Comprehensive Revitalization Plan for the Oroville Municipal Airport Fixed Base Operations (FBO) Facility

Pursuant to the Community Development Block Grant (CDBG)

Prepared By:
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December 31, 2008

Ms. Sharon Atteberry
City Administrator
City of Oroville
1735 Montgomery Street
Oroville, California 95965-4897

RE: Comprehensive Revitalization Plan
For the Oroville Municipal Airport
Fixed Base Operations (FBO) Facility
Oroville, California

Dear Ms. Atteberry:

Per our engagement with the City of Oroville, we are pleased to present this ***Comprehensive Revitalization Plan for the Oroville Municipal Airport Fixed Base Operations (FBO) Facility***. The following report provides our assessment and recommendations relative to current issues and future opportunities at the Airport, FBO, and within the community. The recommendations and requirements herein are included as possible actions for implementation to assist the City of Oroville in achieving their goals and objectives.

In the development of this document, *Airport Business Solutions* researched many sectors of the local and regional general aviation market, specifically the northern California and Western region of the U.S. The goals and objectives of this Revitalization Plan for the Airport and FBO operations were to improve the financial situation of the Airport and the City and increase service demand, which will ultimately create new jobs in the area. Within this Revitalization Plan, recommendations and/or requirements are included as potential actions for implementation relating to the strategy contained herein. *Airport Business Solutions* has researched many areas in the preparation of this Plan and met with Airport and City staff in order to create a Revitalization Plan that enables the City to have an efficiently-managed and financially secure airport well into the future.

This Plan is predicated upon a strategic approach, which is an expression of qualitative expectations to demonstrate that the City has engaged in sound, progressive management of its facilities by the end of a five-year planning period. By the year 2014, the City must establish an organization that will not only operate from a sound business approach, but also serve the public in ways that exceed their expectations. Furthermore, the strategic approach is one where the focus on safety and security is the cornerstone of the core organizational beliefs, strategic achievement, and to the greatest extent possible promote financial self sufficiency and ultimately create jobs for the community. The following document outlines our findings and recommendations for the Oroville Municipal Airport and its fixed base operation.

We appreciate this opportunity to provide our professional services to City of Oroville and the Oroville Municipal Airport. If you should have any further questions, please advise.

Sincerely,

Michael A. Hodges

Michael A. Hodges
President/CEO

Randy D. Bisgard

Randy D. Bisgard
Senior Vice President

COMPREHENSIVE REVITALIZATION PLAN FOR THE OROVILLE MUNICIPAL AIRPORT FIXED BASE OPERATION (FBO) FACILITY

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Airport Business Solutions

i. INTRODUCTION & BACKGROUND INFORMATION

The City of Oroville owns and operates a general aviation airport that is located approximately 3 miles southwest of the City Center. Oroville Municipal Airport (OVE) is managed by the Municipality with day-to-day operations handled by internal staff members who have other duties within the City. Table Mountain Aviation acts as the on-site surrogate entity to handle itinerant aircraft. Airport provides accommodations for propeller and turbojet aircraft and helicopters, and serves as the primary general aviation landing facility in the community. Flight activities include flight training, limited corporate aviation, emergency services, recreational flying and private aircraft operations. The Revitalization Plan herein outlines numerous issues and recommendations relative to the management, operation and development of the Airport. It should be noted that preparation of this work product is consistent with, and intended to meet, the funding requirements of the City and Community Development Block Grant (CDBG) program.

Airport Business Solutions (*ABS*) was engaged by the City of Oroville to prepare a Revitalization Plan for the Airport and FBO Operations so as to improve the financial situation of the Airport and the City by increasing service demand, which will ultimately also create new jobs in the area. Within this Revitalization Plan, recommendations and/or requirements are included as potential actions for implementation relating to the strategy contained herein. *Airport Business Solutions* has researched many areas in the preparation of this Plan and met with Airport and City staff in order to create a Revitalization Plan that enables the City to have an efficiently-managed and financially secure airport well into the future.

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History and Evolution of the Industry

In order to fully understand the enclosed recommendations and outlook for the future for general aviation operations at OVE, both now and into the future, it is important to understand the history of the FBO industry, how it was conceived, and how it has evolved into today's complex marketplace. It should also be noted that *ABS* provides this background information to inform all potential readers of this report as to the make-up of the industry. It is common in reports of this type, that numerous government and private entities may have interest in, or direct input, regarding the final implementation of the recommendations herein. As such, this background information is provided for those readers who may not have full knowledge of the various aspects of the general aviation service industry.

a. The Early Years

In the post World War 1 era, aviation was in its infancy. Aeronautical activity in this country was primarily related to limited air mail service and flying circus events utilizing what were then known as "barnstormers". These barnstormers were identified as such because they flew to and from farmers fields often utilizing a barn or other protected area to park their aircraft and perform refueling and maintenance services. During that period, in most areas of the country, airports were nonexistent and the pilots of the era relied on a chase vehicle or mobile operation to support their existence. These "mobile" bases of operation were typically small truck type vehicles with holding space for drums of gasoline, a few spare parts and some tools for maintenance. As the industry expanded, particularly the air mail routes, it was

quickly recognized that these mobile chase vehicles were very impractical. It was determined that a fixed location for support services would be required to meet the needs of the aircraft transiting the country. These "fixed" bases of operation were established to provide the needed services, and therefore first FBOs were born. Essentially, these first Fixed Base Operations, or Operators, also became the first airports. Later, hangars were built, terminals added, runways were paved and navigational aids became a part of the system. As the airports grew, municipalities and other entities began to control the airport environs; however, the service entities who provided the fuel and maintenance continued to be called FBOs, and the term is still in use today.

b. Full Service FBOs

As the fledgling industry grew, and personal aircraft ownership/flying expanded, a new sector of aviation was formed called general aviation. This sector grew out of what was then either military air operations or commercial air carrier activity, including either mail/cargo or passengers. Today, general aviation is the largest segment of the industry and includes all air operations other than military and air carrier. This segment includes over 200,000 aircraft which fly all types of missions including pleasure/personal flying, air ambulance, fight training, fire suppression, aerial surveillance/police work, charter, and business or corporate flying. Although FBOs, both then and now, regularly cater to all segments of the industry, it was the growth of the general aviation segment of the industry that created an explosion of FBOs across the country. At its peak in the late 1970s, there were nearly 10,000 FBOs in the U.S., and nearly all of them were considered "full service". During this peak period, there were often multiple FBOs on every field and the potential for growth seemed limitless.

Like the early auto gas stations of the same era that often provided not only gas, but windshield washes, fuel attendants, oil changes and repair, parts and tires, FBOs also offered a full line of services. In order to meet the demands of each airports users or aircraft owners, FBOs offered fuel sales, aircraft maintenance, aircraft refurbishing/painting, aircraft parts, pilot supplies, flight instruction, hangar rental and parking, avionics (radio) repairs, aircraft rental and/or charter, in-flight catering, car rentals, and the sale of new and used aircraft. Many of these operators were aligned with aircraft manufacturers to be the

regional sales offices for new aircraft. In addition to the services, these early operators also offered terminal facilities with restrooms, waiting areas and vending machines.

Later, these became known as "executive terminals" to cater to the boom in business aircraft ownership and corporate flying. These executive terminals, which are typical of today's modern FBOs, include conference areas, private offices, passenger lounges, pilot lounges, quiet rooms, flight planning areas, restrooms, flight service counters, vending areas, and in some cases, sit-down restaurants. In addition to the terminals, these FBOs also offer ramp areas for staging and parking of aircraft, hangars for rental (daily and monthly), aircraft tie-down areas, auto parking and fuel storage facilities.

c. Fuel and Liability Issues in the 1980's

A significant event in the evolution of the FBO came in the early 1980's when the Organization of Petroleum Exporting Countries (OPEC) placed an embargo on crude oil destined for the U.S. As a result, the cost of aviation gasoline (avgas) and aviation jet fuel spiked to record highs. This high cost of fuel combined with the loss of product supply caused a major downturn in all of aviation, but particularly in general aviation. There were extensive periods when many auto gas stations could not get fuel, and as a result, the higher-end aviation fuels were refined in even smaller quantities. FBOs could not get fuel, particularly on weekends, when most of the flight training and pleasure flying took place. The overall downturn in the economy with this lack of fuel product sent the industry into a tail spin. Many corporate flight departments closed and simply walked away from hangar leases and aircraft operations. This downturn, combined with the oversupply of full service FBOs, caused a sudden loss of thousands of FBO entities across the country. Many just closed their doors and walked away leaving airports and other banking entities with abandoned facilities and airport leaseholds.

In addition to the loss of overall aviation activity, the aircraft manufacturing industry took a sharp downturn as well. The three major manufacturers, Cessna, Beechcraft and Piper, all saw an immediate cessation in the sale of new aircraft. The price of fuel had priced most prospective buyers out of the market, and also caused flight schools and other entities to stop buying new aircraft. This created a ripple

effect that included no new aircraft entering the market, limited flying hours taking place, and a dramatic drop in new entry student pilots because the hourly cost of operating airplanes skyrocketed.

Another key issue that had a direct effect on aircraft sales, and indirectly to the FBOs, was the lack of what would later become Tort Reform legislation regulating the liability of manufacturers. During the peak periods of the 1970's and early 80's, when many aircraft were sold and large numbers of hours being flown, there were a number of fatal aircraft accidents that were primarily the cause of inexperienced pilots in older aircraft. In almost every case, even though the experience of the pilot was a key causal factor, the aircraft manufacturer, the engine manufacturer, the maintenance provider, and sometimes even the FBO who last fueled the aircraft, were all named in litigation by the survivors. During this period, regardless of the root cause of the accident, manufacturers were being found liable for damages because the aircraft that were sometimes over twenty years old were being held to the standards of the day, even though the aircraft were well maintained. Ultimately, the manufacturing of single engine aircraft in the late 1980's was ceased because the demand was low and the cost of liability insurance made it cost prohibitive to build these smaller aircraft.

All these factors combined to create a huge downturn in FBO activities. The lack of new aircraft, the loss of flight departments, and limited personal flying hit every department of the FBO. Fuel sales were down, maintenance was down, hangars were empty, and service operators were closing their doors almost daily. By the early 1990's, the number of FBOs had decreased from 10,000 to around 4,000. Today, there are only about 3,200 businesses that can be officially called FBOs.

d. Consolidation

As a result of the heavy losses and abandoned facilities, there were opportunities for the FBOs that survived the 1980's. Once the industry began its slow emergence from this bleak period, those that survived were in a position to take over their competitors facilities, either by default or purchase. Often, those airports that had multiple FBOs were consolidated into two competitors, and in many cases, just one surviving entity. Many of those lost were family owned or single entity operations that had limited capital

resources to stay in business. This brought about the advent of the chain or multiple location FBO. Also, in come cases, in order to compete, these individual FBOs became part of a group of franchise organizations to gain the marketing and support from the franchise organization.

This was a key period in the development of and definition of FBOs, because it was at this time that many of these new emerging chain entities began to slowly sell off, or eliminate, lines of business that were not profitable. At that time, the core chain FBOs began to concentrate on fuel sales, properties (tie-down, hangar and office rental), some aircraft maintenance, and ground services, to support fuel sales. This resulted in the selling off or elimination of flight schools, parts sales, charter, paint shops, avionics shops, and other services as parts of the FBO operation. In the past five years, further consolidation has resulted through the acquisition of both individual locations, and other chain operations, by investment banking groups. These groups have developed large chain organizations, which have further limited the lines of business they provide. In some cases, these operators offer fuel sales, ground services and properties as their key lines of business, and thereby rely on other surrounding businesses to provide the other requested services typically found at an airport.

e. A La Carte Services

With the emphasis on fuel sales as their primary source for revenue, these new FBO entities rely on others to provide support services. At many locations, the FBO has become the anchor tenant, much like a large chain store would be at the local mall. The FBO brought in the aircraft for fuel, but other services were offered a la carte through other entities on the field or under that same roof. In many cases these other service providers, particularly aircraft maintenance, were provided by a subtenant of the FBO. Often, the former FBO maintenance personnel either bought out, or took over the FBO's maintenance operation and ran it as a separate business. This resulted in the advent of the a la carte offering of many of the support services other than fuel, ground services, and properties. This change in business models allowed each entity to focus on their niche in the airport marketplace. It is at this point that the Specialized Aviation Service Organization (SASO) was formed. These other entities, who did not sell fuel or ground services, became known as SASOs.

Most airports are dotted with small maintenance, avionics, parts or other entities that meet the users demand for that airport or region. Because of the mobile nature of the aircraft, in some communities there may be various service providers (SASOs) with specialties at one particular airport that may not be available at other airports in the area. As such, it is key to note that both FBOs and SASOs compete not only locally, on the field, but also regionally, and sometimes nationally for services such as major maintenance, refurbishment, and charter.

Where We Are Today

a. FBOs

Today's definition of an FBO is a little more complex because of the nature of the industry and the trend toward a la carte services. What once was called a full service FBO, which included every line of business available on the airport, are now almost nonexistent. However, the one key element to defining any FBO is fuel sales to the flying public. By definition, and by the consensus of every sector of the industry including pilots, aircraft owners, airport users, air carriers, industry trade organizations, airport managers, airport owner operators, regulatory agencies and FBO service providers, an FBO is recognized as follows:

- An FBO must provide fuel sales to based and itinerant flying public and have a commercial aeronautical lease or operating agreement with the airport sponsor. In most cases, this would include both 100LL/Avgas and Jet fuel.

- An FBO must provide terminal services and other facilities in support of fuel sales. At a minimum, the terminal must have passenger waiting areas, restrooms, vending areas, flight counters and weather briefing stations. At a minimum, other facilities would include aircraft parking, ramp access and staging areas, aircraft tie-down, hangar space, fuel storage and auto parking. The size and make-up of these areas to be dictated by the airport's Minimum Standards.

- In addition to fuel sales, an FBO must provide at least one (1) additional secondary service from the list of typical services provided at an airport including:

  ✓ Properties - Including hangar and office rental, or land leasing
  ✓ Maintenance
  ✓ Avionics
  ✓ Parts Sales
  ✓ Aircraft Sales
  ✓ Flight Training and/or Aircraft Rental
  ✓ Charter
  ✓ Aircraft Refurbishment and/or Paint & Interior
  ✓ Aircraft Sales
  ✓ Air Carrier Services
  ✓ Cargo Handling
  ✓ *Ground Services - Including; lavatory servicing, aircraft towing, oil servicing, oxygen servicing, de-icing, catering, ground power, food/vending and ground transportation.

*In all cases the FBO must, at a minimum, offer the ground support services along with fuel sales as one of the additional secondary services.

However, it is important to note that a corporate flight department, or other airport tenant that has its own fuel storage and/or provides fuel to their own aircraft, or to other entities within or through that facility, would not be considered an FBO or SASO because they do not meet the other service or facility requirements of an FBO. Furthermore, they would not typically have the commercial aeronautical lease to allow these operations nor would they meet the typical airport minimum standards for FBO status.

b. SASOs

Specialized Aviation Service Operators (SASOs) would include other tenants or sub-tenants on the field who would typically have a commercial aeronautical lease or operating agreement, either directly or indirectly, with the airport sponsor and meet the following criteria:

- Each SASO must offer at least one of the secondary services listed above.
- The offering of ground services alone does not qualify as a SASO
- The SASO designation would specifically exclude the sale of fuel

In the case of OVE, Table Mountain Aviation would be the primary SASO on the field providing flight training, restoration and maintenance services in support of both based and itinerant aircraft operations on the field. Currently, they would not be considered an FBO because they do not provide fueling services on the Airport, only oversight of the City-owned self-service fueling facility. If they were to provide a refueling vehicle in the future, including the personnel to operate it, they would be considered an FBO. However, it should be noted, by their own admission in interview, that providing fuel and gound handling services is secondary to their primary business which is providing aircraft maintenance.

Aviation Industry Statistics

National Airport System

The United States accounts for approximately 30 percent of all commercial aviation and 50 percent of all general aviation in the world, and an extensive system of airports throughout the United States has been developed to support these activities. Oroville Municipal Airport is an essential part of that national airport system. Every two years, the National Plan of Integrated Airport Systems (NPIAS) is submitted to Congress in accordance with the United States Code. The 2005-2009 plan identified 3,344 existing airports that are significant to national air transportation, and therefore, are eligible to receive funding grants under the Federal Aviation Administration's (FAA) Airport Improvement Program (AIP). The NPIAS is used by the FAA management in administering the AIP, and is comprised of all commercial service airports, all reliever airports, and selected general aviation airports. Oroville Municipal Airport is included in the NPIAS and is designated as a general aviation airport.

Aircraft Manufacturing

One statistic that is often used to analyze the future business outlook of airports is the number of general aviation aircraft manufactured each year. The piston-engine aircraft industry, which makes up the majority of aircraft at Oroville, enjoyed success in the 1960s and 1970s, but suffered a major decline in the 1980's. The decline was largely due to the increase in liability lawsuits that raised insurance premiums beyond acceptable levels and the negative impact this imposed to aircraft manufacturing. Between 1978 and 1986, annual United States airplane shipments dropped from 17,811 to 4,000, and the manufacturers were spending more on lawsuits than on research and development. In 1994, the General Aviation Revitalization Act was passed which limited the liability of aircraft manufacturers, and aircraft production began to moderately rise. According to the General Aviation Manufacturers Association (GAMA), since 1994, manufacturers of general aviation airplanes have produced and shipped close to 28,000 fixed-wing general aviation airplanes worth over $115 billion. GAMA also estimates that there

are over 219,000 active fixed wing and rotorcraft aircraft in operation in the United States and approximately 320,000 aircraft in operation around the world. The following table depicts the most recently reported historical aircraft shipments by type around the world.

HISTORICAL AIRCRAFT SHIPMENTS BY TYPE: MANUFACTURED WORLDWIDE Source: General Aviation Manufacturers Association							
Year	Grand Total	Single Engine	Multi Engine	Total Piston	Turboprop	Turbojet/ Turbofan	Total Turbine
2000	3,147	1,877	103	1,980	415	752	1,167
2001	2,997	1,645	147	1,792	421	784	1,205
2002	2,677	1,594	130	1,721	280	676	956
2003	2,686	1,825	71	1,896	272	518	790
2004	2,963	1,999	52	2,051	321	591	912
2005	3,580	2,326	139	2,465	365	750	1,115
2006	4,053	2,513	242	2,755	412	886	1,298
2007	4,272	2,417	258	2,675	459	1,138	1,597

As depicted in the table, aircraft shipments around the world has steadily increased over the past five years. A primary reason for the growth in aircraft shipments is the business aviation sector. According to GAMA, business jet shipments increased 28.4% from 2006 to 2007. In addition, general aviation aircraft billings reached an all-time high of $21.9 billion in 2007 with an estimated backlog exceeding $58.1 billion. Although our economy is currently experiencing a slow down, there is a solid demand for business jets outside North America. According to business jet shipments made in 2007, Europe accounted for 24.9 percent, followed by Latin America at 7.5 percent, the Middle East and Africa with 5.2 percent, and Asia Pacific at 4.2 percent. According to two business aviation industry forecasts by engine manufacturers, Honeywell Aerospace and Rolls-Royce, the positive trend that the industry has experienced over the past five years is anticipated to continue over the next 10 to 15 years.

One of the reasons for the positive projections was the advent of the Very Light Jet (VLJ), and the planned construction of these aircraft by several airframe manufacturers. VLJ's are a relatively new

category of general aviation aircraft which are designed to fill a new market niche, whereby users can purchase a jet powered aircraft at costs that are less than the typical business jet aircraft. The companies that are currently developing or producing VLJs include Eclipse, Cessna, Piper, Excel-Jet, Epic Jet, Diamond, Avocet, and Safir Jet. To succeed, these VLJ manufacturers will focus their marketing efforts on the current 14,000 owners and operators of piston twins and turboprop aircraft that may be looking to upgrade, as well as new customers that historically could not afford a traditional jet. In addition, and most significant, is a new travel segment of the industry that is in the early stages of development. This travel segment intends to use the VLJs in an on-demand passenger business that links travelers with a network of aircraft and locations through internet based flight brokerage. Unfortunately, the economic downturn has severely slowed the development of this segment, causing several of these manufacturers to scale-back or even cease production and file bankruptcy. However, there is still some optimism that some of these aircraft will survive and will ultimately enter the marketplace via purchases by corporations, professionals who currently own piston twin aircraft for upgrade, and other aviation entities including on-demand charter operators.

Early studies predicted the delivery of 4,124 VLJs during the period from 2007 to 2016, with the five leading aircraft being the Cessna Mustang, Embraer Phenom 100, Diamond D-Jet and Eclipse 500. However these numbers will likely be a bit aggressive due to the economic situation. It appears that the VLJs will have a limited operational impact on many airports with general aviation services, including OVE. However, the impact is difficult to quantify based upon inconsistent forecasts from manufacturers and other informed industry sources.

Aviation Fuel Sales

In addition to the number of aircraft produced in the United States, the amount of aviation fuel sold annually should be reviewed to analyze trends. Although general aviation in the United States flies 166 million passengers each year, this segment of aviation consumes less than 7 percent of all aviation fuel burned

annually. Jet fuel is the predominant type of aviation fuel used by civil aviation, but general aviation consumes just over 5 percent of this type of fuel each year. Domestic airlines use approximately 95 percent of the jet fuel burned in the U.S. by nonmilitary operators. It is estimated that turbojets burn 62 percent of the total general aviation fuel, while piston-powered burn 20 percent. Turboprops are estimated to consume 13 percent of the total general aviation fuel and helicopters 5 percent. The table on the following page provides insight into the total fuel consumed by general aviation aircraft a year and the gallons consumed.

