	2,831,186	-
Noncurrent portion of long-term obligations	19,518	9,428,531
Total noncurrent liabilities	<u>2,850,704</u>	<u>9,428,531</u>
Total liabilities	<u>3,063,119</u>	<u>17,595,045</u>
NET POSITION		
Investment in capital assets	14,944,288	7,822,283
Unrestricted	(2,133,423)	10,123,632
Total net position	<u>\$ 12,810,865</u>	<u>\$ 17,945,915</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF SOLANO, CALIFORNIA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Nut Tree Airport	
OPERATING REVENUES		
Charges for sales and services	\$ 1,406,208	\$ 35,145,586
OPERATING EXPENSES		
Personnel services	349,571	7,054,818
Maintenance	33,826	1,469,249
Materials and supplies	796,904	2,177,116
Depreciation	453,280	3,850,849
Insurance	55,169	11,355,938
Rent, utilities and others	556,561	11,391,996
Total operating expenses	<u>2,245,311</u>	<u>37,299,966</u>
Operating loss	<u>(839,103)</u>	<u>(2,154,380)</u>
NONOPERATING REVENUES (EXPENSES)		
Intergovernmental	77,445	-
Investment earnings	(12,510)	128,058
Property taxes	313,311	-
Other revenue	372,901	869,685
Gain on disposal of capital assets	-	93,655
Total nonoperating revenues, net	<u>751,147</u>	<u>1,091,398</u>
Loss before transfers	<u>(87,956)</u>	<u>(1,062,982)</u>
Transfers out	<u>(13,139)</u>	<u>(633,558)</u>
Changes in net position	<u>(101,095)</u>	<u>(1,696,540)</u>
Total net position - beginning	<u>12,911,960</u>	<u>19,642,455</u>
Total net position - ending	<u>\$ 12,810,865</u>	<u>\$ 17,945,915</u>

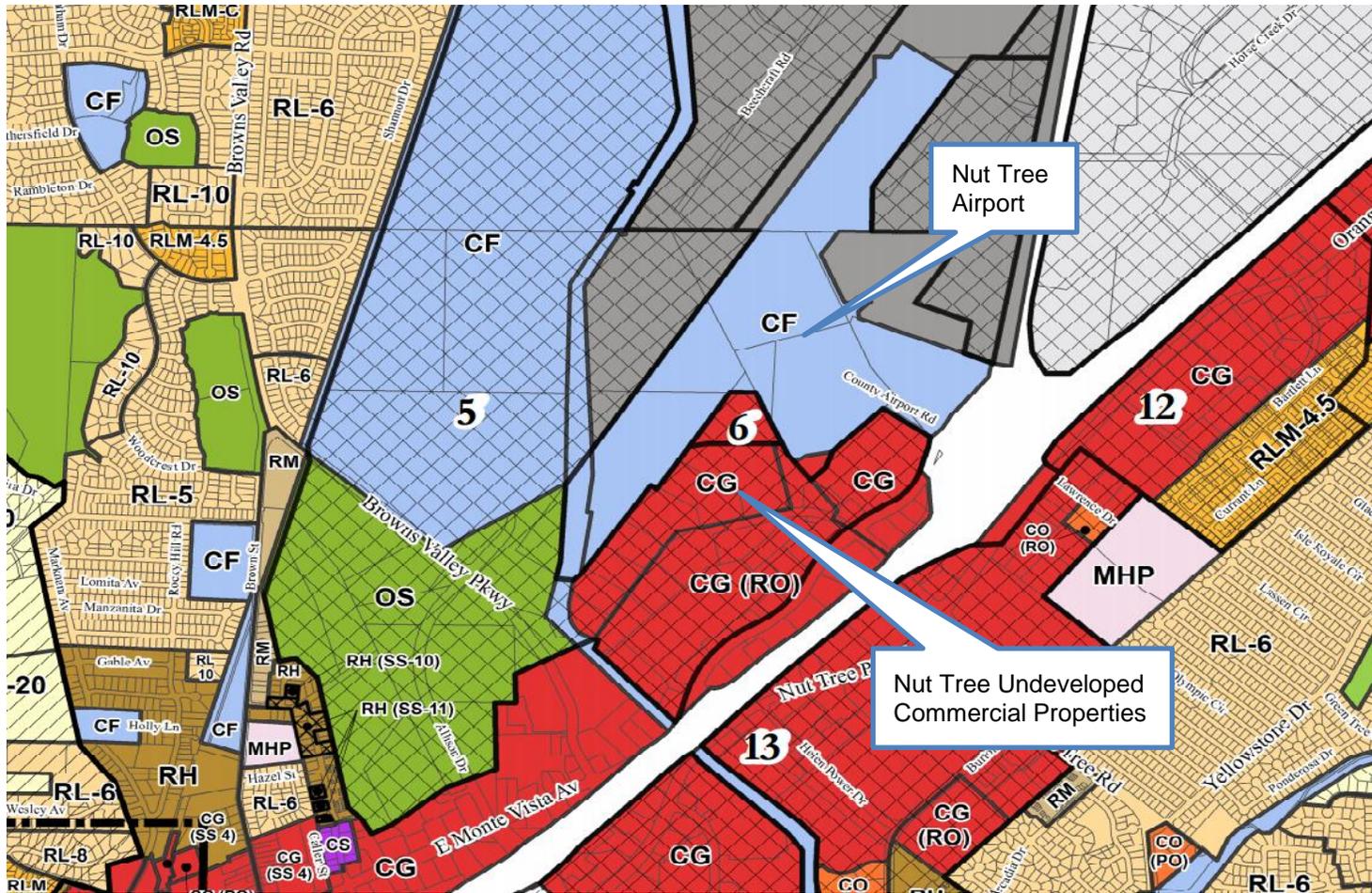
The notes to the financial statements are an integral part of this statement.