TOTAL FUEL CONSUMED AND AVERAGE FUEL CONSUMPTION RATE BY FUEL TYPE (2006) (Source: GAMA)		
Fuel Type	**Average Rate - Gallons Per Hour (GPH)**	**Estimated Fuel Use (In 1,000s of Gallons)**
Jet Fuel	178.3	1,636,343.3
100 LL (Low Lead)	15.2	278,887.4
100/130 Octane	14.5	15,791.9
Automotive Gas (On Airports)	7.6	6,849.2
Other Fuel	19.4	2,384.3
Total	33.5	1,940,256

The following table depicts the historic and forecasted fuel consumption of general aviation aircraft across the United States. It appears from the data that the fuel consumption was impacted by the recession that occurred from 2001 to 2003. Although the price of fuel was high during 2004, Jet fuel sales rebounded after the recession and consumption reached over one billion gallons. It should be noted that fuel sales in some areas of the nation have seen decreases of as much as 40%, particularly in Avgas sales due to the rapid increase in price in 2008. This is predicted to improve to previous levels once fuel prices decline, but recovery could take as much as 18 months or longer.

U.S. GENERAL AVIATION AND ON-DEMAND PART 135 AIRCRAFT FUEL CONSUMPTION (in Million of Gallons) Source: FAA			
Year	**Total Fuel Consumed**		
	100LL/Avgas	**Jet Fuel**	**Total**
2000	332.8	972.0	1,304.8
2001	279.2	918.3	1,197.6
2002	276.7	938.3	1,215.0
2003	272.4	932.3	1,204.7
2004	272.9	1,230.9	1,503.8
2005	255.4	1,255.3	1,510.7
2006	262.2	1,288.8	1,551.0
2007	268.3	1,406.3	1,674.6
Forecast			
2008	274.4	1,552.5	1,826.9
2009	280.9	1,711.4	1,992.3
2010	286.5	1,885.6	2,172.1
2011	292.9	2,082.7	2,375.5
2012	293.8	2,272.7	2,566.5
2013	294.3	2,463.8	2,758.0
2014	294.7	2,645.7	2,940.4
2015	296.3	2,821.6	3,117.8

Because general aviation fuel is a relatively small segment of the total petroleum products consumed in the U.S., it is highly susceptible to changes in the marketplace. The current volatility of fuel prices has most people in the industry concerned as to how high prices will ultimately go. (Fortunately, at the time of this report, fuel prices had receded to more reasonable levels.) Although it has been shown that business aircraft owners and operators have been absorbing the additional cost of fuel and continuing to fly, it has been reported that many flight departments are looking at ways to reduce costs. Many have

indicated that the budgets of flight operations are nearing a level that may require significant changes should fuel prices continue to climb. This poses an immediate and significant threat to FBOs that are dependant on fuel margins, particularly those that are highly leveraged, and those that have recently invested significant money to upgrade or build new facilities.

In addition, in the future, fuel efficiency of both the recreational and business aviation fleet will continue to improve. Engine manufacturers are continually enhancing the fuel efficiency of the powerplants since they realize the need to lower the operating costs of their clients. In addition, aircraft manufacturers are searching for new designs to incorporate advances in aerodynamics and lightweight structures that reduce weight and drag and thus lower fuel consumption. This will also have an impact on service providers and the airports where they operate.

Flight Hours and Pilot Data

Each year it is estimated that the FAA and contract air traffic control services around 63 million operations at airports across the United States, of which a large percentage is general aviation. For instance, general aviation accounts for almost 39 percent of the 47 million instrument operations at FAA monitored facilities each year, the largest share of any segment of aviation. By comparison, air carriers account for 29 percent of instrument operations, air taxis comprise 25 percent, and military aviation is less than 7 percent of the total.

The United States' pilot population numbers in excess of 590,000, including over 225,000 private pilots, 120,000 commercial pilots and 141,000 air transport pilots. Of these pilots, 90,000 also hold a flight instructor certificate. According to the FAA, there were 590,181 pilots in the United States at the end of 2007, of which approximately 16,000 were from the State of Georgia. Since 1980, when the U.S. recorded the highest number of pilots (827,071), the total number has steadily declined.

FAA CERTIFICATED PILOTS								
Year	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
Total Pilots	631,629	619,963	631,762	625,011	618,633	609,737	597,109	590,181

The decline of pilots nationwide affects each airport differently. Based upon the number of pilots in the local area, the decline of pilots nationwide appears to have had minimal effect on OVE. In fact, it is interesting to note that after the terrorist events of September 11, 2001, several airports recorded an increase in operations due to the increase in student pilots. Many of these student pilots were business travelers that wanted to avoid the perceived hassle of commercial air service security and enjoy the benefits, such as time and flexibility that general aviation offers. While the population of commercial/ airline pilots has been increasing, the total number of pilots has remained relatively flat indicating the considerable expense of achieving pilot certification due to the increased price of fuel and related flight training.

Business Aviation and Fractional Ownership

Business aviation is one of the fastest growing segments of the industry. Over the years, a misunderstanding has evolved by the general public regarding the use of jets. A misconception exists across the country that jets such as a Gulfstream are used exclusively by celebrities and wealthy individuals to travel between their summer and winter homes. Corporate aircraft have consistently proven to increase productivity and enable corporations to manage geographically disbursed operations. A number of companies with aircraft are based in the region, and as the economy grows, the number of business aircraft would likely increase if they receive the services and attention demanded.

Since business aviation plays such a strong role in the general aviation marketplace, it would be beneficial to identify all the different on-demand air transportation methods available to the general aviation community and to begin to track and market transient aircraft. All of the following industry segments should be understood as they are all potential users of OVE.

Aircraft Charter - Operators offering on-demand air transportation services to the public, and by law must be certified by the FAA by meeting stringent operational, maintenance, and safety rules.

Management Company - Under this method, an aircraft owner contracts with an aircraft management company to provide all necessary elements to operate the aircraft.

Joint Ownership - Under this arrangement, two or more entities become registered joint owners of an aircraft.

In-House Flight Department - Currently used by large companies, this method affords user the highest level of control possible in regards to service quality, personnel, training, and security.

Interchange - Under this arrangement an owned aircraft is leased to another entity in exchange for equal time in that entity's aircraft when needed. This would be done in order to have a backup aircraft for use when owned aircraft is either scheduled or in maintenance.

Time Sharing - A time-sharing agreement means an arrangement whereby a company leases its airplane with flight crew to another person, to whom direct operating expenses of the aircraft may be charged.

Fractional Ownership - Fractional ownership offers the option to purchase shares of a business aircraft, instead of buying an entire aircraft. Most fractional providers offer a variety of aircraft to choose from, ranging from small turboprops to large intercontinental turbojets.

One of the reasons business aviation has been one of the fastest growing sectors of aviation is fractional ownership. Fractional ownership offers the option to purchase shares of a business aircraft, instead of buying one outright. Most fractional providers offer a variety of aircraft to choose from, ranging from small turboprops to large intercontinental turbojets. Companies such as Flexjets, NetJets, and Flight Options have made considerable advancements in the business aviation market. For instance, in

2007 NetJets had over 8,000 clients and flew over 390,000 flights to 145 countries. Fractional ownership attributes include joint-ownership, guaranteed availability, favorable response times, uniform service levels, and hassle-free operation. The major expenditure associated with fractional ownership is the value of the fractional share of the aircraft itself. Ranging from $500,000 to $10 million, depending on the aircraft type and fractional share, this expense entitles the fractional owner to the rights, benefits, and obligations of any owner of a major asset for a fraction of the full aircraft cost. Many companies who may not have considered private travel for executives have entered the market due to the low initial investment required.

Fractional ownership is the fastest growing form of on-demand air transportation. This is due to several positive reasons. However, there are negatives to consider. The following table summarizes both advantages and disadvantages.

Fractional Ownership Advantages and Disadvantages	
Advantages	**Disadvantages**
Lower purchase price for aircraft	High hourly costs when compared with charter
Depreciation and tax benefits of ownership (limited to the fraction purchased)	Rapidly escalating hourly fees after fractional share hours are used
All costs stated up-front	Rarely ride in the same aircraft or use the same flight crew
No waiting or positioning fees	Built in positioning fees – normally two-tenths of an hour for each actual flight hour
Guaranteed rapid response time – normally 4 to 10 hours	Penalties apply for early termination of contract
Consistent servcie standards	Aircraft maintenance performed by a variety of contractors
Ability to trade up or down for other types of aircraft	Accelerated reduction in aircraft value due to heavy use

1. FBO SERVICES & MARKET ANALYSIS

Current Airport Situation and Inventory

During our on-site review and subsequent analysis, *Airport Business Solutions* (*ABS*) took inventory of the on-airport services, facilities, and operational data of the Oroville Municipal Airport (OVE). In addition, *ABS* reviewed the local and regional marketplace concerning services, pricing and infrastructure at key comparable airports in the area. The following section provides an overview of these findings. As noted within the industry background provided in Section i, this section also includes general information regarding the location and infrastructure of OVE. Once again, this background data is included to provide information to potential users of this document who have little or no knowledge of the general aviation industry or the FBO business environment.

Overview & General Observations

There are a number of initial observation items to discuss that will be the basis for this report. Each issue will be discussed further regarding future strategic activity, and will also include a SWOT (Strengths, Weaknesses, Opportunities and Threats) Analysis. The following general observations were noted during our initial on-site meetings and subsequent review of data and interviews.

- The airfield infrastructure is in excellent condition and runway lengths are more than adequate for a wide range of aircraft operations

- Meteorological conditions are generally favorable for year-round operations with a moderate number of inclement weather days
- The Airport is currently uncontrolled (no FAA tower) and there is no Instrument Landing System (ILS) precision approach
- The community appears to be Airport-friendly and/or neutral regarding noise and support issues. The Butte County Airport Land Use Compatibility plan was adopted by the Butte County Airport Land Use Commission on December 20, 2000 to mitigate any future land use issues.
- The City administration is committed to supporting the Airport and making changes to improve operations
- The Airport is fortunate to have an 18-hole golf course adjacent to the field which supports itinerant aircraft operations and other related activities.
- The Golf Course also has a full service sit-down restaurant with taxiway access from the airfield, which also supports itinerant aircraft operations
- The area surrounding the Airport and community has close access to excellent recreational facilities and opportunities
- Casino gaming and resort facilities are within minutes of the Airport
- Due to the proximity of the casinos, this mostly rural community has excellent lodging facilities and other support service businesses near by
- On-site aircraft ground services are severely limited due to lack of facilities and personnel
- The airfield offers both 100LL/Avgas (aviation gasoline) and Jet-A (turbine/turboprop) fuels
- Refueling is via a self-service system only
- Table Mountain Aviation has an excellent reputation for quality maintenance services; however, they do not have adequate staff or equipment to be considered a full service "Airport FBO"
- Although Table Mountain Aviation management has indicated that they have part-time counter personnel in place in the afternoon, there are no full time personnel that are available to "meet and greet" incoming aircraft on the ramp. During several visits to the Airport, *ABS* found the terminal and FBO ramp operations areas essentially unmanned, with Table Mountain Aviation personnel in their hangar fully entrenched in maintenance operations

- Existing terminal facilities (Table Mountain Aviation) are in extreme disrepair and in need of replacement, particularly pilot/passenger amenities and restrooms
- Fuel volumes are stagnant and have been declining over the past five years, including drops in activity prior to the dramatic fuel price increases and economic downturn. This is considered to be in part due to the lack of services and poor facilities
- The Airport's self-service fuel system is in disrepair with numerous complaints encountered regarding the intermittent operation of the fuel delivery systems. At the time of our visit, *ABS* learned that there were intermittent issues with the card-lock and electrical systems at the fuel farm
- The fuel storage facility does not meet current State or Federal requirements for fill/overspill containment and other fire safety considerations. There is currently no formal Spill Prevention, Control and Countermeasure (SPCC) plan in place for the current fuel storage facility. This lack of a Federal Environmental Protection Agency (EPA) requirement renders the fuel storage equipment out of Federal compliance. In addition, by California statute, fuel storage SPCC plans must be completed and filed by a Professional Engineer (PE) who has experience with fuel systems in conjunction with the local Fire Marshall. Even if the OVE fuel tanks are double wall design, which could not be confirmed, the use of double wall tanks does not in itself eliminate the need for secondary containment of a fuel farm. Without a valid and current SPCC plan, the quality of the farm or equipment is moot and out of compliance. It has also been indicated that the Airport plans to purchase a mobile refuel vehicle. This will require the fuel farm to become a truck "loading area" which will require additional spill protection – as determined by the SPCC recommendations of

the PE and Fire Marshall. The SPCC evaluation will look at items such as overfill protection for the tanks and new fuel truck, availability of other protection equipment and layout and configuration of facilities and site issues. This situation is particularly crucial at OVE because the fuel storage facility is in close proximity to both the auto parking area and the Airport entry road.

- There appears to be a number of cabin class or turbine aircraft that frequent the field on a regular basis to drop off and pick up passengers. However, these same aircraft do not appear to purchase any fuel or even utilize the facilities due to the condition of the facilities and lack of personnel
- The current economic downturn has reduced general aviation activity and growth nationwide; however, there appears to be some pent-up demand for individual T-hangars at OVE once the economy recovers
- With the exception of FBO facilities and services, the Airport ranks slightly above average when compared to the primary competitive airports in the area

It is important to note that after our review of the competitive situation in the region, it is our opinion that OVE has the opportunity to be the "shining star" among all of the general aviation airports in the competing area. While others are simply maintaining a "status quo" of average facilities and minimal services, OVE has the potential to reclaim much of the business lost to other airports and become the prime fuel stop for aircraft transiting the area north and south along the West Coast.

To evaluate the financial situation of the Airport, the Finance Director of the City of Oroville provided ABS with the actual vs. budget, revenue and expense data (cash flow) for the Fiscal Years Ending 6/30/04, 05, 06, 07, and 08. A review of this limited financial data shows a change from a peak positive bottom line of $106,000 in fiscal year ending (FYE) June 30, 2005, to a deficit of ($29,000) in FYE June 30, 2008. This is due to two issues: (1) a general drop in the economic and aviation base in the country, and (2) mostly due to the loss of itinerant aircraft operations to other airports in the area (primarily Chico and Yuba). However, it is our opinion that this situation can be corrected with the development of new facilities and a focus on customer service. If done correctly, much of the available marketshare can be returned to OVE. (It should be noted that no financial information was provided for the Table Mountain Aviation activities.)

It is also important to note that a general aviation airport like OVE, with a current deficit of only ($29,000), is performing above the norm for a typical airport of this size, scope and location. Most comparable airports are in much more severe situation and require much larger subsidies for their operation. It should also be noted that capital project outlays and paybacks (i.e. from grants) often span across fiscal year boundaries and may not be completely reflected in the dollar figures alone. Regardless, in these cases, the communities have recognized that in order to create jobs in the area, promote business growth, improve development, and create a quality "front door" to the communities, it takes a major commitment of money and management time. In the long run, it has consistently been proven worthwhile for communities to invest in their airport. In the case of Oroville, while the development of a quality, functional FBO facility would likely put the Airport in a further deficit for a few years, *ABS* is very optimistic that this situation will ultimately prove to be a positive move that will result in a renewed interest in the Airport from the standpoint of transient aircraft, and would likely put OVE back on the "aviation map".

Location

The Oroville Municipal Airport (FAA Identifier OVE) is located in Butte County in northern California, approximately 70 miles north of Sacramento, 30 miles southeast of Chico, and 150 miles northeast of San Francisco. Since the Airport is located approximately 3 miles from downtown Oroville, they do not currently incur any noise impact or land use issues like many general aviation airports located in highly concentrated residential communities.

Highway access to the Oroville Municipal Airport from the east and west is via California Highway 162, and from the south and north via California Highway 70 or California Highway 99 connecting to California Highway 162. Another significant highway in the vicinity is Interstate 5, one of the busiest U.S. interstates, which lies approximately 45 miles west of Oroville and is accessible via California Highway 162. Interstate 5 provides north/south access from the U.S./Mexican Border at the southern end, to the U.S./Canadian Border at its northern point.

Since the Oroville Municipal Airport does not accommodate commercial air service, Oroville residents typically utilize the Sacramento International Airport to the south or the Chico Regional Airport to the north for access to air carrier flights. Both are accessed via California Highway 70 and California Highway 99. According to the FAA's latest passenger boarding data (2006), Sacramento International Airport is the 39th busiest Airport in the United States with 5,182,641 annual enplanements, while Chico Municipal ranks 327th with 22,934 enplanements.

Airfield

Oroville Municipal Airport encompasses approximately 920 acres of land at an elevation of 192 feet. The Airport contains two runways, Runway 01/19, which is 6,020 feet long by 100 feet wide and Runway 12/30, which is 3,540 feet long by 100 feet wide. To enhance the Airport's operations, Runway 01/19 has a 2-light precision approach path indicator lighting (PAPI), high intensity runway edge lights (HIRL), and a full parallel taxiway. The runway is constructed of asphalt and is in good condition and capable of accommodating aircraft with weight bearing capacity of 60,000 pounds single wheel, and 80,000 pounds double wheel. There is also a global positioning system (GPS) approach to Runway 01. In addition, Runway 12/30 has a 2-box Visual Approach Slope Indicator (VASI) for approaches to both ends of the runway, as well as high intensity runway edge lights, and a full parallel taxiway. The runway is constructed of asphalt, which is rated as in good condition and capable of accommodating aircraft with weight bearing capacity of 25,000 pounds single wheel. The Airport has also made a provision to accommodate rotor wing aircraft, as listed on the FAA's Airport Master Record, there are two designated helicopter landing pads, each one measuring 25 feet diameter in size.

The Airport also has a rotating beacon, segmented circle, lighted wind indicator, and an automated surface observation system (ASOS). In addition, to assist arriving pilots, the Airport also offers a very high frequency Omni-directional range (VOR) non precision approach to the airport.

Based Aircraft and Aircraft Storage

A review of the FAA's latest Airport's Master Record indicates that the current number of based aircraft totals 27, with 25 of these being single-engine and the remaining two being multi-engine. In addition, the Master Record also stipulates that 1 helicopter and 4 ultra-lights are also based at OVE. As previously noted, although there are no turbine aircraft based at OVE, information reviewed indicates that there are several transient turbine aircraft that frequent the Airport on a regular basis. In review of the most recent Oroville Airport Master Plan (completed in 1991), based aircraft were forecasted to reach approximately 90 by 2005 and 100 by 2010. Clearly, given the age of the analysis and changes in the industry, the Master Plan is in need of update and re-evaluation.

With regard to the Airport's aircraft operating statistics, once again referring to the FAA's Airport's Master Record, the Airport experienced a total of approximately 36,000 annual operations divided among three types: General Aviation Local - 20,000 operations; General Aviation Itinerant – 14,500 operations; and Air Taxi – 1,500 operations. The 1991 Master Plan projected the total annual operations figure be 69,200 by 2005, based primarily upon growth conditions at that time, as well as anticipated continued growth in aircraft operations by Louisiana Pacific Corporation, which was at the time operating two corporate jets, one turbine powered propeller aircraft, and a single turbine helicopter at OVE. None of these aircraft are currently conducting flight operations into Oroville.

At the time of this analysis, there were twelve (12) aircraft storage facilities at the Oroville Airport. Of these twelve, seven (7) were stand alone, single unit buildings. Five of these buildings were located east of Runway 12/30, near the FBO building. The remaining two were located west of Runway 12/30, and just south of Runway 1/19, adjacent to the newer aircraft parking ramp. This newer parking ramp has approximately 78 tie-down spots.

The remaining five (5) aircraft storage buildings on the Airport include four (4) multi-unit T-hangar storage facilities and one (1) maintenance hangar, that is attached to the FBO building. Of the four T-hangar row units, one is located near the FBO building and has ten (10) aircraft storage units. This

facility is currently leased to Table Mountain Aviation Inc., which in-turn subleases the ten storage spaces to aircraft owners. The other three T-hangar multi-units are located just west of Runway 12/30, and southeast of Runway 1/19. These three complexes total 42 individual hangars, all of which are occupied. According to available information, there is currently a waiting list of three for aircraft hangar space at the Airport.

Fixed Base Operator

According to the FAA, a Fixed Base Operator (FBO) is a business granted the right by an airport sponsor to operate on an airport and provide commercial aeronautical services such as fueling, aircraft storage (hangar), tie-downs and parking, aircraft rental, aircraft maintenance, and flight instruction. The City of Oroville has granted this privilege to Table Mountain Aviation, Inc., through a Tenant Agreement which was entered into on September 18, 2007 for a three year term. However, it should be noted that the primary business of Table Mountain Aviation is aircraft maintenance. As such, the operation/monitoring of the "FBO" is very much secondary to their mission and motivation on the field. As a result, based upon the current situation, FBO services are considered "non-existent" at OVE.

The Table Mountain Aviation leasehold consists of the hangar portion of the terminal/hangar building, the front lobby and pilot's lounge area, two offices, the bathrooms, and four (4) associated tie-down spaces for the purpose of storing aircraft that are being repaired, or are owned and operated by Table Mountain Aviation. Mr. Tom Hagler, President of Table Mountain Aviation, is involved in the day-to-day operation of the "FBO", serving primarily as an aircraft mechanic. Although Table Mountain indicates that there are part time counter/office personnel on duty most afternoons, during our visits to the Airport, there was never anyone positioned in the terminal area. The only personnel on-site were in the hangar working on aircraft. At no time were *ABS* personnel ever greeted or challenged upon entering the facility or ramp areas.

The public has unencumbered access to the aircraft operations area of the Airport through an unsecured gate opening in a 4' high chain link fence in front of the terminal/hangar. The terminal/hangar building provides access to the airside ramp and approximately thirty-eight (38) apron tie-down spaces. Adjacent to the Airport access roadway is an asphalt paved parking lot providing automobile parking. This parking lot provides access to the terminal/hangar building and aircraft ramp area.

Under the current agreement, Table Mountain Aviation does not provide fuel and/or oil services to aircraft visiting OVE. The Airport owns and operates two above-ground storage tanks, one each for 100LL/Avgas and Jet-A fuel. The storage tanks are tied into a self-service unit, which allows the self-fueling of aircraft, and there are currently no mobile refueling units or personnel to provide full service fuel delivery to aircraft. This scenario necessitates that aircraft needing fuel be positioned at the self-fuel storage area, and pilots must then refuel their respective aircraft without assistance. Such an arrangement is deemed counter-productive to growing any aspect of Airport activity, except for the cost-conscious light aircraft operator seeking the lowest fuel price. Turbine or business aircraft are not likely to utilize self-service facilities, which is significant since Jet fuel typically produces a much higher volume and profit margin than piston aircraft utilizing 100LL/Avgas.

Regarding the fuel storage facility, based upon the lack of a formal SPCC plan at the time of inspection by *ABS,* it is not in compliance with current State or Federal environmental guidelines for spill/overfill protection and containment. It also appears to be deficient in other areas, as the self-service delivery systems for both Avgas and Jet-A are reported to fail intermittently due to card-lock and mechanical/electrical issues. Several customer comments have been posted regarding their inability to use the system and purchase fuel at OVE. This is a major concern that must be addressed in the near future.

Regional Competitive Airports

Oroville Municipal Airport is surrounded by a number of airports serving the northern region of California and north-western Nevada. Approximately 91 airports are located within 200 miles of Oroville, with almost half of these airports (46) located within 100 miles. The majority of these airports are owned and operated by public entities, including several which are designated by the FAA as "reliever" airports.

General aviation users find it difficult and expensive to gain access to congested airports, particularly large and medium hub airports such as Sacramento International Airport. In recognition of this, the FAA has encouraged the development of high capacity general aviation airports in and around major metropolitan areas such as Sacramento. These specialized airports, called relievers, provide pilots with attractive alternatives to using congested hub airports. Large metropolitan areas usually have a system of reliever airports, one or more of which can accommodate corporate jet aircraft, and others designed for use by smaller, propeller-driven aircraft. Relievers have been very successful at relocating general aviation activity from congested airports, and as a result, general aviation activity at congested airports is a small and decreasing percentage of total operations, examples of which include the following: two percent of operations at Atlanta Hartsfield, three percent at LaGuardia Airport, three percent at John F. Kennedy Airport, and three percent at Chicago O'Hare Airport.

Reliever airports also provide general aviation access to the surrounding area. To qualify as a reliever, they must have 100 or more based aircraft or 25,000 annual itinerant operations. In 2005, there were 278 reliever airports with an average of 219 based aircraft, or 29% of the nation's general aviation fleet. Although it is not designated an "official" reliever for Sacramento International Airport, OVE provides relief indirectly. The following airports have been designated as general reliever airports within 100 nautical miles of Oroville:

- Byron Airport (C83)
- Buchanan Field Airport (CCR)

- Lincoln Regional Airport (LHM)
- Napa County Airport (APC)
- Haigh Field Airport (O37)
- Palo Alto Airport (PAO)
- Petaluma Airport (O69)
- Sacramento Executive Airport (SAC)

The FAA understands the importance of having a reliever airport in a congested metropolitan area, and as such these airports are eligible for funds that other airports typically cannot receive. As designated relievers, these airports have an advantage over "non-reliever" general aviation airports such as OVE. This is particularly true when applying for Federal funding, because the reliever airports typically have a slight advantage in receiving improvement funds over non-reliever airports.

The following analysis will focus on the airports in closest proximity to Oroville, to include relievers and non-relievers. These airports are within a reasonable distance to OVE, whereas customers may consider choosing optional airports and fixed based operators based upon airfield characteristics, services, and driving distance to their final destination. To provide insight, the primary use of each airport is summarized, as well as the airfield characteristics, recent capital improvements, rental rates, based aircraft, fuel volumes, and annual operations. Airports within 75 miles of OVE that did not contain adequate infrastructure, based aircraft, and/or services to compete are excluded from the analysis, but are listed in a summary table.

The comparable airports on the following pages are evaluated in ascending order based upon distance from OVE.

Chico Municipal Airport

Chico Municipal Airport (FAA Identifier CIC) is owned and operated by the City of Chico and is the closest airport to OVE. This controlled airport is located approximately 4 miles north of the city of Chico and 21.4 miles north-northwest of Oroville at an elevation of 240 feet. It serves as the scheduled air carrier and general aviation airport for Chico, California, which has an estimated population of 59,954, according to the 2000 U.S. Census. To accommodate air traffic, the 1,475 acre airport maintains two paved runways: 13L/31R is 6,724 feet in length and 150 feet wide, and 13R/31L is 3,000 feet in length and 60 feet wide. The runways are constructed of asphalt and rate as good condition. To assist pilots, the runways contain medium intensity runway edge lights and precision 2-light approach indicator lighting (PAPI) systems on both runway ends. According to the Airport Master Record, there are approximately 119 based aircraft, of which 86 are single engine, 25 multi-engine and 8 jets. The estimated 50,370 annual operations reflects a large number of itinerant general aviation traffic, 26,696 and a split between air taxi and local general aviation at 11,081 and 10,578 operations respectively. In addition, yearly military operations account for 1,511 operations, with 503 commercial operations.

The fixed based operation (FBO) at Chico is operated by Northgate Aviation. Northgate offers customer amentities including a passenger terminal and lounge, as well as aircraft servicing that includes aviation fuel, oxygen service, aircraft parking and hangar storage, and 100LL/Avgas and Jet A fuel for resale, via full-service truck delivery to the aircraft. Northgate Aviation also provides general aviation aircraft systems repair. The CIC Airport also has a very large specialized aircraft maintenance operation, "Aero Union Corp.", which provides contract operations for 8 of its own aircraft, and major service, repair and overhaul for other forest fighting aircraft, specifically the Orion P-3 aircraft. The CIC Airport experiences a large number of aircraft operations and associated business as a result of its centralized location and support services available during the yearly California forest fire-fighting season.

Although the CIC Airport offers commerical air service to airline passengers, it is a competitor of OVE since 96% of the operations are general aviation and thus a primary competitor of Oroville and as a result, was selected for further analysis at the end of the chapter.

Yuba County Airport

Yuba County Airport (FAA Identifier MYV) is located in Marysville, California, which lies approximately 3 miles southeast of the City and 23.5 miles south of Oroville. The Airport contains 933 acres, sits at an elevation of 62 feet, and is owned and operated by Yuba County. According to the 2000 Census, the population in Marysville was 12,268, and recent estimations indicate that the population has declined slightly to 11,949, as of 2006.

The MYV Airport is home to approximately 115 aircraft, of which 92 are single engine piston aircraft, 18 multi-engine, 2 jets 1 helicopter and 2 ultralights. To accommodate based and transient aircraft, the Airport maintains two asphalt runways (14/32 and 5/23) which are 6,006 feet in length and 150 feet wide and 3,281 feet in length and 60 feet wide, repsectively. Runway 14/32 has a limiting weight bearing capacity of 150,000 pounds double tandem, 100,000 pounds double wheel and 75,000 pounds single wheel and contains high intensity edge lights, a 4-box VASI on both ends and MALSR approach lights on approach to Runway 14. Runway 14/32 has a limiting weight bearing capacity of 95,000 pounds double tandem, 60,000 pounds double wheel and 42,000 pounds single wheel. An ILS/LOC and GPS are available for Runway 14 while a GPS and VOR approaches are available for Runway 32.

The FBO, Red Carpet Aviation, provides primary services to pilots and passengers including aircraft parking, tiedown, and passenger terminal with restrooms. The FBO offers both types of aviation fuel; 100LL/Avgas and Jet-A. Avgas is available through either a self-serve system or delivered to the

aircraft through the use of a mobile refueler. Jet-A fuel is only available via "full-service" and incorporate the use of a mobile refueler to deliver the fuel directly into the aircraft. Aircraft maintenance support is provided by Krueger Aviation, which has an FAA certified repair station license and is also a designated repair station for Aerostar aircraft.

In addition to its proximity to Oroville, Yuba City also has an on-site airport restaurant, the Sky Harbor Café, which along with the competitve fuel prices offered, places itself as a strong competitor to Oroville Municpal Airport.

Colusa County Airport

Owned and operated by the County of Colusa, the Colusa County Airport (FAA Identifier O08) is located 3 miles south of the City of Colusa within Colusa County. The City of Colusa has a population of approximatley 5,402 according to the 2000 Census. The O08 Airport is 25 nautical miles southwest of Oroville and occupies 81 acres at an elevation of 47 feet. The airfield is composed of one active runway with a parallel taxiway. Runway 13/31 is 3,000 feet in length, 60 feet wide is asphalt and rated as in good condition. The weight bearing capacity of the runway is 10,000 lb single-wheel. Medium intensity runway edge lights assist approaching pilots as well as a GPS landing approach for both ends of the runway.

According to the Airport Master Record, the O08 Airport has a total 29 based aircraft, 26 of which are single engine, and 3 that are multi-engine. The last Airport Master Record indicated that the O08 Airport accommodated an estimated 28,105 annual operations, of which 21,641 were classified as general aviation local and 6,464 as general aviation itinerant. To meet the needs of these general aviation operations, the Airport Authority provides aviation fuel, aircraft parking (ramp and tiedown), pilots lounge, snooze room and restrooms. The fuel provided, 100LL/Avgas only, is avialable through a self-serve pump only.

One attraction for pilots is its close proximity to the "Colusa Casino Resort", which is located approximately 5 miles from the O08 Airprort. A free shuttle service is available for transport of pilots and their passengers to the casino. The Colusa County Airport is another primary competitor to Oroville.

Willows-Glenn County Airport

Willows–Glenn County Airport (FAA Identifier WLW) is one of two non-commercial airports that are owned, the other being owned and operated by Glenn County, which provide service to general aviation pilots. Each of these airports receive revenue from the sale of fuel, hangar rental, leasing of airport property and the leasing of industrial park property. In addition, both airports also receive an annual grant of $10,000.00 from the State of California that may be used for airport operational expenses.

At an elevation of 139 feet, the Willows–Glenn County Airport covers 320 acres and is located approximately 1 mile west of the city of Willows and 27.6 nautical miles west of Oroville. Within the City of Willows, California, the population during the 2000 Census was 6,220. The WLW Airport is home to approximately 59 aircraft, (57 fixed wing and 2 helicopters). All aircraft are single engine piston engine. To accommodate the based and transient aircraft, the Airport maintains two asphalt runways: Runway 16/34, which is 4,506 feet in length and 100 feet wide; and Runway 13/31, which is 4,210 feet long and 100 feet wide. Runway 16/34 has a weight bearing capacity of 38,000 pounds Single wheel, 53,000 Double wheel, and contains medium intensity edge lights. To assist pilots landing under varying conditions, a four-box VASI, GPS and VOR/DME instrument approach procedures are available on the approach to Runway 34.

Based upon the WLW Airport Master Record, the Airport experiences approximately 33,580 operations a year. The WLW Airport operates its own FBO and offers 100LL/Avgas on a 24-hour per

day, 7 days per week basis through a self-serve refuel system. Attractive fuel pricing along with an on-airport restaurant and four hotels, all within a mile of the WLW Airport, help to attract transient pilots.

Haigh Field Airport

Located 3.0 miles southeast of Orland, California and approximately 28.0 miles west-northwest from Oroville, Haigh Field Airport (FAA Identifier O37) is owned and operated by Glenn County, California. In 2006, it was estimated that the City of Orland had a population of 7,050 , which was a 12% increase from the 2000 Census estimate of 6,281. The Airport occupies 300 acres and is at an elevation of 215 feet. To accommodate air traffic, there is one paved runway. Runway 15/33 is 4,500 feet in length and 60 feet wide and is constructed of asphalt and listed as in good condition. Runway weight bearing capacity is listed as 30,000 pounds single wheel. To assist pilots during adverse weather conditions, the runway contains medium intensity runway edge lights and a 2-light PAPI system on approach to both ends of the runway. A VOR and GPS-S approach is also availble to pilots.

According to the Airport Master Record, the Airport has approximately 70 based aircraft, of which 64 are single engine, 2 multi engine, 3 gliders and 1 ultralight. The Airport has approximatley 20,075 annual operations, which appear to be split 60% (12,045) to 40% (8,030) between itinerant and local general aviation traffic. There are no other type of operations listed for this airport.

Services for passengers and their aircraft is provided by the Airport. Only 100LL/avgas is available through a self-serve pump system. The O37 Airport does not offer jet fuel. Aircraft maintenance is offered by Rainbow Aviation Services, which provides generalized maintenance on various types of general aviation aircraft.

Nevada County Air Park Airport

Nevada County Air Park Airport (FAA Identifier GOO) is located three miles east from downtown Grass Valley, California and 32.8 miles east-southeast of Oroville. In 2006, the City of Grass Valley had an estimated population of 10,992, which by recent estimates grew to 12,426 in 2006. The Airport lies at 3,152 feet and covers 117 acres, and is owned and operated by Nevada County. The Airport is home to approximately 128 based aircraft, of which 116 are single engine and 12 are multi-engine.

According to the FAA, the GOO Airport averages approximately 27,740 annual operations, of which an estimated 14,700 are designated as general aviation local. To accommodate based aircraft and transients, there is one asphalt runway (7/25), which is 4,350 feet in length, 75 feet wide and contains medium intensity edge lights. Runway weight capacity is rated as 30,000 pounds single wheel. To assist pilots, Runway 7 contains a GPS and a 4-box VASI system, while a 2-box VASI is available on the approach to Runway 25.

The Nevada County Air Park Airport operates as the FBO on the field and offers both 100LL/ Avgas and Jet-A fuels. Avgas is available as self-serve or fuel-serve, while Jet-A is only available as full-serve and is delivered directly to the aircraft via a mobile refueler. To accommodate aircraft maintenance demands for customers, Sierra Mountain Aviation offers maintenance repair, modifications and interiors for piston engine aircraft.

Lincoln Regional/Karl Harder Field Airport

Lincoln Regional/Karl Harder Field Airport (FAA Identifier LHM) is located 36.9 miles south-southeast of Oroville and 3.0 miles west of Lincoln, California. In July 2006, the City of Lincoln had an estimated population of 39,566, which is a large increase from the 2000 U.S. Census of 11,205.

The LHM Airport is owned and operated by the City of Lincoln and encompasses 725 acres, with one asphalt paved runway (15/33). The runway measures 6,001 feet in length and is 100 feet wide and contains an ILS/DME, GPS, medium intensity edge lighting, a 2-box VASI, and MALSR approach lights on the approach to Runway 15. For aircraft approaching to land on Runway 33, there is a 2-box VASI, medium intensity edge lighting and a GPS approach. The runway's weight bearing is rated at 60,000 pounds double wheel and 30,000 pounds single wheel.

According to the Airport Master Record, the LHM Airport reported 70,810 annual operations and is home to 207 aircraft. There are 190 single engine aircraft, 14 multi-engine, 2 jets, and 1 helicopter. To accommodate demand, the Airport operates the only FBO, and both types of aviation fuel are provided. In addition, both 100LL/Avgas and Jet fuel are available as either a self-serve or a full-service (mobile fuel vehicle). The FBO also offers fuel, rental car services, parking, aircraft hangars, and passenger terminal services. Maintenance services and flight instruction are also available on the field through Kracon Aircraft Refinishing, Lincoln Skyways, and/or Lincoln Flight Center.

Auburn Municipal Airport

Auburn Municipal Airport (FAA Identifier AUN) is located 3 miles north of Auburn, California, approximately 40.7 miles southeast if Oroville. The City of Auburn population was estimated to be 12,995 in 2006, which is only a little over 4% higher than the 2000 U.S. Census estimation of 12,462. The Airport is owned and operated by the City of Auburn and is situated on 165 acres of land at an elevation of 1,536 feet.

To accommodate general aviation operations, the AUN Airport has one asphalt runway. Runway 7/25 is 3,700 feet in length, 75 feet wide and as in good condition. Runway 7/25 is rated for 30,000 lbs single wheel and is equipped with medium intensity lighting with a 2-light PAPI system on both runway ends. A GPS approach is also available for pilots using runway 7. According to the Airport Master Record, the AUN Airport has a total of 212 based aircraft, of which 195 are single engine, 11 are multi-engine, 4 are helicopters and 2 are ultra-lights. The Airport records 68,620 annual operations, of which 35,000 are general aviation local, 30,900 itinerant and the remainder air taxi.

To accommodate the general aviation aircraft and pilots, there is one FBO, "Gold Country Aviation." Gold Country Aviation is an AvFuel distributor and only offers self service fuel (100LL/ Avgas and Jet-A fuel). The FBO also provides basic services and amenities including: aircraft parking, restrooms, pilots lounge, and snooze room.

A unique aspect to this airport is its proximity to a golf course, which is located within 1 mile of the AUN Airport property. A marketing concept encourages pilots to play 18 holes of golf, at the end of the round, turn in your receipt at the restaurant for a free dinner.

Red Bluff Municipal Airport

Owned and operated by the City of Red Bluff, Red Bluff Municipal Airport (FAA Identifier RBL) is located 2 miles south of downtown Red Bluff and approximately 49.2 miles northwest of Oroville at an elevation of 352 feet. In the 2000 census, the City of Red Bluff showed a population of 13,187. The most recent estimate (2006) showed a slight increase of 6.5% to 14,005.

The RBL Airport occupies 602 acres and includes one asphalt runway. Runway 15/33 is 5,700 feet in length, 100 feet wide and has a weight bearing capacity of 30,000 pounds single wheel and 65,000 pounds double wheel. Approaches to either end of the runway contain a 4-box VASI and medium intensity runway edge lights to assist pilots. GPS and VOR instrument approaches are also available at both ends of the runway.

According to the Airport Master Record, RBL has a total 67 based aircraft, 55 of which are single engine, 4 multi-engine, 2 jets, 5 helicopters and 1 glider. In 2006, the RBL Airport accommodated 26,150 annual operations, of which 15,000 were general aviation itinerant, 10,000 general aviation local, 1,000 air taxi and 150 military. To serve the general aviation operations at RBL, there is one FBO, Red Bluff Air, Inc. that provides aviation fuel, aircraft parking, hangars, passenger terminal with lobby, internet, pilots lounge, and courtesy transportation.

Key Comparable Airports

In the analysis of the airports in the region, four key airports stand out at the most influential to the operations at OVE: Chico (CIC), Yuba (MYV), Colusa (O08), and Willows Glenn (WLW). The following table indicates the overall status of these landing fields.

KEY COMPARABLE AIRPORTS							
AIRPORT	**FAA ID**	**DIST. FROM OROVILLE**	**LONGEST RWY**	**BASED A/C**	**ANNUAL OPS**	**APPROACH**	**FUEL**
Oroville	OVE	3 NM	6,020'	27	36,000	GPS & VOR	100LL SS JET-A SS
Chico	CIC	21 NM	6,724'	119	50,370	ILS/LOC GPS & VOR	100LL FS JET-A FS
Yuba	MYV	24 NM	6,006'	74		ILS/LOC GPS & VOR	100LL FS-SS JET-A FS
Willows	WLW	28 NM	4,506'	33	33,580	GPS & VOR	100LL SS
Colusa	O08	25 NM	3,000'	36	28,105	GPS & VOR	100LL SS

Competitive Position and Ranking

To assess Oroville Municipal Airport's competitive position and ranking in the region, these four key comparable and competitive airports were further analyzed for analytical ranking. These four key airports were selected from the nine summarized based upon their competitive position in the marketplace and their direct impact on activity and pricing of services at OVE. To properly analyse these airports in comparison to Oroville, a table was developed which ranks these competitive airports by their most important attributes. On a scale from 1 to 5, with 5 being the highest, each airport was ranked for each attribute they offer to the users. In order to decide which attributes are the most important, a priority list was created and "weighted" since each attribute may not be equal in the eyes of each type of user.

- According to our analysis, the first priority many pilots consider is location. Since the airports in the study are spread across the region, the central point for this analysis is proximity to downtown Oroville. For instance, the closest airport to downtown Oroville received 5 points and the location

attribute received a weight of 35. This means the airport closest (OVE) received 175 points (5 x 35) and the one farthest away (WLW) received 35 points (1 x 35).

- The second priority is airfield infrastructure, such as runway lengths and navigational aids. An airport without a runway capable of handling higher aircraft weight, takeoff distance, and/or approaches under adverse weather would not rank as well. Those with precision approaches, particularly Instrument Landing Systems (ILS) would rank higher. This attribute is calculated based on a weighted average of 25 points times the rank of 1 through 5.

- The third attribute was the facilities/services available and takes into account FBO amenities such as quality of terminal areas, pilot lounges, conference rooms, flight planning rooms, as well as the FBO's commitment to customer service. Facilities/services received a weight of 25.

- The final determining attribute was the availability of fuel from different vendors, as well as the pricing of fuel. Since self-service fueling appeals to several aircraft users, the ability to self-fuel during non-manned times received high consideration, as did the opportunity to provide Jet fuel with full service personal and a mobile refuelling vehicle. This final attribute received a weighted average of 15. This self-fueling attribute relates primarily to the smaller Avgas burning aircraft. However, it should also be noted that Jet-A self-fueling is seen by most of the turbine/turboprop operators as a negative or "reason to avoid" a particular airport because of a real or perceived lack of other support services that a turbine aircraft needs. In addition, since these aircraft are often corporate or charter aircraft, the pilots are typically professional aircrews in formal uniforms, who are less likely to want to fuel their own aircraft for appearance reasons

The following table depicts the attributes of OVE and each of the four other key competitive airports and shows the current ranking of each at the time of inspection by *ABS*.