COUNTY OF SOLANO, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
	Nut Tree Airport	
Cash flows from operating activities:		
Receipts from customers and users	\$ 1,742,327	\$ 35,888,100
Payments to suppliers	(1,343,330)	(25,672,749)
Payments to employees	(336,321)	(7,118,428)
Net cash provided by operating activities	<u>62,676</u>	<u>3,096,923</u>
Cash flows from noncapital financing activities:		
Transfers out	(13,139)	(283,558)
Property taxes	313,311	-
Subsidy from federal grant	77,445	-
Net cash provided (used) by noncapital financing activities	<u>377,617</u>	<u>(283,558)</u>
Cash flows from capital and related financing activities:		
Interest paid	(15,543)	-
Debt principal paid	-	(7,933)
Acquisition of capital assets	-	(2,660,441)
Transfers out	-	(350,000)
Proceeds from sale of capital assets	-	118,450
Net cash used by capital and related financing activities	<u>(15,543)</u>	<u>(2,899,924)</u>
Cash flows from investing activities:		
Investment income received	3,033	128,058
Net increase in cash and cash equivalents	427,783	41,499
Cash and cash equivalents - beginning	360,385	26,585,921
Cash and cash equivalents - ending	<u>\$ 788,168</u>	<u>\$ 26,627,420</u>
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (839,103)	\$ (2,154,380)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	453,280	3,850,849
Other nonoperating revenue	372,901	869,685
Changes in assets and liabilities:		
Increase in receivables, net	(36,365)	(99,762)
Increase in due from other funds	(417)	(26,508)
Decrease in due from other agencies	-	20,794
(Increase) decrease in other assets	16,021	(29,225)
Increase (decrease) in outstanding warrants	(5,015)	118,967
Increase (decrease) in payables	89,248	(158,225)
Increase (decrease) in due to other funds	(2,009)	299,757
Increase in due to other agencies	-	1,555
Decrease in unearned revenue	-	(340,578)
Increase (decrease) in accrued compensated absences	14,303	(40,140)
Increase in other liabilities	885	-
Decrease in other postemployment benefits	(1,053)	(22,866)
Increase in self-insurance liability	-	807,000
Total adjustments	<u>901,779</u>	<u>5,251,303</u>
Net cash provided by operating activities	<u>\$ 62,676</u>	<u>\$ 3,096,923</u>
Noncash investing, capital and financing activities:		
Change in fair value of investments	\$ 1,139	\$ 101,047