KEY COMPETITIVE AIRPORTS - POSITION AND RANKING					
	CHICO MUNICIPAL	**YUBA COUNTY**	**OROVILLE MUNICIPAL**	**WILLOWS GLENN**	**COLUSA COUNTY**
LOCATION (WEIGHT 35)	4 = 140	3 = 105	5 = 175	1 = 35	2 = 70
INFRASTRUCTURE (WEIGHT 25)	5 = 125	4 = 100	3 = 75	2 = 50	1 = 25
FACILITIES/SVCS (WEIGHT 25)	5 = 125	4 = 100	2 = 50	3 = 75	1 = 25
FUEL AVAIL/PRICE (WEIGHT 15)	5 = 75	4 = 60	3 = 45	2 = 30	1 = 15
TOTAL WEIGHTED POINTS	465	365	345	190	135
AVERAGE RANKING	4.75	3.75	3.25	2.00	1.25

As indicated by the total points, OVE ranks in the middle of the group (3rd out of 5) with a total of 345 points out of a possible 500. The areas in which OVE ranked above average were location, airport infrastructure, and fuel availability (primarily because it offers Jet fuel, while the two airports that scored below them do not). With the recent airfield improvements, including the runway rehabilitation, OVE contains similar, if not slightly better, airfield infrastructure, especially when comparing runway length and condition to other airports in the region. Areas that could dramatically improve the OVE ranking include improved FBO facilities, dedicated on-site customer service personnel, and full service jet fuel availability through the use of a mobile refueling vehicle and line service personnel.

Other Airports within Region

The following table summarizes 11 other airports within 75 miles of OVE that were considered as limited in infrastructure, based aircraft, significant annual operations, and/or pilot services, and were therefore discounted from the overall analysis. However, with strong management and/or an aggressive marketing and development approach, several of these airports could become competitive in the future.

OTHER AIRPORTS WITHIN 75 MILES OF OROVILLE					
Distance From Oroville (NM)	**FAA Identifier**	**Airport Name**	**Longest Runway**	**Based Aircraft**	**Annual Operations**
15.4	F25	Brownsville	2,326'	12	1,976
18.6	49A	Ranchero	2,156'	34	4,992
21.4	O52	Sutter County	3,045'	94	20,075
37.3	O04	Corning Municipal	2,702'	25	8,760
41.5	2O1	Ganser Field	4,105'	30	13,140
44.2	BLU	Blue Canyon – Nyack	3,350'	0	8,395
48.9	E36	Gergetown	2,980'	35	22,630
50.8	O05	Rogers Field	5,000'	26	15,695
61.9	O02	Nervino	4,651'	28	16,060
66.4	2O3	Angwin – Parrett Field	3,217'	38	12,045
71.9	SVE	Susanville Municipal	4,049'	55	12,410

Training Activities

The only training activity currently occurring on the Airport at OVE is primary flight training for private pilots. This is being done through flight instructors associated with Table Mountain Aviation.

Flight Plan Routings and Destinations

Based on information provided by the FAA and local aviation users, the general aviation flight activity at OVE is divided into two categories. Transient general aviation, those aircraft arriving from other home bases, account for 56% of the flights into and out of OVE, while 40% of the traffic is local traffic that originates and terminates at the Airport. This would include primarily local pilots performing flight training activities such as touch-and-go operations. The key to this data indicates that a significant amount of activity is associated with transient or itinerant aircraft. This is good news for OVE, since larger aircraft and better fuel sales margins are associated with itinerant operations. This also indicates

that there is likely a significant number of aircraft utilizing the field that are not buying any fuel or utilizing any other type of ground services. This is likely due to the lack of facilities and personnel. It also indicates what we call a low "capture rate" for potential fuel sales. This rate equals the volume of fuel sales that an FBO entity captures from itinerant aircraft, through incentives, on-site negotiation, or up-selling to aircraft the drop in or visit the FBO. This capture rate is likely near zero at OVE because there are no FBO or City personnel available on the field who are motivated or trained to accomplish this function.

Charter Services

Currently, there are no active charter service entities based on the field at OVE. Charter operations and rental activity does occur at the Airport based upon reports of various types of aircraft arrivals as reported by tenants of the field. Because the City of Oroville has no personnel directly meeting and monitoring the day-to-day activity on the Airport, it is unknown how much charter business is actually occurring in terms of either aircraft or dollar volume. It is believed that this is a potential un-tapped market due to the various types of business activities taking place in the community, as well as the potential for users of the casinos that utilize charter or fractional aircraft for access to the resorts. At present, it is believed that the charter activity taking place at OVE is utilizing aircraft from the Sacramento and San Francisco areas. In these cases, the aircraft are fueling at their home base to accomplish the charters due to the lack of services at OVE. In some cases, they may be requesting that their Oroville passenger meet them at other airports in the area, due to the lack of services at OVE.

Local Aviation-Related Business

The most important main street in any community is not a street, but rather the local airport runway. There are a number of local businesses within any community, both on and off airport, that are impacted by the airport and its operations. The current on-airport business that has the most direct impact on the community and airport is Table Mountain Aviation. They have a well-established piston aircraft maintenance business that is supported by users based at OVE and surrounding airports. However, as

with other activities at the field, the maintenance service business has likely not reached its full potential due to the lack of other on-site services and facilities to attract larger cabin class piston and turbine aircraft.

Air ambulance, charter, flight training, aircraft sales, aircraft washing, aviation products/parts sales, catering, avionics (aircraft electronics and navigation) equipment repair, hangar construction, agricultural spraying, aerial firefighting, and miscellaneous ground handling services are all driven by the itinerant fuel service business at an airport. It is critical to note that this itinerant fuel business at OVE has been declining in recent years. This is due to two primary reasons, the general downturn in aviation activity nationwide, and more importantly due to the lack of services and quality facilities available to itinerant aircraft, pilots, and passengers at OVE. It appears that some of this business has shifted to other airports in the area due to this lack of services.

The local businesses that are directly impacted by the vitality of the Airport include restaurants, hotels, casinos, car rental agencies and other service related businesses that cater to tourism. Businesses that are indirectly impacted would be those entities that support the tourism industry, such as laundry services, gas stations, restaurant and hospitality equipment providers, uniform suppliers, vehicle maintenance companies, banks, employment agencies, medical facilities, real estate, and government services.

In the case of Oroville, the needs of both aviation and non aviation businesses near OVE can be directly tied to the vitality of the Airport, particularly with regard to attracting and ultimately bringing in itinerant aircraft, as well as improving services on the Airport to corporate aircraft who could be incentivized to base their aircraft at OVE, and in-turn operate their business from Oroville because of the amenities and attractiveness of the Airport operation. Local business owners must have the confidence in the sustainability of the Airport to attract customers to the area and to also serve their own business needs. It is important to note that most corporations, when deciding where to base their new or expanding business, utilize a business development model that researches the various demographics of the region, which includes the proximity of the local airport and the services and amenities offered there.

Competitive Rural Airports

See the previous regarding regional competition and resources at other airports in the area.

Incentive Plans, Tax Abatements, Start-Up Grants and Funding Sources

Unfortunately, under the current economic situation, literally hundreds of airports of all sizes are in the same situation as OVE. Many are looking at ways to improve revenues and/or simply sustain operations. In most cases, the only thing that will improve the financial and operational situations at these airports is the passage of time. This includes time for the economic situation to improve, and time for fuel prices to drop so that aircraft owners will begin flying again. In addition, with 2008 being an election year, the many traditional governmental entities providing community assistance grants and/or federal funding for airports have been tied up waiting for this election year to pass and to see what the new administration plans to do with the nation's air transportation system. Typically, it takes several months after a new administration is in place, both locally and nationally, before these types of funds to begin to come alive again. In particular, FAA funding has been caught up in a political quagmire in Washington for quite some time, and this may continue over the near term until the Obama administration provides an outline on their future plans as they relate to the economy, credit markets, government programs, and aviation, in particular.

Regardless of the political issues, it is imperative for airports and all government entities and operations to "think outside the box" as it relates to funding sources, whether they are grants or loans. There are numerous examples of airports throughout the U.S. that have sought non-traditional funding sources for airport improvement and planning projects. These include such avenues as teaming with local economic development agencies to seek joint state funding alternatives, USDA grants for business plans for airports serving predominately rural farming regions, and airports seeking local and/or tenant contributions to facilitate obtaining traditional bank financial for infrastructure projects.

Some airports have even resorted to "selling" leases in order to generate funds to support other projects. In these instances, a traditional lease is negotiated, and then a value is assigned to the lease based upon the present value of the airport's anticipated income stream over the term of the lease. This value can either be for all or part of the income stream, so that there is still a revenue source over the life of the lease, albeit less than typical. All of these circumstances have one thing in common: Creativity! To survive and thrive in today's tough economic environment, it is imperative for an airport to exhaust all possible resources when it comes to funding projects.

State/Federal Marketing Assistance

As noted above, teaming with local, state, and Federal economic development agencies is an excellent way to tap into the resources that would not normally be available to airports. It is important to realize that the OVE Airport is a significant economic engine in the region, and its growth is a substantial benefit to everyone within the community and region. Utilizing the often underused "it doesn't hurt to ask" position is probably the best way to explore any marketing assistance that may be available from State Department of Transportation and Federal agencies such the FAA. Monies for items such as fencing, lighting, terminal upgrades and other infrastructure may be available under the heading of security upgrades. Often, these monies go untouched simply because the airport sponsor didn't ask or go to the right source.

2. FBO FACILITY NEEDS ASSESSMENT

The City of Oroville has made a solid commitment over the years to support its airport and users with a landing facility that has some of the best airfield infrastructure in the region. However, over time the airport structures and equipment, particularly the terminal/hangar building and support facilities, have slowly slipped into disrepair. Although Table Mountain Aviation has manned the facility and provided a "caretaker" arrangement for the terminal, their presence is dictated by the active maintenance business they support. As such, maintenance is their primary focus and fuel sales and support of line operations, particularly to itinerant users, is almost non-existent. In addition, the self-service system and fuel storage equipment is in need of total replacement due to poor condition. As stated in Section 1, the Airport does not have a formal Spill Prevention, Control and Countermeasure (SPCC) plan approved by a PE or Fire Marshall, and therefore does not meet current Federal or State environmental regulations. It has also been suggested to *ABS,* by an associated entity familiar with California codes, that the current tank situation needs be evaluated for earthquake survivability due to its proximity to the auto parking lot and roadway. California code calls for tanks to be in "cradles" to prevent movement, and the current metal brackets holding the tanks may not meet the current code. Although this situation may be "grandfathered" on the current facility, if any changes or upgrades are provided (such as a truck loading area), then it is likely that the earthquake issue will need to be addressed.

As stated previously, OVE is in a position to act quickly and become the preeminent general aviation service facility among all the general aviation airports in the region. While others are simply sitting on the status quo of average facilities and minimal services, OVE has the potential to reclaim much of the business lost to other airports and to become the prime fuel stop for aircraft transiting the area north and south along the West Coast.

a. Facility Recommendations

It is clear that in order for OVE to be competitive in the future, to grow or expand services, and therefore create jobs throughout the community; it must invest in upgrades to its on-Airport facilities. It is recommended that the improvement in facilities be accomplished in several phases.

Phase 1 – Immediate

The initial phase of improvements at OVE should include an immediate, but temporary, upgrade to the existing terminal area in the Table Mountain Aviation building. This would include such items as:

- Remodeling and upgrading the restrooms, including new fixtures and ventilation
- General clean-up, painting, and replacement of carpeting for main passenger lounge and meeting room
- Develop a specific area for flight planning/weather briefing including installation of a Weather Services International (WSI) weather access computer
- Remodel of the customer service counter area
- Provide new furniture in the passenger waiting area
- Improve signage both inside and outside the terminal

Based on the results of a formal SPCC plan, the second portion of the initial Phase 1 improvements would include the reconfiguration or replacement of the fuel storage facility, including the following:

- After review and analysis of the site plan for future development, determine the best location for an above ground fuel storage facility (Site Design)
- Facility to initially include one 12,000 gallon Avgas tank, one 12,000 gallon Jet-A tank and one 500 gallon auto gas tank with expansion area for future tanks
- The fuel storage area must include a formal SPCC plan that will address spill/overspill protection for the tanks as well as for the truck transports to load and unload fuel at the site. Utilizing double wall tanks does not preclude the need for a full SPCC plan nor the need for some form of secondary containment or remediation of risk
- Fuel storage area to include full containment areas for all plumbing and tanks per State and Federal codes
- It is recommended that the fuel storage area include a self-service computer controlled pump for Avgas only. Fuel services for Jet-A will be provided via refuel delivery truck as well as self serve, although self service Jet-A is rarely used if truck service is available
- Fuel storage area should be fully secured with 8' chain link security fencing including three strand barbed wire top cap. Currently, the fuel storage area is open to public access via the walk through gate near the terminal. Only the self service pumps/nozzles should be open to access by pilots or authorized users with all plumbing and tank areas completely isolated. This is done to prevent pump or filter tampering, fuel contamination/sabotage or mixing, and in-advertent damage to fuel equipment or systems.

Phase 2 – Within 24 to 36 Months

New FBO Executive Terminal Complex - The terminal building is the core of any FBO business including a modern executive facility that will include high tech amenities including high speed WiFi access for pilots and passengers, modern restrooms, comfortable waiting areas, conference area, weather briefing area, ice/coffee and vending, pilots lounge, training room, and work areas for line and customer service employees. Recommended terminal amenities include:

- Comfortable and Quiet Passenger Lounge
- Pilot Lounge with Game Table, Library, Quiet Rooms and Satellite TV Theater
- User Friendly Flight Counter/Reception Area
- Concierge/Customer Service Area with Community Information
- Line Operations Ready-Room
- Line Operations Manager/Customer Service Director Office(s). This may also be an Airport Manager's office
- Customized Work Areas with Wireless Computer Access Systems
- Spotless, Well-Appointed Restrooms with Automatic Flush Mechanisms on all Fixture
- Mini Conference/VIP Area
- Quiet Area for Food and Vending with Seating Available
- Computerized Flight Planning and Weather Briefing Area with Weather Services International (WSI) briefing system
- Car Rental Counter area or call center for access to local rental agencies
- Office Rental Space
- Airport Manager Office Area if Separate from FBO
- Catering Storage, Ice & Coffee Area
- Secured Luggage/Aircraft Supply Storage Closet - for pilots and passengers to temporarily store aircraft equipment, supplies or pilot luggage while away from the facility
- Local Aviation Museum/Memorabilia Display Area

Phase 3 – Community Storage/Maintenance Hangar (48 to 60 Months)

Hangar amenities should include:

- Separate customer waiting and restroom areas
- Heavy duty (220V) electrical system for maintenance

- Employee break room
- Employee showers and lockers
- Extensive natural lighting
- Flow-through ventilation system

b. Other Capital Investment Requirements

In addition, the FBO entity at OVE must maintain tools, jacks, tire repair equipment, emergency starting equipment, portable compressed air tanks, disabled aircraft dollies, oxygen cart and supplies, chocks, ropes and tie-down supplies as are necessary for servicing the types of aircraft expected at OVE now and in the future. Fire extinguishers must be provided in all hangar areas, ramp area, fuel storage area, and on all refueling vehicles and ground power units. In addition, the terminal must be equipped with various furniture, fixtures and equipment to function as a full service aviation service organization.

Tools, Equipment and Vehicles

The following lists depict the minimum equipment, tools, and vehicles recommended for the OVE operation. As demand increases, additional equipment may be added and required for the continued provision of high quality services. At a minimum, OVE must provide the following support equipment:

- One 5,000 gallon capacity Jet-A Refueler. Although a 2,500 to 3,000 gallon vehicle may be adequate in the short term, it is not recommended. A 5,000 gallon vehicle is the most common size jet refueling vehicle in use at full service FBOs. A vehicle of this size is capable of handling multiple refueling operations during a shift, and could handle a full fuel delivery to an aircraft such as a Gulfstream V, which may require over 3,000 gallons
- One 1,500 gallon capacity Avgas refueler. Once again, a smaller truck could be utilized, but a larger truck provides for additional storage capacity and is capable of multiple refuelings during a shift

- One Lektro tow vehicle with a 5,000 pound minimum draw bar pull to safely handle all design Group II aircraft and above - including Gulfstream V and Bombardier Global Express
- One 24 Volt Ground Power Units & One 12 Volt Ground Power Unit
- One Courtesy Transportation Vehicle (Van)
- One Crew Vehicle (Can double as airport support vehicle)
- One Lavatory Service Cart for Corporate Aircraft with Lav Systems
- One Potable Water Service Cart for Corporate Aircraft with Drinking Water Systems
- One Fuel Spill Recovery Cart

Other Furniture Fixtures and Equipment Required

- Passenger Lounge Furniture
- Pilots Lounge Furniture
- Miscellaneous Office Furniture
- Weather Briefing Equipment
- Ice & Catering Storage Equipment
- Luggage Carts – Similar to hotel type wheeled carts to transport luggage from the terminal or vehicles to aircraft
- Computers
- Point of Purchase FBO Software System to account for all fuel and other ground service sales and to fully account for all transactions that occur at the FBO.
- Line Radios
- ARINC Air to Ground Communication System
- WiFi Equipment

c. Construction Cost Estimate

The following construction cost estimate range is based upon information from a number of sources and locations in the region. Final construction estimates would be based on the final design of the facilities, type of construction materials used, quality and type of interior finishes, location and cost to connect to local utilities, local codes and construction requirements for the City and State and other numerous variables such as design build or other construction scenarios. However, the data provided is generally in line with other recently completed aviation projects in California. It should be noted that no T-hangars are included in this scenario, because it is recommended that third party developers be utilized for this development to free up capital for the City to use on other projects.

Phase 1 - Temporary Upgrade of Existing Terminal (Immediate Term)

Terminal Upgrade	$40,000 to $60,000
Furniture	$3,000 to $5,000
New Signage (Air BP)	$25,000 to $50,000
Total	$68,000 to $115,000
Fuel Storage Facility	$150,000 to $250,000
Site Engineering	$22,000 to $35,000 (For Phase 1 & 2)
Total Phase 1	**$240,000 to $400,000**

Note that all construction estimates are based on the average cost of completing similar projects in California. The higher end costs would include community or municipally controlled construction which would fall under prevailing wage or "Davis Bacon" scenarios. It should be noted that all facility construction estimates would be considered conservative, to include modern and modest but not overtly plush facilities. Structures would be simple steel with metal siding type structures that would again be functional and new but not considered to be what you may see at a facility such as at San Francisco or Sacramento. These FBO terminals would be much larger (10,000 to 15,000 square feet) and would reflect

the larger volumes of fuel that are pumped at those major aviation hubs. However, the OVE facilities must reflect new and modern design with simple accouterments that a pilot would expect to find at a typical full service FBO regardless of the size of the community. It should be noted that some of these costs may be shared or negotiated with the fuel supplier based on volumes and/or fuel cost cooperative agreements. The Phase 1 or 2 costs do not reflect the purchase of the jet fuel vehicle.

Phase 2 – New Terminal Construction (24 to 36 Month Term)

One Story Terminal (7,500 S.F.)	$750,000 to $1,125,000
Utilities	$100,000 to $200,000
Landscaping	$50,000 to $75,000
Ramp/Parking Lighting	$75,000 to $100,000
Ramp (Overlay Only)	$200,000 to $400,000
A&E Design	$80,000 to $150,000
Total Construction	$1,175,000 to $1,900,000
Support Equipment	$200,000 to $300,000
Terminal FF&E	$75,000 to $100,000
Total Phase 2	**$1,450,000 to 2,000,000**

Phase 3 – New Storage/Maintenance Hangar (48 to 60 Month Term)

10,000 to 15,000 S.F. Hangar	$1,000,000 to $1,500,000

Total All Development (5 Year Period) $2,690,000 to $3,900,000

d. Financing Plan

Regarding financing alternatives for the deferred maintenance and capital improvements noted herein, will take a lot of creativity and diversity to acquire the necessary capital. However, the most significant cost in the initial phase is associated with the fuel storage facility. Fortunately, most of the fuel suppliers active in today's general aviation marketplace have programs in place to support airports and/or FBOs in the replacement of fuel farms. Most suppliers have internal financing programs for their dealers, or maintain relationships with companies that offer financing. In some cases, repayment of the loans can be structured through a "cents per gallon" payment schedule, whereby a premium is added to the per gallon price of fuel as it is purchased from the supplier.

Other capital improvements can potentially be funded, at least partially, from State grants or traditional bank financing. **Regardless of the funding source, it is imperative that Phase I be completed at the earliest possible time in order to regain the trust and recognition of the flying public.**

3. TARGET INCOME GROUP

Through the revitalization of the FBO at OVE there are a number of both direct and indirect jobs or career paths that would be impacted. The "direct" category would be personnel who either work for the FBO or Airport (City) directly on the field. The key to adding and supporting these job positions, particularly FBO personnel, is the presence of the solid base of itinerant aircraft operations at the field. These itinerant operations would only be made possible via the construction and development of an FBO terminal facility that would be pre-eminent in the region as one of the finest general aviation facilities. This quality facility, combined with dedicated full time staff as identified below, are the key components of a successful operation and future jobs. It is understood, that at the present time, many of the airfield functions, mowing grass, electrical problems, and other issues related to hangar maintenance, are currently performed by City personnel who do "double duty" with other city functions. This may continue to be possible in the future depending on the increased activity on the field, but we have included these job titles for this discussion. The "indirect" jobs would be functions that are off-Airport in support of the FBO or Airport, or subcontractors to these entities.

a. Aviation and Non Aviation Career Paths

On-Airport (Direct)

FBO

- Line Service Technician(s)
- Customer Service Representative(s)
- Line Service Supervisor
- Line Service Manager
- General Manager (Owner)
- Aircraft A & P Mechanic(s)
- Avionics Technician(s)
- Charter Pilot(s)

- Aircraft Sales Personnel
- Aircraft Flight Instructor(s)
- Fleet and Facilities Maintenance Technician
- Fuel Quality Control Technician
- Training and Safety Coordinator
- Accounting and Payroll Personnel
- Office Administrator

Airport

- Airport Manager
- Airport Operations Supervisor
- Airport Facilities and Maintenance Technician(s)

The largest potential for new job positions would be in the Line and Customer Service personnel categories located at the FBO. This is due to the fact that most full service FBOs are open 24 hours a day and utilize shift-based work. Therefore, there could be several of these people in each category (4 to 10 individuals each) for an operation of this size, depending upon cross-responsibilities and the level and type of itinerant aircraft traffic developed at OVE.

Off Airport - Support Entities (Indirect)

- Rental Car Customer Service Representative (CSR)
- Hotel CSR
- Restaurant Servers
- Casino Personnel
- Automotive Repair/Parts Persons
- Taxi/Shuttle Drivers
- Uniform Cleaning and Supply Driver(s)

- Construction/Hardware Supply Personnel
- Golf Course Personnel
- Golf Course Restaurant Servers

b. Skill Requirements

With the exception of the owners, managers/supervisors and aviation maintenance/avionics technicians, many of the jobs noted herein are entry level positions. The Line and Customer Service personnel are typically 18 to 23 year old individuals with high school or some college education. Many are in these positions as a career stepping-stone to another position at the Airport or as support for college expenses. The Line Technicians are often aspiring pilots who wish to work at the airport during their flight training, make industry contacts, and be close to airplanes during their education. Most of these on-airport type positions require a valid driver's license with a clear driving record. Any personnel subject to providing security and/or safety sensitive jobs require pre-employment drug screening.

The skill requirements for aircraft maintenance technicians and avionics personnel are a little more stringent because of the technical training involved and both of these positions require FAA issued licenses. However, some maintenance operations will hire entry level "mechanics helpers", who are working towards an FAA certificate and who need on-the-job practical training to achieve a license.

Job descriptions for several of the FBO positions are included for reference in the Appendix, portion of this document, Section 7, d.

c. Training Programs

For FBO personnel, the most common training system in use today is a training curriculum provided by the National Air Transportation Association (NATA) known as the Professional Line Service Training – Safety 1st Program. This training is actually accomplished at the FBO through their membership in NATA. This training is a multi phase on-line curriculum that covers a number of training

issues through independent modules. These modules include: Introduction to Aviation, Ground Services and Safety, Fire Safety Issues, Refueling Procedures, Fuel Quality Control, Security Procedures and Customer Service Functions. The complete curriculum also requires on-the-job direct hands-on training utilizing actual service equipment and classroom instruction for written certification by NATA.

The maintenance and avionics technicians are typically trained through a number of FAA accredited technical schools that are found across the country including a number of excellent schools throughout California and within reasonable proximity to OVE.

4. MARKETING STRATEGY

The following issues related to marketing, and the proposed revitalization plan are based upon the assumption that the City of Oroville decides to move forward with the Airport and FBO construction/development plans recommended herein.

a. Obstacles and Challenges

The primary obstacles to revitalizing the Airport are related to funding issues, to include the willingness of the City and community-at-large to aggressively attack the funding issues, and spend monies needed to move the Airport forward. The perception within a community is that the airport only serves a small percentage of the population. This is far from the truth, but requires a dedicated effort to educate the community on the benefits of the Airport, both on an on-going and emergency basis.

b. Inventory of Aviation-Related Industries

Currently, the local aviation related businesses that are directly related to OVE are Table Mountain Aviation, who provides aircraft maintenance, and the associated flight school that offers primary student pilot training. Indirect-related industries that use, or depend upon, the Airport include air ambulance services, police/patrol operations, casino clientele, agriculture (both agricultural spraying and passenger transport), tourism-related businesses, and various other service and manufacturing industries in the area. Based tenants include both business flyers and private aircraft owners who use their aircraft for personal or pleasure flying. The golf course and associated restaurant also are directly impacted by the proximity of the Airport. This is an area that has tremendous potential, as *ABS* has seen at other airports in the country that aviation facilities with access to golf courses and quality restaurants can increase their itinerant business with some simple coordinated marketing efforts. Many regional owner/pilots look for reasons to take a ride in their aircraft, particularly on the weekends, and going to an airport that has a good quality restaurant on the field is one of the best draws out there. In particular, a small airport FBO in Sebring, Florida, which is managed by an affiliated company of *ABS,* attributes a

large amount of their weekend itinerant business to the fact that people are flying in to the restaurant in the terminal for breakfast and lunch on both Saturdays and Sundays.

However, it should be noted that the segment of aviation business that is the key to the greatest potential overall growth, and ultimate success of OVE, is the transient corporate aircraft that is either stopping at OVE for daily business activity, or transiting the State from north or south and is in need of an intermediate fuel stop in the north-central part of the State. As such, a key part of the marketing thrust for the Airport must be directed to these pilots and aircraft owners which must be done through regional and national industry marketing efforts.

c. Existing Tenants and Developments

In general, the existing clientele at the Airport, particularly those based in the T-hangars, use the Airport for three reasons: 1) they are committed because their aircraft is housed there, 2) the T-hangars are in good condition, and 3) they likely live within a close proximity to the field. However, there seems to be a general lack of confidence in the Airport's future, as well as some apathy toward the Airport due to the overall lack of any type of fuel and ground support services. There also seems to be little contact between the Airport tenants and City administration, other than the surrogate representative at Table Mountain Aviation.

d. Strategic Networks

There are a number of aviation networking scenarios that will be discussed further in the upcoming overall marketing section. However, in general, there are a number of aviation associations that the City/Airport must become active in to remain active and knowledgeable of industry trends. These associations include; the General Aviation Manufacturers Association (GAMA), Air Cargo Association (ACA), American Association of Airport Executives (AAAE), National Business Aviation Association (NBAA), Aircraft Owners and Pilots Association (AOPA), Air Transport Association (ATA), and the National Air Transportation Association (NATA). Each of these alphabet groups represents a different

segment of aviation that can provide the City with information and contacts to potential customers or industries that may be interested in what OVE has to offer. A full-time Airport Manager or joint Airport/FBO Manager would typically be heavily involved in these organizations. However, the current caretaker of the field is so entrenched in his maintenance business, as expected, that there is no time or motivation to actively market the Airport.

Critical to the successful revitalization of the market at OVE will be bringing in new itinerant aircraft operations. Oroville is fortunate to have three key marketing opportunities to build this itinerant business. These are the following amenities.

- Local casino resorts that provide gaming, as well as above average lodging opportunities
- A high quality sit-down dining establishment on-Airport with taxiway access
- A golf course within immediate proximity of the FBO area

It is recommended that a new FBO entity begin working with these three entities to build market recognition and cooperative programs that are mutually attractive to each entity to build business for them and the Airport. Programs include weekend fuel discounts for those aircraft coming in and dining at the restaurant or playing a round of golf, or casino tie-ins to their players clubs could be utilized to build business for both entities. At other airports around the country, *ABS* has seen just one of these items be a boon to the Airport if managed properly, yet OVE has all three cooperative marketing opportunities available.

It should also be noted that as an Air BP fuel dealer, the Airport has access to one of the best aviation fuels marketing organizations in the U.S. It appears that the Airport has not taken advantage of this, and due to the lack of service amenities, it is likely that Air BP does not consider OVE as a truly committed partner in the sale of fuel. However, with the renewed commitment of the City to invest in facilities and make OVE a premier fuel stop, Air BP will likely offer and provide a wide range of support services and programs to the operation. They have national marketing campaigns and incentive programs

to help the FBO grow and prosper through their network of branded dealers (FBOs). Information regarding the many programs the Air BP offers its dealers is included in the Appendix.

e. Potential Aviation Related Activity Restrictions

The current infrastructure at the field provides better than average facilities for an airport and community of the size of Oroville. Runway lengths, ramp areas and pavement strengths are capable of handling nearly any type of general aviation aircraft including some of the largest corporate jets. As discussed in the competitive marketplace ranking, the only limiting factor at OVE is the lack of a full Instrument Landing System (ILS), which is somewhat mitigated by the generally favorable weather conditions for the Airport.

f. Target Industries/Aviation Businesses

The primary target business to make this development work and to increase jobs in the area is itinerant aircraft operators who frequent the area. Many of these users are already either using OVE and not buying any services or fuel due to current situation, or using other airports nearby and shuttling their passengers to meetings and functions in the community. Much of this business will quickly return once the facilities and services are improved. Capturing the fuel potential on the field and taking market share from surrounding areas is crucial to the long-term success of the Airport, and will help facilitate other funding sources for continued development and improvements.

It should be noted that with both the primary target business and subsequent business, if you are successful with these two issues, then all other types of aviation business naturally follow the itinerant fuel sales, including maintenance, avionics, aircraft sales, hangar sales, based tenants, support ground services, indirect tourism based businesses, and other support jobs.

g. Spin-Off Industries

The spin-off of capturing the business already frequenting the area is to then market to aircraft users that are transiting the area and may be willing to make OVE their fuel stop of choice due to the quality of services and the "best value" approach to fuel sales. Competitive pricing, but good value, based on the new facilities and the quality of service should be a significant marketing objective. This improvement in the market and incremental increase in the total fuel sales represents a significant potential opportunity at the Airport.

h. Marketing Campaigns, Activities and Collateral Marketing

In the development of this revitalization plan, *Airport Business Solutions* has completed a market analysis to profile the most probable marketing process for the Airport. As such, this section identifies the target market, promotional tools to reach the target market and processes to use in marketing to the entire local community. This section also includes insight on how to create quality media relations and enhancing the base knowledge of user perceptions through the use of well-orchestrated surveys. The chapter concludes with feedback obtained from numerous aircraft owners and pilots surveyed at the Oroville Municipal Airport.

Target Markets

The customer base at Oroville Municipal Airport should include all users, airport tenants (commercial and non-commercial), and the community. In addition, the Airport should desire to preserve a balance between business/corporate and recreational/pleasure aviation operations. The balancing routine should be accomplished while attracting new business and jobs to the Airport and surrounding communities. The marketing efforts of the Airport will focus on several distinct segments of the market and these segments are identified below.

Business/Corporate Customers

The following elements are common attributes desired by the business/corporate segment of the general aviation marketplace:

- Runway Length (Minimum 5,000') – OVE is 6,020 feet
- Approaches (Precision approaches preferred)
- Control Tower (Radar preferred)
- Fuel (Competitive pricing, but focused more on quality and level of service)
- Hangar (Availability with the capacity and clearance required to accommodate)
- Service (Aircraft ground handling/line services, airframe and power plant maintenance, avionics, and instruments)
- Ground Transportation (Courtesy cars, rental cars, and limousine services)
- Automated Weather Observation System (AWOS) or computer weather information (WSI is preferred). Note that OVE currently has an active AWOS system in place.

Business and corporate operators also look for certain amenities such as meeting room space, catering or restaurant services, and nearby hotels. Access to commercial ground transportation cannot be minimized as the character and nature of business traffic requires ground access to nearby business and industry, as well as the area's resort communities. Therefore, the FBO at OVE needs to take steps to ensure the standards outlined are not compromised. Furthermore, ground transportation access needs to be maintained in an affordable and convenient manner in order to maximize the appeal of OVE over other regional airports.

Recreation/Pleasure Customers

The following elements are common attributes desired by the recreational/pleasure segment of the general aviation marketplace (single and multi-engine aircraft):

- Runway Length (Minimum 3,000')
- Approaches (Not essential)
- Control Tower (Not necessary)
- Fuel (Competitive pricing and/or availability of self-service)
- Hangar (Availability of T-hangars)
- Parking (Availability of Tie downs)
- Service (Aircraft maintenance)
- Ground Transportation (Rental cars)
- AWOS or computer weather information (WSI is preferred)

Recreational pilots often fly up and down the West Coast between Washington and Mexico. In many instances, these recreational pilots will calculate their fuel stops in central California due to the region's historically low fuel prices. Weekend fuel specials can often attract these users since most of their flying is done to and from a vacation destination on Saturday and Sunday.

Community

In addition to the two primary customer segments, the Airport should consider its impact on the community. The following elements are common attributes desired by the community:

- Facilitate safe, convenient, and affordable access and services to the air transportation industry
- Build and maintain local economies by providing a welcoming environment to businesses
- Support full range of aviation activities including important safety services such as fire protection and law enforcement
- Provide convenient tourist and business access to community

While the direct benefits that an airport contributes to its community are relatively obvious (jobs, transportation, emergency services), it still faces "obstacles of the unknown" to the uneducated (crashes, noise). Moreover, the "vocal minority" tends to be better at pleading their case than does the aviation

enthusiast. As such, marketing is a vital tool to acceptance within the community. OVE and its FBO need to develop a stronger image within the community it serves. To accomplish this goal, three well-accepted "educational" concepts are for the Airport to host an open house, an airshow, or a public safety expo. Both generate enthusiasm in the community, while offering an opportunity to educate those unfamiliar with OVE's activities. It is recommended that some of these functions would have the most impact after improvements have been completed.

Promotional Methods

Unless the Airport and/or FBO is located in a large market or part of a larger FBO chain, most promotional methods utilized within the industry are, or can be, inexpensive. The following section describes a number of relatively low-cost ways to market the Airport and/or FBO.

Website

A website has become a necessity for airports and FBOs across the country. The web-based business brochure provides valuable information for visitors and is relatively inexpensive to create and modify. Airports and FBOs without a website are usually not perceived as professionals. However, while websites are essential to any successful business, a poorly designed and produced website can send customers to another provider. The Airport/FBO at Oroville should have the site professionally designed and maintained, or have a pathway constructed to update the site with FBO staff. At a minimum, the website should include the following sections:

- Basic airport information such as runway lengths and radio frequencies
- FBO services and hours of operation
- FBO amenities such as conference room and flight planning resources
- Driving directions and other ground transportation information
- Operational procedures

- Development information including hangars for rent, available property, and future capital improvements
- Other resources such as local hotels, casinos, golf course and restaurants
- Ability to order fuel, rental cars and other services via the web
- There are numerous aviation based web portals that can be utilized such as Airnav and Global that are typically low cost to upgrade for better presentation of the Airport

Large FBO chains such as Signature Flight Support have expanded the typical FBO website by providing a site in which pilots can make reservations at the location. The site allows the customers to enter in trip details and even request hotel and catering reservations. In addition, laptop computers and wireless technology have become increasingly useful in airports and the FBO should consider offering pilots, flight crews and passengers free wireless internet access. This allows the customers to maximize downtime and become more productive while traveling.

Trade Publications

Advertising in select trade publications is also recommended. Many corporate pilots and flight department managers make decisions based upon their knowledge of the region they are flying to. Moreover, many dispatchers and/or pilots will not be aware of the new facilities/operator available in Oroville without some targeted advertising in the main pilot publications. As such, advertisements should be placed in publications such as Professional Pilot, Aviation International News, GA News and Flyer, Business and Commercial Aviation, and Airport Business Magazine.

Promotional Mix

In order to briefly touch upon a number of promotional methods available to the Airport and FBO, the following table has been developed to summarize each element. Since no one method works completely by itself, a mix of these elements is recommended to promote the business at OVE. Regardless of the level of involvement in promotion, it will always be in the best interest of the Airport

and FBO to remain involved and connected to the local community. If the Airport/FBO only becomes involved when there is an obvious direct benefit from an event, the effect of that involvement is minimized. Consistent and honest community involvement is essential to success.

PROMOTIONAL METHODS

FBO Brochure: Create a simple tri-fold brochure for distribution to customers, through direct mailings and trade shows.

Signage/Entryway: Establish a signage plan to decrease the hassle that customers may have finding the FBO from streetside, as well as the airside.

Joint Marketing Campaign: Work with a fuel provider to share the cost of uniforms and co-op advertising. Co-op opportunities could also be established with the City, County and/or local Economic Development Agency

Communication Database - Press Releases: Establish a number of different databases that include e-mail, phone numbers, faxes, and addresses in order to disseminate information when required.

Host Civic Groups: In order to establish relationships with organizations such as the Rotary Club, host meetings and provide speakers.

Chamber of Commerce: Become a more active member of Chamber of Commerce and remain active in events and the growth of the region. Often the Chamber will join the FBO in attending trade shows.

Tenant Meetings: Establish periodic meetings with tenants to inform them of efforts to improve the FBO and the Airport.

Target Marketing: Occasionally develop incentives to increase sales such as a temporary discount in fuel price or maintenance services.

Local and National Telephone Listing: Verify that the FBO's contact information is in numerous directories such as the AOPA Directory and local phone book.

Print Advertising - Trade Publications: Explore the option to place a print ad in regional and national aviation publications.

Update AIRNAV.com & Global.com: Routinely check AIRNAV.com for pilot comments in order to maintain a positive image. Postings are typically related to poor service or a bad experience, so it is important to stay on top of these comments and address them immediately.

NBAA, NATA, AOPA Annual Conventions: Attend annual conferences to market business and have staff attend safety seminars sponsored by NATA. Become a part of the Air BP exhibit space for the major conventions.

Air Show/Fly-In: Consider hosting an annual event.

Transient Aircraft Log: Develop a log of aircraft and pilots that have used the FBO for future correspondence. Once established, incentives can be arranged for returned visits. Monitor other local Unicom frequencies for aircraft tail numbers to identify them and ultimately send letters to these owners offering a first time special for itinerant users going into other airports.

Club Sponsorship: Consider sponsoring a local group such as a Little League team or scout troop.

Airport Open House: An Airport Open House event can be held on an "ad hoc" basis or as an annual event that helps enhance visibility of the Airport and/or tenants. This type of event normally improves relationships within the local community. The first Open House will require the most effort. After that,

the groundwork and procedures will be established for future events. Make no mistake, this is a time-consuming event that requires the resources and time of several individuals; however, airport volunteers and interested community members can help reduce the time required of the airport staff

Airport management should have the ultimate responsibility for planning and overseeing the event, but a key to a successful open house is getting others involved. A committee (utilizing the Airport Authority, FBO management, City Manager and others in the business community) is the most effective way to keep everyone who needs to be involved up to date with the event activities and progress. Additional external individuals or groups that could assist in the process may include:

- Local Chamber of Commerce
- University Student and Faculty Groups
- Flying Clubs
- Local Police and Firefighters
- Military personnel
- Local service clubs

Prior to the event, the Open House spokesperson should arrange interviews with the local media, making sure to include local community leaders and Authority members in the interviews. Additionally, a series of news releases should be prepared and released in the weeks preceding the event. Activities during the event should include at least the following:

- Information on the Airport's economic benefit to the community
- Local TV and radio personalities doing remote broadcasts from the event (weather reporters work very well)
- Bury an airport time capsule developed by local schools
- Paper aircraft building contest
- Static aircraft displays

- Face painting for kids of all ages
- Information booths manned by commercial tenants, displaying their services
- Refreshments, which can be handled by local service groups to raise money for their organizations
- Essay contest for elementary school children, with the winner announced during the Open House. The topic should be "Why Airports Help Our Neighborhood"

In preparing for the event, there are a few basic housekeeping issues that must be addressed. Have someone in charge of taking photographs, insure you have a public address system for making announcements, and include a designated announcer. Do not forget to have an adequate number of toilet facilities and a group assigned for clean-up after the event. Think about where you will be parking cars, and if it is a remote location, how the people can be transported to the Airport activity center. Have clear and simple signs directing people to the various activity areas, and keep staff informed so that they may answer pre-event phone calls correctly. In addition, decide on a "rain date policy". Be sure and say "THANKS", both publicly and personally, and all volunteers on the committee should receive special recognition.

Media Relations

In addition to using various promotional methods, it is important to develop strong media relations. Often, the media is the first and only contact with the local community, as well as with some tenants, elected officials, and area business owners. Therefore, it is important to know what "works" for the local news channels and individual reporters assigned to the Airport. Using the media wisely can be beneficial to the Airport. However, it is significant to remember that the on-site manager must be willing to talk to them about both positive and negative events (when appropriate) and to be an informed and a good spokesperson for the Airport.

While you can certainly use the media to help promote the Airport, be sure to only use them when you have a real news story. Hosting media representatives at the Airport can be a valuable tool, as it can help them understand how it functions for accuracy in future broadcasts. It can also serve to help

establish a positive relationship with the Airport's management. Also, remember that if you want to get a good media turnout, food and beverages are always a good incentive.

Be prepared for emergencies. Let the media know in advance what the procedures are, where they can assemble for information, and who the appropriate contact person is. This can be accomplished via an advance letter, and reinforced during the hosted media event. Provide the media with basic airport information and a glossary of commonly used aviation terminology.

When in an interview, it is difficult to admit to bad news or ignore a bad situation. However, it is always safer to respond honestly to difficult questions. In the event that you have limitations on responses to certain subjects, tell reporters that, "information is not available at the moment" or "I will have to get back to you." Try and avoid the "No Comment" statement.

Keep an updated media list. This will assist in distributing news releases and should be updated at least once a year. The list will also help in determining the appropriate "release" for different types of news stories, as some stories may be of more interest to local news than Statewide news. In Oroville Municipal Airport's case, the City Administrator is usually the point-of-contact. However, for certain stories, there should be pre-selected alternative contacts (e.g., Airport/FBO Manager, Airport Authority Chairman, City Attorney, etc.).