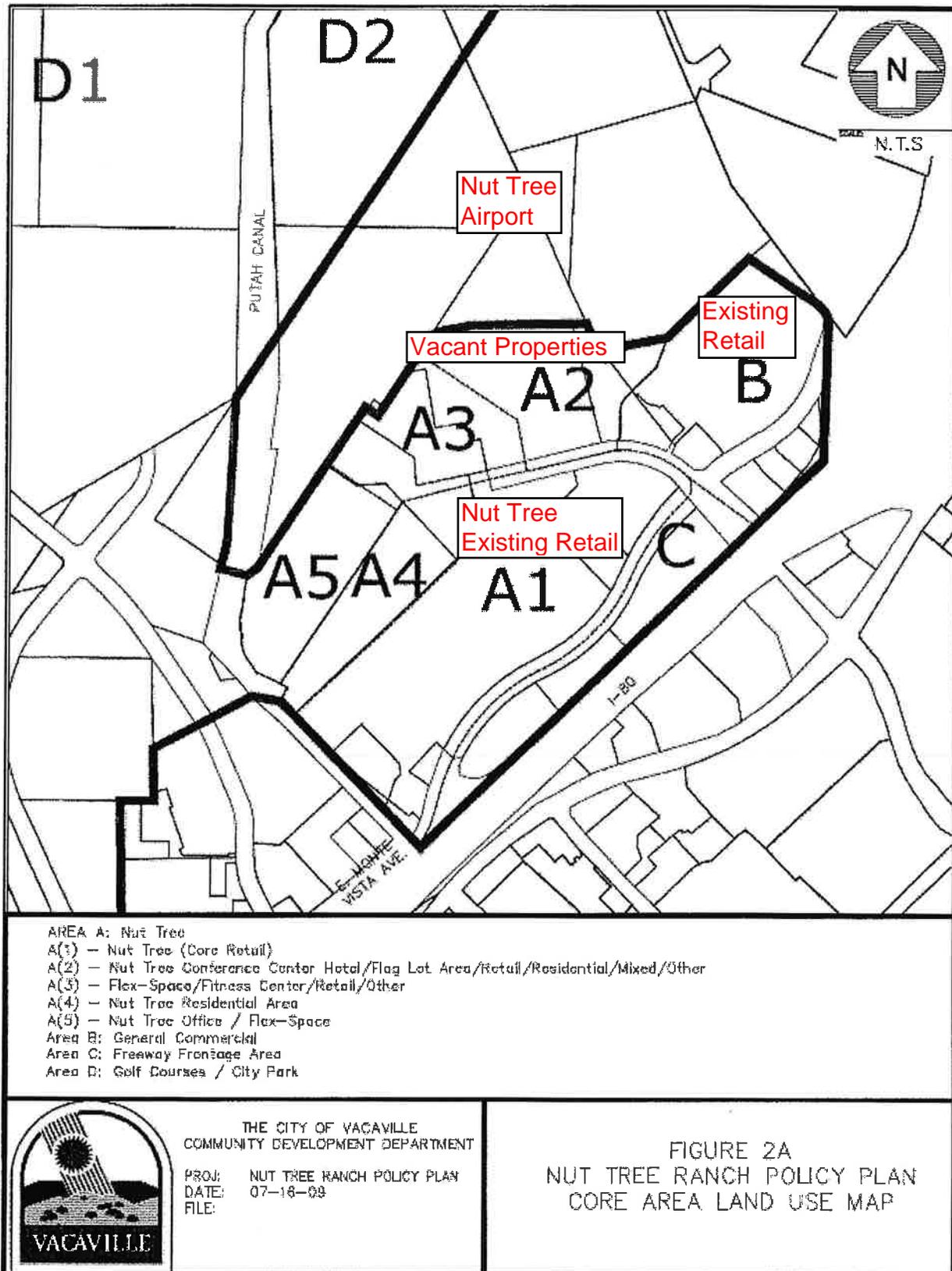
The notes to the financial statements are an integral part of this statement.