Surveys

Surveys are by far the most popular method of collecting data for an airport. Consistent collection of information from OVE users and tenants is a suggested activity. It should be noted that there seems to be little or no contact, on a regular basis with airport tenants/users and City managers. Surveys can provide a quick, inexpensive, efficient, and reasonably accurate means of assessing general information from users, as well as the competitive marketplace. Whether a survey is to be conducted via telephone, personal interviews, or mail, you must complete certain basic steps to be successful in the survey process:

- Determine the objective of the survey
- Develop a sampling plan
- Solicit approval if necessary
- Write the field procedures
- Develop a distribution area
- Execute the program
- Collect the data
- Analyze the data
- Report findings and recommendations

Personal interviews increase the likelihood that all questions will receive answers and usually provides a higher participation. Additionally, this forum creates an opportunity for the interviewer to use props and visual aids. However, the potential exists that the interviewer may cause the respondent to provide answers to please the interviewer rather than revealing true attitudes, opinions, or beliefs. For OVE, we recommend this type of survey be utilized to interview users, transient pilots, and Airport visitors, only if additional help can be provided by community volunteers. A standard questionnaire should be prepared and random interviews should be done at least every three years.

Telephone surveys are the most popular method for gathering information. Information gathered is usually complete and respondents are generally more willing to provide detailed and reliable information. However, telephone interviews have a distinct disadvantage because it is easier for a respondent to refuse to participate. As such, make sure your questions are brief and specific, and try to limit the call to 5 minutes. We recommend the staff prepare a user database and conduct random samplings twice each year to gain an understanding of the needs and desires of the Airport customer. Staff should also use this method to collect information from competing airports regarding activity, pricing and development plans.

Mail surveys are also effective and represent self-administered questionnaires sent to respondents through the mail with an effective introductory letter. Care must be exercised to ensure that the

questionnaire is clear, concise, easy to complete, and reflects a professional layout. Mail surveys are usually low-cost and can provide more information than a phone or personal interview. While a mail survey can be sent to a much larger sampling group, this type of survey has a low return rate. However, including postage-paid return envelopes will greatly improve the chance of a return. It is recommended that the Airport consider this process only after more staff is available. Then perhaps the use of annual mail surveys to gather information from local citizens and businesses may prove beneficial.

Third Party Management

One final word on marketing and managing the FBO. It is recommended that the City strongly consider a professional airport and/or FBO management company to run the Airport and/or FBO on behalf of the City. This is the growing trend in airport and service-related aviation operations due to the complexities of running this type of facility. Typically, FBO management organizations have better access to aviation consumers, more experience in managing/operating airport/FBO facilities, and are focused solely on the operation. A designated "Airport Manager", who works in other areas within the entity owning the airport, typically does not have the time or resources available to effectively manage the aviation asset and devote necessary time to the day-to-day activities of the FBO.

Management companies are typically compensated on a "fixed fee" or "cost-plus" basis, whereby the City still receives all of the revenues from fuel sales and other services. The management entity collects a fee for managing the facility, with some type of incentive program to share in net revenues if certain milestones are reached. Private entities are usually more effective at competing in the marketplace, and the perception in the current aviation marketplace indicates that corporate users typically shy away from municipally-run FBOs because of inferior service issues found at such operations across the country. Moreover, private FBO management entities can usually operate at a much lower cost level than a municipally-run operation. For example, personnel costs are usually 30 to 40 percent lower for private enterprise due to the lack of a requirement to provide full benefit packages. In addition, lower fuel prices and insurance premiums can typically be negotiated by private management companies. For example, when *ABS Aviation Management Services (ABS-AMS),* an affiliated company of *ABS*, began

managing the Sebring Flight Center in Sebring, Florida, the new fuel supplier contract was approximately $0.20 per gallon lower than the Authority's prior contract. Moreover, the liability insurance costs of the airport were reduced by $55,000 annually after *ABS-AMS* obtained their own liability insurance, and personnel costs were reduced by 40%.

While airport/FBO management is not practical or justified in every situation, it is an alternative that should be carefully explored by the City of Oroville. Beyond cost considerations, the day-to-day management by an experienced third party will lower the City's liability risks and facilitate a more efficient transition from the current situation with Table Mountain Aviation. Long-term, it may be more practical for the City to run the Airport and FBO with internal staff. However, the start-up and short-term impacts may be an ineffective and inappropriate use of City resources.

5. IMPLEMENTATION PLAN

In order to make the recommended action items and activities for OVE, it is necessary to review an assessment of the Strengths, Weaknesses, Opportunities and Threats (SWOT) associated with the Airport situation. As such, *ABS* has prepared the following SWOT analysis.

SWOT Analysis

The purpose of analyzing the strengths and weaknesses of an airport is to identify the key internal factors that are important to achieving its mission. In order to have a complete analysis, opportunities and threats must also be addressed to examine various external factors. By adding the external factors, the analysis becomes what's known as a SWOT Analysis (Strengths, Weaknesses, Opportunities and Threats), which is a tool for auditing an organization and its environment. Once completed, the SWOT Analysis becomes a plan that takes into consideration many different factors, and maximizes the potential of strengths and opportunities of an airport, while minimizing the impact of the weaknesses and threats.

Based upon the review of OVE, an analysis of competing airports, and a study of national, regional, and local socio-economic and aviation trends, Oroville Municipal Airport's strengths, weaknesses, opportunities and threats were identified as follows.

Strengths

Strengths are items that are accomplished particularly well or are unique assets that can be used to achieve the mission of an airport. Once identified, the strengths should be preserved and built upon. To determine the strengths of OVE, *ABS* asked the following questions:

- ❑ What do customers in the market see as the Airport's strengths?
- ❑ What advantages does the Airport have?
- ❑ What does OVE do better than any other airport in the region?

- What unique resources does the Airport have access to?

While answering these questions, a number of strengths were identified. The most significant strengths of OVE included the following:

Runway Infrastructure - Runway 1/19 is 6,020 feet long by 100 feet wide, constructed of asphalt, is in excellent condition, and is capable of accommodating aircraft with weight bearing capacity of 60,000 pounds single wheel, and 80,000 pounds double wheel configurations.

Aircraft Maintenance Services - Several airports similar in size to OVE do not have aircraft maintenance services. Table Mountain Aviation has an excellent reputation for maintenance activities and provides services to both on-airport and regional aircraft owners.

Community and Area Amenities – OVE is surrounded by popular recreational areas and activities that support tourism including casino gambling. Hotel and other lodging amenities are above average for a community of this size.

Other Resources – The Airport is home to both an 18-hole high quality golf course and a restaurant/clubhouse that has a formal sit-down dining establishment offering taxiway access.

Weaknesses

Weaknesses are those items that are not accomplished well and/or prevent an airport from superior performance. Once identified, weaknesses must be addressed and corrected, or at least improved or enhanced, in order to accomplish the mission of the airport. If you do not recognize and understand your weaknesses, they can be difficult to overcome. To determine the weaknesses of OVE, *ABS* asked the following questions:

- ❑ What are customers in the market likely to see as weaknesses?
- ❑ What could the Airport improve?
- ❑ What should the Airport avoid?

While answering these questions, four primary weaknesses were identified for the Oroville Municipal Airport, and include the following:

General Aviation Terminal – The current general aviation terminal is inferior when compared to other FBO facilities in the region. The restrooms are in extremely poor condition and other areas of the term are cluttered and the furniture is dated and worn. Generally recognized as the gateway to the community, the terminal should be significantly updated, since it is likely the first and last impression that visitors and company executives utilizing the Airport have visiting the area.

Lack of Services – Currently, there are no full time FBO personnel on-site to meet and greet aircraft and provide refueling or any type of ground services, other than aircraft maintenance. The Table Mountain Aviation personnel, that are essentially the surrogate FBO representatives for the field, have little or no motivation, nor the equipment to provide the typical services found at other FBOs both regionally and nationwide.

Self-Service Fuel – The Airport offers only self-service fuel for both Avgas and Jet-A. While 100LL/Avgas self-service is common and recommended, self-service Jet fuel is considered a negative attribute. Moreover, it should be noted that the refueling equipment is both intermittent in operation and not currently in compliance with State and Federal regulations.

Marketing and Promotion – It appears that the Airport currently lacks any type of formal marketing plan. The purpose of a marketing plan would be to generate revenue, increase market share, drive preferences to purchase, and/or build brand awareness.

Opportunities

Opportunities are items that an airport does not currently focus resources on, but has the opportunity to capitalize upon with corrective or proactive actions. Once they become apparent, an airport should plan and take measures to seize the opportunity. To determine the opportunities at OVE, *ABS* asked the following questions:

- ❑ What are the general aviation trends that the Airport should try to capitalize upon?
- ❑ Where are good opportunities for OVE?

There are numerous opportunities for the Oroville Municipal Airport moving forward. The following opportunities are realistic and can be capitalized upon in the short-term planning period.

Business Customers – As airports, runways, and air traffic control have become congested at hubs such as San Francisco and Sacramento, individuals have increasingly turned to general aviation aircraft for efficient travel. It is forecasted that this trend will continue to rise through the introduction of the smaller quieter and more efficient jet aircraft. Several companies are currently manufacturing these new Very Light Jets (VLJs), and although this segment has been hard hit by the current poor economic conditions, it is expected that some of these aircraft will survive and once again be on the forefront of aviation growth. This will likely take at least 24 months or more for this segment to begin growing again and in the three to five-year term, it appears that the VLJs might have a direct operational impact at Oroville Municipal Airport based upon some of the business traffic that the Airport has accommodated in the past.

Another reason business aviation is one of the fastest growing sectors is fractional ownership. Companies such as Flexjets, NetJets, and Flight Options have made considerable advancements in the business aviation market. For instance, in 2007 NetJets had over 8,000 clients and flew over 390,000 flights to 145 countries. The staff at Oroville Municipal Airport should target this market and embrace these operators who are likely transiting the area from the Pacific Northwest to Mexico which make OVE

an excellent fuel stop. However, this demand is highly dependent on the price of fuel continuing to drop which will dramatically increase the number of hours that are flown each year. Many are taking a wait and see approach to their aircraft operations to see how fuel prices will be affected by the new Presidential administration, economic trends, and stock market responses to the new administration.

Hangars – Again, due to the stagnant economy, hangar demand at OVE is currently flat. However, based upon our research, hangar space reflects a somewhat pent-up demand in the region at virtually every airport. Like fuel sales, this segment will likely take 12 to 24 months to realign itself, but the Airport should begin planning for the future. This scenario is also tied to the hope that fuel will continue to decline in price.

Location – Oroville Municipal Airport is situated in a promising locale. As mentioned, there are great recreation opportunities only minutes from the Airport, as well as the casino resorts. Having a quality restaurant and golf course on the field are also untapped resources. It appears that the Airport had higher levels of activity in the past, which has slowly transferred to other fields such as Yuba and Chico for various reasons. Although not verifiable, it appears that much of this is the result of poor service levels, lack of quality terminal facilities, and a lack of focused marketing programs.

Threats

Threats are items that could negatively affect or impact an airport's operations. Similar to weaknesses, these threats must be recognized and eliminated before they become bigger problems or weaknesses. In order to assess the threats at OVE, *ABS* asked the following questions:

- ❑ Is the changing economy threatening the Airport's position?
- ❑ What are the obstacles?
- ❑ What is OVE's competition doing?

Oftentimes, threats are hard to anticipate and can sneak up on a business. Through the analysis of possible threats at Oroville Municipal Airport, the following were identified.

Airport Competition - Oroville Municipal Airport is surrounded by a number of airports serving the region. As discussed in the competitive airport section, there are many full service FBO terminal entities competing with OVE for itinerant fuel sales. However, it should be noted that although these airports have terminal facilities and full-time service personnel on-site, none of these competitive airports have what could be called "first class" facilities. OVE has the opportunity to improve its facilities and get a jump on the competition by planning all new FBO facilities as soon as possible. However, the considerable threat is that others will also begin to perceive that as the national economy improves, and aircraft operators increase flight hours, there will be a demand for better facilities in the area. As such, the threat is that if OVE does not act quickly to regain its position as the pre-eminent fuel stop, and improve facilities and services, someone else will (likely Chico), and the opportunity for growth may be lost well into the future.

Compatible Land Use – While there are no active anti-airport groups in the area, the Butte County Airport Land Use Compatibility plan was adopted in December 2000 to mitigate any future land use issues or concerns.

Financial – Public airports in the U.S. rely heavily upon grants from the FAA, as well as state governments. These financial resources could be obsolete over time, and are already highly competitive or non-existent due to the poor economic conditions. In an effort to make airports less dependent upon these outside financial sources, the FAA's policy on grant assurances and rates and charges as noted under Title 49 of the United States Code section 47107, states that an airport has a "legal obligation to maintain a fee and rental structure that makes the airport as self-sustaining as possible." The policy goes on to say that if an airport is not self-sustaining, then it should establish long-range goals to make it so. This policy does not mandate self-sufficiency, but rather requires the airport sponsor to have a plan and work toward a goal of self-sustainability.

Economic Downturn - Often during poor economic times, recreational pilots tend to fly less or sell their aircraft, which equates to less fuel sales and hangar rentals. This can also be the case for corporate flight departments. Executives looking to cut costs often consider liquidating business jets and outsourcing. The Airport needs to prepare for such swings of the economy by diversifying their revenue base and looking to non-traditional means of revenue generation. The effect of the economy on aircraft activity typically lags behind the overall national trends. This means that even though the price of fuel is dropping, it will likely take several months for a recovery. In addition, aviation fuel prices do not move as quickly as auto fuel due in part to the fact that less volumes are produced, particularly with regard to 100LL/Avgas.

SWOT Matrix

The SWOT matrix illustrates how management can match the external opportunities and threats facing an airport with its internal strengths and weaknesses to yield sets of possible strategic alternatives. The SWOT matrix framework lends itself to creative strategies. Basically, four main strategies are proposed within a SWOT Analysis:

- S-O Strategies – These strategies are based on the Airport's strengths to take advantage of market opportunities
- W-O Strategies – These strategies are based on the overcoming the Airport's weaknesses to take advantage of market opportunities
- S-T Strategies – These strategies are base on the Airport's strengths to avoid market threats
- W-T Strategies – These strategies are based on overcoming the Airport's weaknesses to avoid market threats

The dimensions of the SWOT Analysis can be displayed as a matrix and the following contains some suggested measures to move the Airport forward:

SWOT ANALYSIS		Internal	
		Strengths	**Weaknesses**
External	**Opportunities**	S-O Strategies Develop new methods which are suitable to Airport's strengths. • Utilize location to cater to business aviation • Acquire funds to improve facilities and services	W-O Strategies Eliminate weaknesses to enable new opportunities. • Obtain grants to help finance airport situation • Increase fuel sales by catering to aircraft owners that would normally use other airports
	Threats	S-T Strategies Use strengths to defend threats • Enhance FBO facilities and services to compete in the region • Maintain runway and other infrastructure to compete with other airports	W-T Strategies Develop strategies to avoid weaknesses that could be targeted by threats • Build community support in order to combat any unforeseen negative issues • Act quickly to improve facilities and service levels

SWOT Limitations

The SWOT Analysis is a simple but useful tool for analyzing the strengths and weaknesses, and the opportunities and threats an airport faces. While useful for reducing a large quantity of situational factors into a more management profile, the SWOT framework has a tendency to oversimplify the situation by classifying an airport's environmental factors into categories in which they may not always fit. OVE's airport management should take into consideration the limitations of the analysis.

a. Recommended Actions/Activities

As stated previously the key activities that must be undertaken by the City are:

- Improve facilities
- Improve the image and service levels at the field
- Upgrade fuel equipment and related services
- Drastically improve marketing
- Improve relationships with City/FBO personnel and users of the Airport
- Be more proactive as opposed to reactive of the Airport operations
- Consider privatization of the management of the Airport and FBO

b. Roles and Responsibilities

Immediately, the key role that must be changed is the management of the "FBO" services by Table Mountain Aviation, as this arrangement is clearly not working to the benefit of users of the Airport or the City. The FBO role must be accomplished by a full-time, dedicated management person that is on-site at the Airport, or through a management company who has 24-hour, 7 day a week control and oversight over the FBO operation, and possibly the Airport, as well.

c. Timetables for Action Agendas

The proposed revitalization plan is based on three phases as stated previously. Phase 1, which includes the existing terminal upgrade and fuel storage construction, is an immediate to 24 month process. Phase 2, which includes the new terminal, is a 24 to 36 months process, and Phase 3, which includes a new hangar complex adjacent to the terminal, is a 36 to 60 month process.

d. Relationships with Lending Agencies

As previously discussed, financing alternatives for the deferred maintenance and capital improvements noted herein will take a lot of creativity and diversity to acquire the necessary capital. However, in the initial phase, the most substantial cost is for the fuel storage facility, which can potentially be funded through the Airport's fuel supplier. As noted, most of the fuel suppliers active in today's general aviation marketplace have programs in place to support airports and/or FBOs in the replacement of fuel farms. Most have internal financing programs for their dealers, or maintain relationships with companies that offering financing. In some cases, repayment of the loans can be structured through a "cents per gallon" payment schedule, whereby a premium is added to the per gallon price of fuel as it is purchased from the supplier.

Other capital improvements can potentially be funded, at least partially, from State grants or traditional bank financing. Regardless of the funding source, it is imperative that Phase I be completed at the earliest possible time in order to regain the trust and recognition of the flying public. Relationships with local financial institutions should begin to be developed immediately, so that they can provide the necessary information on the requirements of the City to utilize such sources.

6. SUMMARY (STRATEGY/ACTION ITEMS)

Within the preceding document, a number of issues related to the revitalization of the Oroville Municipal Airport and its FBO were discussed. As noted, there are significant opportunities offered by the Airport and FBO, but they will require some focused and concerted efforts by the City and community to move things forward. In our opinion, the City of Oroville must consider all of the following actions items in the strategic revitalization of the FBO business, and to ultimately create new jobs on the Airport and within the community:

Immediate Term – Within 24 Months

- Refurbish the existing FBO Terminal area, with particular emphasis on the restrooms
- Improve signage both inside and outside of the FBO facility
- Design and build a new fuel farm to bring the Airport into code regulations. Air BP has indicated that the existing tanks cannot be reused for aviation operations. However, they may be utilized for other City vehicles off the airport for either auto or diesel fuel storage. If Air BP is apprised of the plans for complete revitalization of the FBO, including a refurbished/new terminal and full time on-site staff, they will likely team with the City to provide better marketing support, and assistance with development of the fuel farm
- To enhance its competitive position, OVE should offer Jet refueling service with a mobile refuel truck. (Purchase or lease a Jet truck)
- Hire and begin training of full-time FBO line and customer service staff, either directly or through a professional aviation management company under contract
- Terminate the contract with Table Mountain Aviation as the FBO agent
- A preliminary marketing plan should be enacted to ensure that the flying public, especially northern California based pilots, are made aware of Oroville's presence, its access to the adjacent golf course, restaurant, and competitive fuel pricing.
- Airport management should continue to monitor the airports in the region to discover any new developments or changes in services.

- Begin a review of funding options and discussions
- Begin development of site plan for future new construction
- Begin discussions and negotiations with the FAA to keep the existing restaurant structure within the runway clear zone. This is critical to the Airport's future, and a waiver should be pursued vigorously.
- Increase interaction with various trade associations
- Become a Member of the National Air Transportation Association (NATA)
- Subscribe to NATA Safety 1st Training Program for all Line and Customer Service Personnel
- Recognize the Airport's Strengths, Weaknesses, Opportunities and Threats
- Use the SWOT Matrix to counter threats and capitalize upon opportunities
- Track manufacturing numbers to measure the successes or failures of the new Very Light Jet (VLJ) aircraft category.
- Promote and support flight training in the region.
- Work with the fractional ownership companies to negotiate reasonable fuel prices and fees to promote traffic at OVE.
- Begin an aggressive marketing plan to market to business travelers
- Recognize the attributes that recreational and business pilots prefer and build upon these elements to enhance the market.
- Utilize the internet as a low cost promotional method and keep it up-to-date with valuable information.
- Select a mix of the promotional methods to market the Airport, such as community events and announcements and advertising in trade publications.
- Develop relationships with the local media to improve relationships with the local community.
- Use regular surveys and on-Airport meetings with the City and tenants to recognize the needs and suggestions of the users

Intermediate Term – 24 to 36 Months

- Begin Design Development of a new terminal (Selection of an A&E group)
- Begin a more aggressive marketing plan with announcements regarding new construction and related press releases
- Develop cooperative marketing programs with the local casinos, the on-site restaurant, and nearby golf course, to attract new business
- Construction of the terminal
- Finalize the ramp overlay project to coincide with completion of terminal
- Acquisition of FF&E, computers, radios, etc. for the terminal and associated services
- Acquisition of additional equipment necessary for new terminal
- Host a ground breaking ceremony with local dignitaries and media
- Further implementation of full marketing plan (See marketing section) to coincide with opening of new terminal
- Host an open house and air show for the grand opening of new terminal
- Issue an RFP for third-party private development of new T-hangars (Ground lease only)
- Begin market study for development of new maintenance or community hangar
- Design development and funding discussions for a new hangar

Long Term – 48 to 60 Months

- Finalize design of new maintenance/community hangar complex
- Complete construction of new hangar
- Continue aggressive marketing

7. APPENDIX

a. Recommended FBO Location

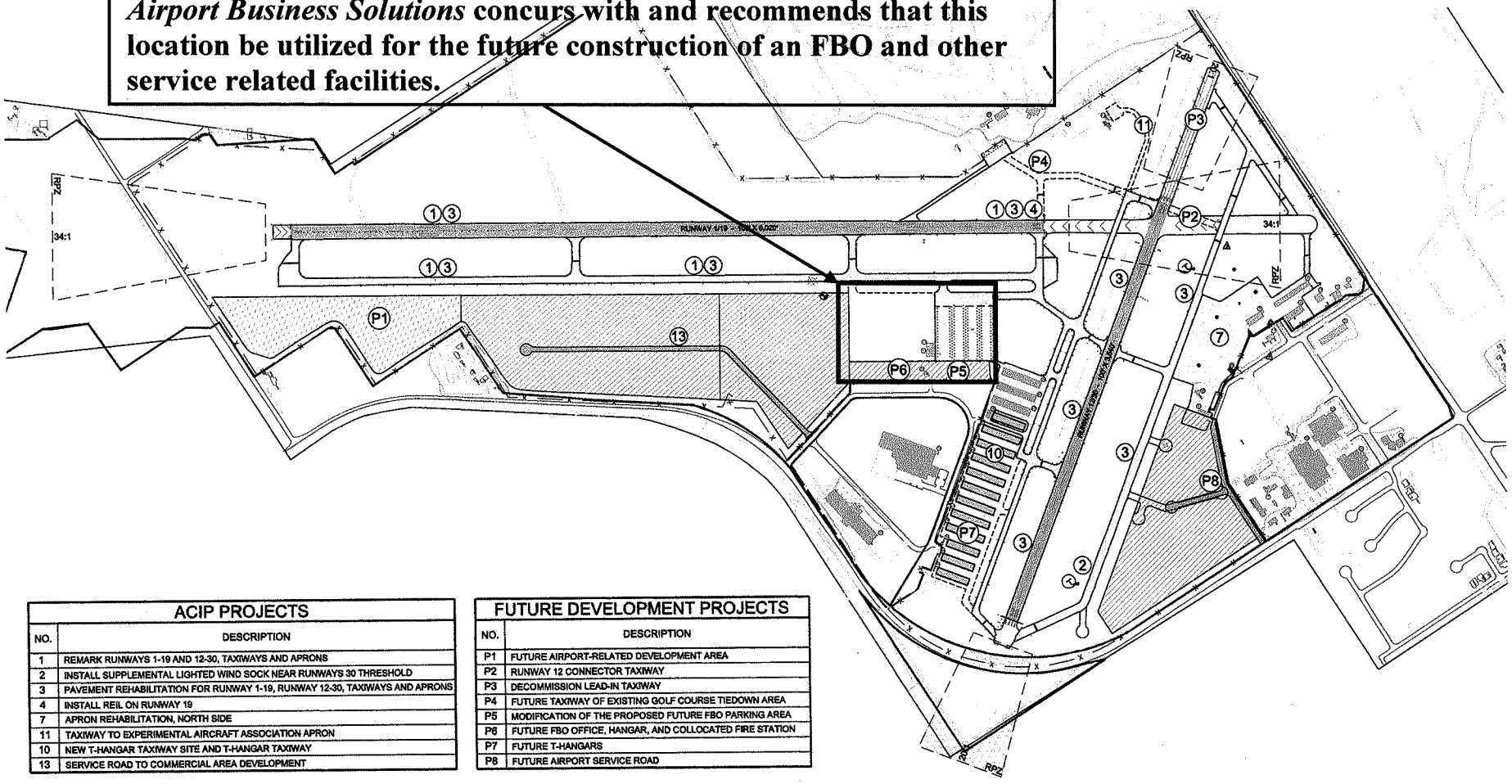
b. Air BP Marketing Information

c. Sample FBO Job Descriptions

d. *Airport Business Solutions* Curriculum Vitae

a. Recommended FBO Location

As identified as Areas P5 and P6 in the Airport Layout Plan Update, *Airport Business Solutions* concurs with and recommends that this location be utilized for the future construction of an FBO and other service related facilities.



ACIP PROJECTS	
NO.	DESCRIPTION
1	REMARK RUNWAYS 1-19 AND 12-30, TAXIWAYS AND APRONS
2	INSTALL SUPPLEMENTAL LIGHTED WIND SOCK NEAR RUNWAYS 30 THRESHOLD
3	PAVEMENT REHABILITATION FOR RUNWAY 1-19, RUNWAY 12-30, TAXIWAYS AND APRONS
4	INSTALL REIL ON RUNWAY 19
7	APRON REHABILITATION, NORTH SIDE
11	TAXIWAY TO EXPERIMENTAL AIRCRAFT ASSOCIATION APRON
10	NEW T-HANGAR TAXIWAY SITE AND T-HANGAR TAXIWAY
13	SERVICE ROAD TO COMMERCIAL AREA DEVELOPMENT

FUTURE DEVELOPMENT PROJECTS	
NO.	DESCRIPTION
P1	FUTURE AIRPORT-RELATED DEVELOPMENT AREA
P2	RUNWAY 12 CONNECTOR TAXIWAY
P3	DECOMMISSION LEAD-IN TAXIWAY
P4	FUTURE TAXIWAY OF EXISTING GOLF COURSE TIEDOWN AREA
P5	MODIFICATION OF THE PROPOSED FUTURE FBO PARKING AREA
P6	FUTURE FBO OFFICE, HANGAR, AND COLLOCATED FIRE STATION
P7	FUTURE T-HANGARS
P8	FUTURE AIRPORT SERVICE ROAD

Sources: City of Oroville, Ricondo & Associates, Inc.
Prepared by: Ricondo & Associates, Inc.

Exhibit 3-1

0 800 ft.
north

ACIP Projects and Future Development

Drawing: P:\OVE\03-ACIP Maps\OVE-ACIPProjects.dwg, Layout: ACIP Map, Apr 07, 2008, 5:54pm

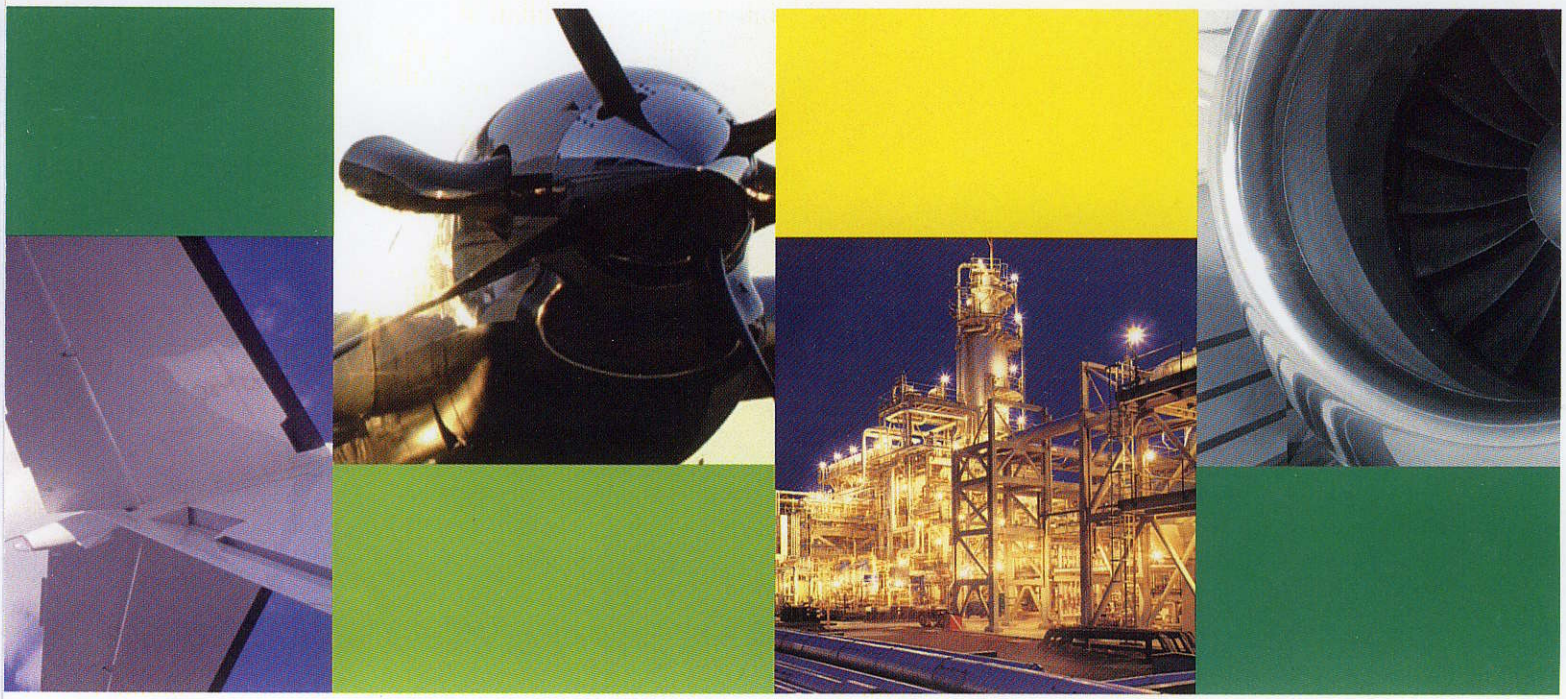
Airport Layout Plan Update Studies
Oroville, California

Comprehensive Revitalization Plan for the Oroville Municipal Airport
Proposed Future FBO Location

April 2008
DRAFT

b. Air BP Marketing Information

air bp

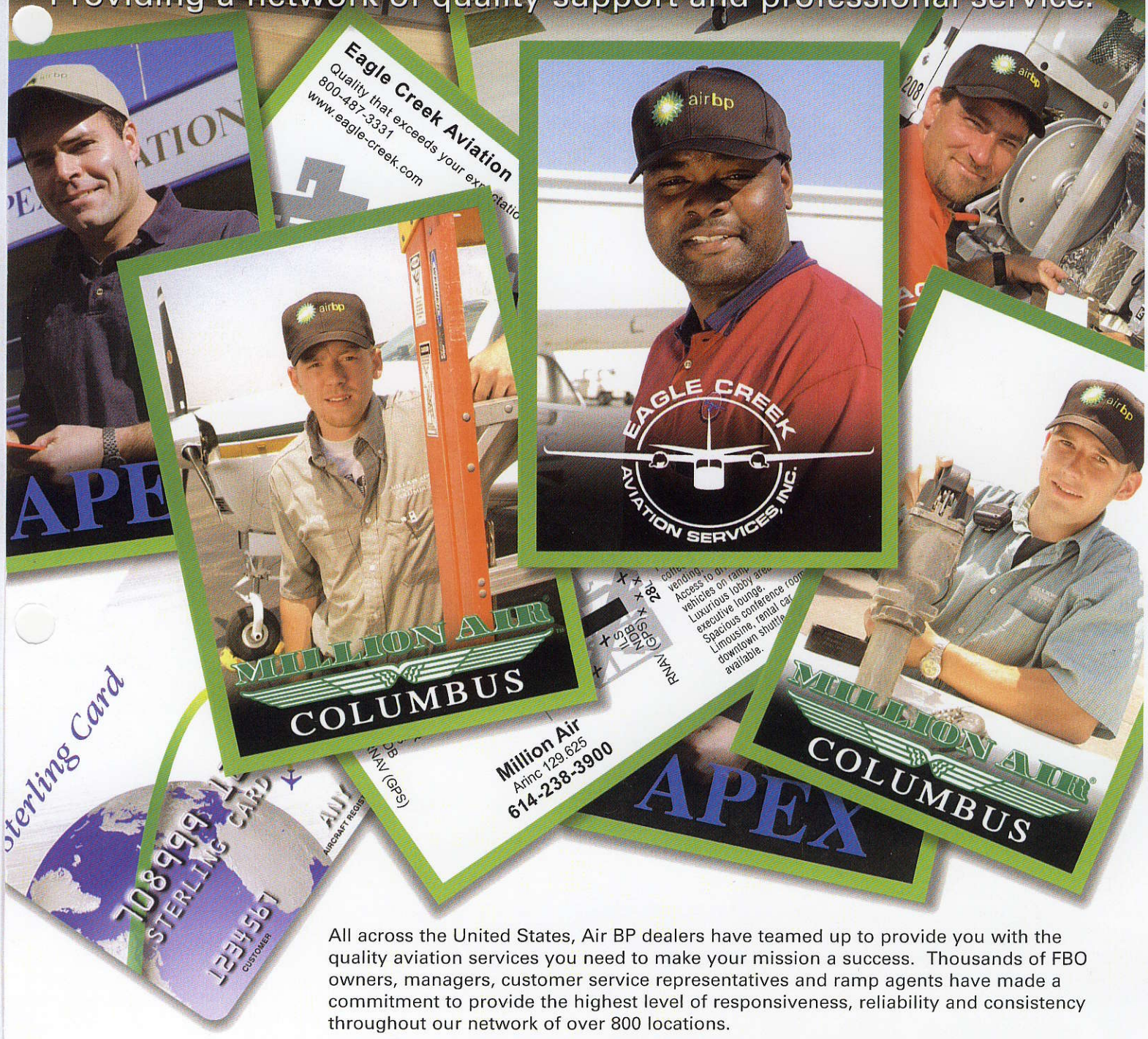


beyond petroleum™

Sterling Service™

One Team, One Goal

Providing a network of quality support and professional service.



All across the United States, Air BP dealers have teamed up to provide you with the quality aviation services you need to make your mission a success. Thousands of FBO owners, managers, customer service representatives and ramp agents have made a commitment to provide the highest level of responsiveness, reliability and consistency throughout our network of over 800 locations.

Rest assured that when you visit an Air BP Dealer, much more stands behind them than just a fuel brand. The resources, technology, support and innovative card programs such as Sterling Card go way beyond petroleum to ensure they have the tools to provide you with the service that you would expect from one of the most complete FBO networks in the country.

Come and see why Air BP Branded Dealers are in a league of their own.

air bp

beyond petroleum

800-752-9220 • www.airbp.com

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Air BP Branded Dealer Programs

24/7 Customer Service:
Air BP services the largest branded general aviation network in the world and in the United States. Air BP has 16 sales offices throughout the country where our customers can seek support and information. Our Customer Service department is available 24/7 to answer questions, solve problems, dispatch fuel loads, and help our customers. This model allows us to service the largest branded general aviation network in the United States.

Bringing New Business:
Air BP Aviation Services strives towards "Helping Aviation Businesses Grow." Subsequently, we work with our dealers in bringing new businesses such as corporate traffic, off field sales, and contract sales.

Business Aviation - Air BP Aviation Services employs two sales managers who work with corporate and business aviation departments to develop programs and encourage them to frequent our branded FBO's.

Air BP Contract Fuel Program - The Contract Fuel Program is a cardless program specifically targeted at Part 121, 125, and 135 operators for the purchase of jet fuel and avgas. Many FBO's have requested participation such a program that processes transactions via the POS for Part 135 and other contracted operators. The FBO determines the into-plane rate structure and we manage the billing to the customer and the repayments to you. The FBO can process the transactions of pre-approved operators, and you can also nominate operators to the program that frequent your facility.

Advertising:
Air BP Aviation Services offers a co-op advertising program where $0.005 per gallon purchased is credited toward a rebate. Air BP's uniform program, miscellaneous trademarked items and any printed media that identifies Air BP qualifies for reimbursement. In general, all items for promotion to create Air BP's brand recognition (trademark in print) qualify for co-op funding. The value of the rebate cannot exceed 50% of the invoice total.

Additionally, Air BP Aviation Services manages national advertising campaigns to increase the awareness of the Air BP brand and all the FBO's that are branded Air BP. Campaigns are included in Airport Business, BCA, AIN, Plane & Pilot, NATA Newsletter, General Aviation News & Flyer, The Great Lakes Pilot News,

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and more. Air BP Aviation Services also continues to be involved as exhibitors at many state level exhibitions, such as NBAA, NATA, and other events that are beneficial and necessary.

Trademark:
Air BP Aviation Services will provide adequate signage and will install them without charge. Air BP's contractor will assist in the permitting process for the Air BP signs and if you have a preference of a local sign installer who you would like to use, put us in touch with them and we will see if we can all work together.

Air BP and the BP Group also have miscellaneous trademark items (gifts and collectibles) available for purchase. The Air BP items do qualify for the co-op advertising program. As a new Air BP branded FBO you will be provided with an Air BP windsock with an 18", 24", or 36" hoop diameter.

Quality Control:
Air BP Aviation Services will be responsible for QC inspections and will be available to assist line personnel with QC matters. Among other literature and bulletins, Air BP issues the following to its branded dealers with the interest of delivering clean, bright, and dry aviation fuels:

a) Operations Guide for a GA Fueling Operation (GAFO)
b) Misfueling - The Ultimate Hazard

Line Service / Quality Control Training - Air BP Aviation Services provides regional and on-site seminars on line service procedures and fuel quality control. A "General Aviation Fueling Operations Interactive Training CD-ROM" will be provided at no cost. This will serve as an effective complement to your internal training programs. Additionally, Air BP has made the NATA's Safety 1st Program (video series) available to its dealers through co-op funding. This training program consists of eight educational tapes and two training guides.

Annual Site Inspection - Our Regional Technical Representatives will inspect your site annually for compliance with standards. We will provide a written report, coach your line service manager, and provide necessary training upon completion of the inspection.

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Quality Assurance Training - Air BP Aviation Services has developed the leading Quality Control Seminar in the aviation industry, which includes training in the following areas:

- Fuel Quality Control
- FAA Part 139 Fire Training
- Training for fuel farm managers, fueling personnel, and commercial carriers.

Fuel handling personnel have the opportunity to receive preventative maintenance and hands–on training at a designated airport in regions throughout the country. This training seminar is conducted in accordance with ATA 103, NATA –ATI Line Service Training Program and Safety 1st. The two-day seminar is offered to branded Air BP dealers, FBO's, commercial carriers, end users, airport authorities, fire departments and airlines. The seminar is free of charge to our customers.

Insurance:
Air BP furnishes a $50 million excess product liability insurance program. This $50 million is secondary coverage that is in force following your primary coverage.

Credit Cards:
Air BP offers one of the most aggressive credit card programs in the general aviation industry. We provide an electronic POS processing system at no charge and include the terminal, printer, surge protector, and equipment stacker. Via this system, sales credits are electronically transferred to Air BP's Processing Center. The following cards are accepted at Air BP dealers:

Air BP Visa Card *- This card offers benefits to pilots who own their own aircraft and is used for the purchase of jet fuel and avgas. This card offers a 3% reward for all Air BP Fuel and BP and Amoco gasoline purchases and 1% reward on all other purchases.*

Air BP Sterling Card *- The Sterling card is designed for larger corporate flight departments purchasing jet fuel domestically and internationally. This card also offers an automatic rebate up to $0.05 per gallon based on volume.*

Additional 0% cards are select Government / State Cards.

Other card types are electronically processed at low rates. These include: Visa, MasterCard, Multi Service, Avcard, Discover, and American Express.

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Air BP also offers an "Honor All" Program, which allows your facility to accept all competitive aviation fuel suppliers' credit cards. A quick conversion application allows your customer to apply for the Air BP card at your counter. Air BP will waive the processing fee for the first sixty (60) days. This will be administered through a rebate to your facility following this 60-day period. Thereafter, the processing fee is 3.5% on the gross sales value submitted.

Sterling Price Discounts:
Air BP's research indicates that today's corporate jet fuel customers have a need for competitive fuel prices, well known and widely accepted cards, and the ability to pay for related services on the card. Air BP has created such a program. Best of all, you no longer have to lose fuel margin by participating with the fuel discount companies to capture the sales.

You have complete control of the pricing; you can publish your pricing in Air BP's Sterling Card booklet that is mailed each month to thousands of flight departments. Air BP will support the program through national advertising campaigns and bookkeeping. There is absolutely no additional paperwork or record keeping required by your FBO. It's that simple!

SARA:
Air BP's automated card terminal; **SARA** (Silent Aviation Ramp Attendant) which accepts MC/Visa, American Express, Discover, Air BP, and Multi Service card types, interfaces via telecommunications to Air BP's Credit Card Center to facilitate daily settlement and reconciliation. Where applicable, SARA puts the FBO in business 24 hours a day, 365 days a year.

Commercial Airlines:
Air BP reliably supplies the world's airlines with quality fuels and customer service, 24 hours per day, 365 days per year. The Commercial Airline division provides unprecedented, worldwide fuel and customer service to all segments of the scheduled and nonscheduled airline market including: passenger, freight, charter, air taxi, and air ambulance flights.

Delivery:
Fuel deliveries are normally made within 24 to 48 hours of order placement.
Fuel could be delivered in shorter time frame in emergency conditions.

Refueler Truck Programs:
Air BP Aviation Services operates the only full service refueler manufacturing facility in the Western U.S. We offer refuelers of all sizes for lease, lease purchase, and outright purchase. The most commonly asked for trucks are 1000-

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gallon avgas and 3000 gallon Jet-A, but we will tailor a program to meet your needs.

Aviation Lubricants:
Let us be your supplier of aviation lubricants. You can now order a full turbine oil line (formerly ETO), 2380, 2397 and others from Air BP Aviation Services.

Fuel Storage Tank Consulting and Financing:

- Free consulting available on installation or upgrade of fuel storage tanks.
- Help available in developing a plan to meet the EPA and State Underground Storage Tank regulations.
- Lease/Purchase financing is available for aboveground tank farms

Save on Filters, Hoses, Nozzles, etc.:
We have developed relationships with suppliers offering a wide range of fuel handling products. We can assist you in getting the best price and service.

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Our Core Values

Ethics
First and foremost, Air BP Aviation Services is comprised of individuals with uncompromising integrity. Regardless of economics or inconvenience, we do the right thing.

HSES
Health, Safety, Environment, and Security. We feel it is important "to demonstrate respect for the natural environment and to work to achieve our goals of no accidents, no harm to people and no damage to the environment".

Value
Our exceptional services and customer support systems provide the value that will distinguish Air BP Aviation Services from our competitors.

Customers
Customers are the basic structure around which we have built Air BP Aviation Services. We work diligently to understand their individual needs and exceed their expectations. We are obligated as business partners to help our customers be successful.

Knowledge
Our customers are confident that our employees are experts in their fields. We use our knowledge, experience, and industry expertise to anticipate our customers' needs and help them solve problems.

Employees
Success for our customers comes from each of our efforts and from our teamwork. Our high expectations for Air BP Aviation's success and return on investment are achieved by working together.

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REFUELER EQUIPMENT

Air BP Aviation Services operates a full service refueler manufacturing facility and contracts through numerous approved contractors and manufacturers. We offer refuelers of all sizes for lease, lease purchase, and purchase. The most commonly provided trucks are 1,000 gallon avgas and 3,000 gallon Jet-A. We will tailor a program to meet your needs from 750 gallon units to 10,000 gallon units.