APPENDIX B – NUT TREE RANCH POLICY PLAN (EXCERPT)



Residential	Commercial	Agriculture Districts	Industrial & Business
Residential Rural	Downtown Commercial	Agriculture	Business Park
Residential Estates	General Commercial	Agricultural Hillside	Industrial Park
Residential Low Density	Neighborhood Commercial	Community Facilities & Open Space	
Residential Low/Medium Density	Office Commercial	Community Facilities	Other
Residential Medium Density	Recreation Commercial	Open Space	City Limits
Residential High Density	Service Commercial		Urban Growth Boundary
Manufactured Housing Park			Sphere of Influence

FIGURE 2 CORE AREA LAND USE MAP



- Public attraction areas that incorporate the Nut Tree train, ice cream stand, a carousel and other similar features collected or reproduced from the Nut Tree's past, in landscaped grounds within this core area.
- An existing 3.49 gross acre public attraction area (formerly Family Park) converted into two parts:
 - An approximate 3.21 gross acre parcel that would accommodate (a) an event center/community function that would allow a variety of private and public events including but not limited to: in/outdoor events, weddings, including Harbison House and events, and may be converted to small retail, office or similar uses if no longer leased as event center/community function (b) a pedestrian pathway to Nut Tree Road, (c) a parking lot area and (d) train; and
 - An approximate 0.28 gross acre parcel for extension of Nut Tree Road as either a private road shall be included in A(4).
- An existing 1.78 gross acre plaza/park with Nut Tree train and other features Golf course and City Park areas may extend into this area to connect the core area to golf course facilities and City Park on the western side of the Putah South Canal.

→ **Area A 2:** This land use area is identified as the Nut Tree Conference Center Hotel / Flag Lot Area / Retail / Residential / Office / Flex-space / Mixed / Other –approximately 13.55 Gross Acre (10.08 Net Gross Acre 3.47Gross Acres for Drainage Easement). Broad categories of uses that would be allowed in the area include: hotel with conference center, entertainment, retail, offices, and residential uses in either stand-alone multi-family projects or in mixed-use projects combined with commercial or office uses,

- Minimum 200-room, full-service conference center hotel, with an approximately 30,000 gross square foot conference center to accommodate for a large meeting room to accommodate for a 1,000 person seat down event, restaurant and recreation/fitness center with spa, pool, tennis and related uses.
- The conference center design may be comprised of standard construction methods, modular construction methods, engineered tent structure technology or any combination of these elements such that the final design is complementary to the surrounding uses and visually appealing, and subject to design review approval.
- Alternatively could be developed with approximately 131,000 square feet (10.0 net gross acres @ 0.3 FAR) of office, flex-space and retail uses.
- Residential units on "Flag Lot" portion of this area, developed under the City's Residential Overlay (RO) standards at a maximum density of 18 units/acre as specified by the existing Policy Plan requirements for the "flag-lot" portion of this area. These residential building types may include stand-alone high density residential blocks, multi-story live/work units, and residential units constructed in mixed-use commercial or office structures. This RO district is intended only for areas located within ALUCP Zone E within this land use area.
- All buildings and uses are subject to height limit and density restrictions as determined by the Nut Tree Airport Land Use Compatibility Plan.

→ **Area A3:** This land use area is identified as the Office / Flex-Space / Fitness Center / Retail / Other-Total 11.41+ gross acres).

- 11.41 gross acres @ 0.3 FAR = 149,105 square feet of office, flex-space, and retail uses.
- Flex-space buildings are subject to Design review approval. However, flex-space tenants are subject to a Conditional Use Permit approval.
- Alternatively site would be developed with a 50,000 square foot Fitness Center and 71,200 square feet of office, flex-space, and retail uses.
- An additional land use category allowing for conditional use by outdoor sales and display of products identified and associated with the business use and has been ordered shipped, assembled, repaired, manufactured, marketed and sold by the business, such as, but not limited to, Statuary, Outdoor Furniture, Pottery, Fountains, Spas, Garden Tools and Equipment, Boat and Water activity, Rough Terrain Vehicles and All Terrain Vehicles.
- All buildings are subject to height limit restrictions as determined by the Nut Tree Airport ALUCP and may include limitations on second-story space, subject to a determination of consistency with the ALUCP.
- The majority of parking shall be in the front when appropriate unless site restrictions, such as the airport height restrictions, make it infeasible to place the parking in the front of the building.
- A portion of the site is located within ALUCP Compatibility Zone C which has people-per-acre limitations (both inside and outside of buildings). Proposed uses shall comply with these standards.

→ **Area A 4:** This land use area is identified as the Nut Tree Residential / (Total +/- 12.00 gross acres).

- An approximate 0.06 gross acres for Solano Irrigation District's (SID) non potable water facility.
- Approximately 12 acres @ 18 units/acre = 216 units.
- Attached residential housing shall be allowed within certain portions of the site falling within ALUCP Zone E. Residential uses may include apartments, townhouses, or condominium units, with no detached single family units permitted. As required by the Nut Tree Ranch Policy Plan, this residential development shall be subject to its own Planned Development Permit. Residential density may be up to a maximum of 18 dwelling units per acre for each acre developed in residential uses.
- Golf Course and City Park areas may extend into this area to connect the Nut Tree Core Area to golf course and city park facilities on the western side of the Putah South Canal.

→ **Area A 5 – Nut Tree Office / Flex-Space / (Total +/- 10.76 Gross Acres)**

- 10.76 gross acres± or approximately 87,800 square feet of building floor area for professional office uses.

- All buildings are subject to height limit restrictions as determined by the Nut Tree Airport ALUCP and may include limitations on second-story space, subject to a determination of consistency with the ALUCP.
- The entire site is located within ALUCP Compatibility Zone C which has people per acre limitations (both inside and outside of buildings). Proposed uses will need to comply with these standards.
- Golf course/City Park areas may extend into this area to connect the Nut Tree Core Area to golf course/city park facilities on the western side of the Putah South Canal.

Area B: General Commercial Area (20 gross acres). This area is limited to regional retail, restaurants and hotel/motel facilities. Up to 25 percent of the retail businesses may be local serving, but the remainder of the acreage in the area must accommodate regional uses. One drive-in business (including fast food restaurants) and one service station are permitted in Area B. Alternatively, two service stations or two drive-in businesses are allowed. Design standards developed for this area shall incorporate landscaping, setback, architectural, signage and other applicable requirements set forth in the City's Gateway Plan.

- An existing approximately 154,000 square foot home improvement store on 14.77 gross acres (F.A.R. = 0.24) ;
- Up to 9,400 square feet of retail/restaurant uses on an 0.96 gross acre site adjoining Nut Tree Road (F.A.R. = 0.22);
- Up to 15,980 square feet of retail/restaurant uses on a 1.63 gross acre site adjoining Nut Tree Road (F.A.R.= 0.23);
- Up to 31,760 square feet of retail/restaurant uses on a 3.24 gross acre site located between I-80 & E. Monte Vista Avenue, including two drive-in food businesses (F.A.R.= 0.23).

Area C: Highway Frontage Area (9.73 + gross acres). This area is located between the realigned East Monte Vista Avenue and I-80, westerly of the Nut Tree Road overcrossing. Principal uses would be restaurants, both full-service and casual service, some financial and optometry offices, and some specialty retail, along with a landscaped setback area intended to establish a landscaped identity, and provide for visibility through to the Nut Tree Village area. Design standards developed for this area shall provide for destination-oriented uses of high quality design which contribute to regional draw of the project. Design standards shall incorporate landscaping, setback, 4-sided architectural, signage and other applicable requirements established in the City's Gateway Plan and through the Planned Development process for a landscape theme for the project frontage.

- Approximately 59,500 square feet of retail, office and restaurant space on 8.42 gross acres (F.A.R. =0.16). Buildings will be strategically distributed as to not block the view corridors into Area A-1 using open landscaping/plaza/fountain areas, subject to approval of land use entitlements by Planning Commission and City Council).
- 1.29 acre Relocated Vineyard parcel with potential for open space area with ability to develop as 9,600 square feet of retail or restaurant space or similar use (F.A.R. = 0.18).