5,000-Gallon Refueler *

750 Gallon Avgas Refueler *

*Actual specifications may change upon truck delivery due to system improvements or reconfiguration of equipment.

CERTIFICATE OF RECOGNITION

This Certifies that:

has completed the

Air BP Aviation Services

Aviation Fuel Quality Control Seminar

including requirements of FAR Part 139.321.

John C. Thurston, Vice President Technical and Operations

air bp

c. Sample FBO Job Descriptions

TITLE: **Line Service Technician**

DEPARTMENT: **Oroville Municipal Airport**

REPORTS TO: **FBOLine/General Manager**

LAST REVISED: **May 2008**

GENERAL SUMMARY

Duties include providing customer service to users, tenants and the traveling public at Oroville Municipal Airport; servicing, towing, parking and tie-down of various business and private aircraft. This position oversees the daily general aviation duties to include, but not limited to: inspections, quality control and safety checks of all FBO equipment, fuel trucks, tie-downs, apron space, FBO facilities and airfield. Represents the FBO Supervisor in his/her absence; may take independent action and make decisions when appropriate. Performs various administrative duties assisting superiors in ensuring the success of a fully operational and trained staff.

ESSENTIAL FUNCTIONS

Ramp Service Operations Responsibilities

Operates a 'tug' vehicle, to tow, park and tie-down transient and based aircraft in a responsible manner, to avoid liability for the Authority.

Operates mobile refueling trucks to dispense fuels and provides oil to aircraft as required by pilots.

Receives deliveries of fuel, oil, and other supplies; performs quality control checks on products; processes paperwork for record keeping; stores commodities according to environmental regulations.

Performs preventative maintenance on all fueling vehicles, fuel farm apparatus, tug and other miscellaneous fixed base operation equipment.

Handles other special projects and duties, as assigned.

Participates in monthly safety training, annual line service training updates and safety procedures, emergency response procedures and customer service training.

Ensures all areas of FBO operations remain safe and in compliance with all local, state and federal regulations.

Monitors and tracks fuel inventory in conjunction with FBO Supervisor; places orders for fuel farm

supplies and ensures items are received to facilitate the payment process.

Recommends operational improvements and modifications necessary for safe and efficient FBO operations, as necessary.

Responsible for maintaining and growing fixed base operation's revenue streams through various FBO services and sale of fuel.

Airport Operations, Safety & Security Responsibilities

Ensures completion of daily airside inspections, observing defective lighting, runway and taxiway conditions, FOD removal and ensuring the integrity of tie down ropes on all ramps. Ensures completion of daily landside inspections, observing cleanliness of parking lots, reporting abandoned vehicles, damage to airport property and maintaining general FBO accessibility.

Coordinates daily general maintenance duties for the airport, i.e., office clean up, grounds maintenance, to include removal of debris and hangar blowout, repairing gates and fences, occasional door lock issues, hangar breaker resets and minor plumbing duties.

Functions as a trained fire apparatus technician for the safety of aircraft facilities. Controls emergency situations until the arrival of emergency personnel.

Tracks monthly airport operations and evaluates operations for seasonal trends.

Monitors and inspects navigational equipment on prescribed intervals.

Ensures airport security by performing random checks of the airport perimeter and surface areas.

Coordinates with local, state, and federal agencies for all aircraft and airport emergencies.

Monitors vehicular traffic in aircraft operating areas.

MINIMUM REQUIREMENTS

High School diploma or equivalent required. Experience in fixed base operations and/or fueling and ramp services preferred, but not required. Must be able to operate a tug vehicle and mobile fuel trucks, with knowledge of record keeping practices. Prior experience with customers, point of sale equipment, and fire/safety practices desired. A valid driver's license is required.

Must be able to operate: Millipore/API gravity equipment, computer, radios, and various other hand tools. Must have an intermediate working knowledge and experience using PC software for general office functions including MS Word, Excel, and Internet and Email. Must possess a positive attitude and ability to work in a team environment.

PHYSICAL REQUIREMENTS

Ability to lift or carry up to 100 pounds.

Ability to sit or stand for extended periods of time.

Ability to work in extreme conditions including cold, heat, rain and areas with fumes.

Ability to hear and speak clearly, including while utilizing telecommunication devices such as radios, cell phones and intercoms.

Ability to handle multiple tasks in a fast paced office environment while meeting time requirements in the production of work.

Effective detail orientation and visual evaluation ability.

Have ability to wear protective equipment including gloves, goggles, hearing protection, respirators, and safety shoes.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is regularly exposed to moving mechanical parts, toxic or caustic chemicals, outside weather conditions, explosives, and vibration. The employee is frequently exposed to high, precarious places; fumes or airborne particles; and risk of electrical shock. The noise level in the work environment is usually very loud.

TITLE: **Customer Service Representative**

DEPARTMENT: **Oroville Municipal Airport**

REPORTS TO: **FBOLine/General Manager**

LAST REVISED: **May 2008**

GENERAL SUMMARY

Duties include providing customer service to users, tenants and the traveling public at Oroville Municipal Airport; billing, communications, reservations, and information. This position oversees the daily general aviation duties to include, but not limited to: meeting the flying public, answering telephones, answering ARINC radio calls, customer billing, fuel orders, point of purchase sales, fuel inventory and general paperwork for line department. Performs various administrative duties assisting superiors in ensuring the success of a fully operational and trained staff.

ESSENTIAL FUNCTIONS

Customer Service Representative Responsibilities

Operates all communications and computer equipment at the customer service counter including radio service for aircrews and issue airport advisories.

Provides all point of sale functions including accepting payment for services and supplies, sale of pilot supplies, line paperwork including fuel inventory and processing of fuel orders.

Dispatch of service orders to Line Service Technicians

Assist with parking and meeting of aircraft and supply of ice, coffee and catering supplies to pilots and aircraft.

Provides timely and effective customer service support to airport tenant and FBO transient customers regarding inquiries on airport facilities, services, and general information on local hotel accommodations, car rentals, restaurants, etc.

Ensures all areas of customer service operations remain organized and in compliance with all local, state and federal tax regulations. Handles other special projects and duties, as assigned.

Monitors and tracks Operating & Expense Budget in conjunction with FBO Supervisor; places orders for flight counter supplies and ensures items are received to facilitate the payment process.

Recommends retail fuel and oil rate changes, monitors competitor's prices and tracks annual fuel and oil purchases and usage.

Operations, Service & Security Responsibilities

Ensures completion of daily facility inspections, observing cleanliness of facilities, placement of periodicals and newspapers. Preparation of fresh coffee and oversight of giveaway items and counter inventory.

Tracks monthly airport operations and evaluates operations for seasonal trends.

Ensures airport security by screening pilots and passengers before they enter airport operations areas.

Coordinates with local, state, and federal agencies for all aircraft and airport emergencies.

Monitors vehicular traffic entering access gates.

MINIMUM REQUIREMENTS

High School diploma or equivalent required. Experience in fixed base operations and/or customer services preferred, but not required. Must be able to operate telephone and radio equipment, with knowledge of record keeping practices. Prior experience with customers, point of sale equipment desired. A valid driver's license is required.

Must have an intermediate working knowledge and experience using PC software for general office functions including MS Word, Excel, and Internet and Email. Must possess a positive attitude and ability to work in a team environment.

PHYSICAL REQUIREMENTS

Ability to sit or stand for extended periods of time.

Ability to work in extreme conditions including cold, heat, rain and areas with fumes.

Ability to hear and speak clearly, including while utilizing telecommunication devices such as radios, cell phones and intercoms.

Ability to handle multiple tasks in a fast paced office environment while meeting time requirements in the production of work.

Effective detail orientation and visual evaluation ability.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is regularly exposed to loud working environment and the need to be standing for a large portion of work shift.

TITLE:	**FBO Line Service Manager/General Manager**
DEPARTMENT:	**Oroville Municipal Airport**
REPORTS TO:	**ABS Management**
LAST REVISED:	**May 2008**

GENERAL SUMMARY

Position is responsible for supervision of Fixed Base Operator staff and daily functions. Duties include providing customer service to users, tenants and the traveling public at Oroville Municipal Airport; servicing, towing, parking and tie-down of various business and private aircraft. The FBO Supervisor will oversee the daily general aviation duties to include, but not limited to: inspections, quality control and safety checks of all FBO equipment, fuel trucks, tie-downs, apron space, FBO facilities and airfield. Performs various administrative duties assisting superiors in ensuring the success of a fully operational and trained staff.

ESSENTIAL FUNCTIONS

Ramp Service Operations

Operates a 'tug' vehicle, to tow, park and tie-down transient and based aircraft in a responsible manner, to avoid liability for the Company.

Operates mobile refueling trucks to dispense fuels and provides oil to aircraft as required by pilots.

Receives deliveries of fuel, oil, and other supplies; performs quality control checks on products; processes paperwork for record keeping; stores commodities according to environmental regulations.

Operates radio service for aircrews and issues airport advisories.

Implements and maintains customer service procedures necessary for FBO operations; recommends operational improvements and modifications, as necessary.

Responsible for maintaining and growing fixed base operation's revenue streams through various FBO services and sale of fuel.

Ensures all revenue bank deposits are made and oversees the monthly financial reporting process. Coordinates with the Liberty County to ensure all statements are submitted and accurate.

Oversees all contracts with vendors servicing the FBO including, but not limited to: Fuel Vendor, Oil Vendor, Fuel Farm and Self Service Station Maintenance Service Provider, Bottled Water & Coffee

Vendors, etc.

Assists in setting retail fuel rates based on cost of fuel; monitors operating and profit margins, competitor's prices and tracks annual fuel flowage fee.

Formulates proposals for major expenditures as necessary, and submits to ABS management for approval.

Develops and implements FBO marketing plan and general FBO improvements, to include, but not limited to: development of FBO website, addition of wireless internet services for transient pilots, attendance at the annual NBAA Conference and other potential FBO conferences, procurement and installation of FBO software and handheld fuel flowage devices.

Handles other special projects, as assigned.

Supervisory

Supervises fueling operations and procedures.

Prepares and delivers employee performance evaluations with concurrence of ABS Management.

Communicates regularly with FBO staff for pass-down of ABS and industry events, as well as the airport's normal business operations.

Oversees Customer Service Program; responsible for program enhancements and employee Customer Service training. Works in conjunction with Liberty County to ensure 100% customer satisfaction.

Motivates staff and develops reward and recognition program to prevent turn-over and encourage employee development, higher education.

Mentors staff to ensure employees continue to be challenged and are always providing highest level of customer service with concern for safety and security at all times.

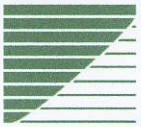
Prepares personnel work schedules to ensure adequate staff coverage during normal operating hours, as well as during peak and/or slow periods.

Coordinates and schedules all FBO staff required trainings, including, but not limited to: monthly safety training, annual line service training updates and safety procedures, emergency response procedures and customer service training.

Disciplines FBO staff when necessary, coordinating with ABS Management when necessary.

Ensures all areas of FBO operations remain safe and in compliance with all local, state and federal regulations.

Monitors and tracks Operating & Expense Budget in coordination with ABS management and Liberty County; places orders for fuel farm supplies and ensures items are received in to facilitate the payment process.



Airport Operations, Safety & Security

Performs daily airside inspections, observing defective lighting, runway and taxiway conditions, FOD removal and ensuring the integrity of tie down ropes on all ramps. Performs daily landside inspections, observing cleanliness of parking lots, reporting abandoned vehicles, damage to airport property and maintaining general FBO accessibility.

Performs daily general maintenance duties for the facility, i.e., office clean up, grounds maintenance, to include removal of debris and hangar blowout, repairing gates and fences, occasional door lock issues, hangar breaker resets and minor plumbing duties.

Functions as a trained fire apparatus technician for the safety of aircraft facilities. Controls emergency situations until the arrival of emergency personnel.

Monitors and inspects navigational equipment on prescribed intervals.

Ensures airport security by performing random checks of the airport perimeter and surface areas.

Coordinates with local, state, and federal agencies for all aircraft and airport emergencies.

Issues gate cards to new tenants and monitors vehicular traffic in aircraft operating areas.

MINIMUM REQUIREMENTS

A Bachelor's Degree in communications, business administration, aviation management or closely related field is preferred, however work experience may substitute for degree requirement. Must be able to operate a tug vehicle and mobile fuel trucks, with knowledge of record keeping practices. Prior experience with personal check authorizations and fire/safety practices desired. Possession of Private Pilot's License preferred. Candidate must demonstrate ability to plan and organize, and show strong interpersonal and oral/written communication skills. Must have an intermediate working knowledge and experience using PC software for general office functions including MS Word, Excel, and PowerPoint, Internet and Email. Must possess a positive attitude and ability to work in a team environment. A valid driver's license is required.

PHYSICAL REQUIREMENTS

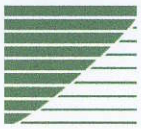
Ability to lift or carry up to 100 pounds.

Ability to sit or stand for extended periods of time.

Ability to work in extreme conditions including cold, heat, rain and areas with fumes.

Ability to hear and speak clearly, including while utilizing telecommunication devices such as radios, cell phones and intercoms.

Ability to handle multiple tasks in a fast paced office environment while meeting time requirements in the production of work.



Effective detail orientation and visual evaluation ability.

The above statements are intended to describe the general nature and level of work being performed. They are not intended to be construed as an exhaustive list of all responsibilities, duties, and skills required of personnel so classified.

d. *Airport Business Solutions* Curriculum Vitae

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COMPANY OVERVIEW

Airport Business Solutions was created to provide valuation and consulting services to the aviation industry. Upon discovering that most real estate professionals lacked an understanding of the unique characteristics of airport-based properties as compared with standard real estate projects, *Airport Business Solutions* was formed to offer their extensive experience in the valuation of airports and aviation-related properties such as fixed base operations, corporate hangar developments, air cargo facilities, control towers, and terminal facilities, to airports and their tenants throughout the United States. Through the addition of several diversely experienced staff members with extensive backgrounds in airport management and operations, air cargo development and operations, as well as FBO management and operations, *Airport Business Solutions* expanded to offer such services as leasehold, business/going-concern, and equipment valuation, financial self-sufficiency analysis, revenue enhancement, RFP development and evaluation, interim airport and FBO management, market and operational assessments, and various site selection services. In addition, we also provide such services as, buyer and seller representation services, personnel recruitment, fuel farm development, and environmental compliance and assessment issues. *Airport Business Solutions* is also highly skilled and experienced in the analysis of air cargo facilities and operations, having completed numerous facility and ground handling assessment for clients worldwide. Analyses have ranged from detailed market assessments for institutional grade investors, market studies for international airlines looking to expand operations, and site assessments and lease negotiations for expanding U.S. cargo operations.

In addition to the foregoing, the Company has been very active in the development of property -related rates and fees, Minimum Standards, airport rules and regulations, standardized lease documents, general aviation rates and charges analysis, Leasing Policies, and Rates and Charges Policies for airports throughout the country. Furthermore, given our general appraisal foundations, we also offer the expertise to analyze

various ancillary facilities situated on an airport such as hotels, parking garages, rental car facilities, terminal support facilities, etc. *Airport Business Solutions* is also recognized for our extensive experience in the analysis and valuation of "through-the-fence" access rights and the development of access agreements and fee structures for through-the-fence projects.

Our Environmental Division offers such services as environmental due diligence, compliance audits, GIS implementation and management, storage tank removal and closure assessments, environmental health and safety training, fuel facility audits and design, permitting and construction management of new fuel systems, and fuel facility operation and maintenance training programs. Clients include both fixed base operators, airports, and various corporate clients.

The President and Founder of *Airport Business Solutions*, Michael A. Hodges, MAI, has been published and interviewed on numerous occasions in **FBO** and **AIRPORT BUSINESS** magazines on issues such as the valuation of aviation facilities and businesses, percentage leases, lease adjustment mechanisms, various issues impacting the aviation industry with regard to lease negotiation and lease structure, and the impact of the FAA's final rates and charges policy on general aviation. Furthermore, a handbook written by Mr. Hodges addressing numerous issues in lease negotiation entitled *Guidelines for Successful General Aviation Rates and Charges Negotiation*, was distributed as part of a 1996 issue of **AIRPORT BUSINESS**. Mr. Hodges has been a speaker at various conventions/seminars sponsored by aviation-related organizations such as the National Air Transportation Association (NATA), American Association of Airport Executives (AAAE), the Virginia Department of Aviation, the Tennessee Airports Association, and the Georgia Airports Association. Mr. Hodges is also an active Corporate Member of NATA and AAAE, and currently serves on the Airports Committee of NATA and Non-Hub/GA Airport Committee of AAAE.

Furthermore, along with Ms. Bobbi Thompson, Mr. Hodges presents an annual workshop for AAAE entitled *Basics of Small Airport Management.* The workshop is basically an *"Airports 101"* course, as it covers all the basic aspects of airport management and development, and focuses on ways that airports can maximize their revenue opportunities through creative lease structures and alternative revenue sources, as well as providing an overview on a variety of management and operational issues faced by airport management, to include Minimum Standards, rates and charges policies, leasing policies, self-fueling issues, and rules and regulations.

In conclusion, *Airport Business Solutions* offers the unique blend of valuation, management and operational backgrounds, as well as extensive hands-on experience in the aviation field. This ultimately provides a more thorough and accurate analysis of airports and aviation-related projects involved in lease negotiation, acquisition, leasehold and business valuation, financial analysis, litigation, site evaluation and selection, and bankruptcy. Our diverse staff and resources, years of experience, exposure to a variety of facilities through our database of over 1,000 airports, and understanding of the viability of various revenue generation systems, provides *Airport Business Solutions* with the ability and expertise to analyze complex aviation projects which demand extensive research, analysis, and the conveyance of conclusions either through in-depth personal presentations, or well-documented and fully-supported, comprehensive reports. Furthermore, our experience and knowledge of the FAA's Grant and Sponsor Assurances, the FAA's final rates and charges policy, and diverse staff knowledgeable in FBO, cargo, and airport operation and management yields the exclusive background necessary to provide litigation support, as well as offering assistance with numerous issues to include valuation, site analysis and selection, project development and management, business plan development, start-up assistance, market and operational assessment, environmental compliance, and market rent analysis.

AVIATION REFERENCES

Mr. Eric Frankl, A.A.E.
Airports Director
Toledo Lucus Port Authority
11013 Airport Highway, Box 11
Swanton, Ohio 43558
(419) 865-2351

Mr. James M. Tyrrell
Deputy Director of Aviation
Business Development and Properties
City of Philadelphia Division of Aviation
Philadelphia International Airport
Terminal E
Philadelphia, Pennsylvania 19153
(215) 937-5420

Mr. Glenn S. Januska, A.A.E.
Airport Director
Sioux Gateway Airport
2403 Ogden Avenue
Sioux City, Iowa 51111
(712) 279-0170

Mr. Carl Lee Remmel, A.A.E.
Airport Director
DeKalb Peachtree Airport
2000 Airport Road
212 Administration Building
Atlanta, Georgia 30341
(770) 936-5440

Mr. Gregory M. Roberts, A.A.E.
Director of Aviation
Lafayette Airport Commission
200 Terminal Drive
Lafayette, Louisiana 70508-2159
(337) 266-4406

Mr. Richard V. White, A.A.E.
Director of Properties
Memphis-Shelby County Airport Authority
2491 Winchester Road, Suite 113
Memphis, Tennessee 38116-3856
(901) 922-8031

Ms. Barbara L. Bolton, A.A.E
Airports Business Manager
Clark County Department of Aviation
McCarran International Airport
P.O. Box 11005
Las Vegas, Nevada 89111-1005
(702) 261-5180

Mr. Gary Schmidt
Director of Reliever Airports
Metropolitan Airports Commission
6040 28th Avenue South
Minneapolis, Minnesota 55450-2799
(612) 726-8135

Mr. J. Garrett Jackson
Airport Director
Greenville-Spartanburg Airport Commission
2000 GSP Drive
Greer, South Carolina 29651
(864) 848-6260

PARTIAL AIRPORT CLIENT LIST

Metropolitan Knoxville Airport Authority - Knoxville, Tennessee
Memphis-Shelby County Airport Authority - Memphis, Tennessee
Regional Airport Authority of Louisville and Jefferson County - Louisville, Kentucky
Milwaukee County Department of Public Works - Airport Division - Milwaukee, Wisconsin
City of Mesa, Arizona
Jackson Municipal Airport Authority - Jackson, Mississippi
Port of Portland, Oregon
City of Redding, California
City of Kissimmee, Florida
City of Scottsdale, Arizona
City of Pensacola, Florida
San Bernardino County - San Bernardino, California
Lee County Port Authority - Fort Myers, Florida
Metropolitan Airports Commission - Minneapolis-St. Paul, Minnesota
Waukesha County, Wisconsin
City of Philadelphia Division of Aviation - Philadelphia, Pennsylvania
City of Santa Barbara, California
Dupage Airport Authority - West Chicago, Illinois
Snohomish County Airport - Paine Field - Everett, Washington
Clark County Department of Aviation - Las Vegas, Nevada
DeKalb County, Georgia (DeKalb Peachtree Airport)
City of Kansas City Aviation Department - Kansas City, Missouri
Klamath Falls International Airport - Klamath Falls, Oregon
City of San Diego Aviation Department - San Diego, California
San Diego County Regional Airport Authority - San Diego, California
Jackson County Airport Authority - Medford, Oregon
Sebring Airport Authority - Sebring, Florida
Columbus Municipal Airport Authority - Columbus, Ohio
City of Chandler, Arizona
State of Oregon
City of Phoenix, Arizona
Jackson Hole Airport Board - Jackson, Wyoming
Fort Wayne-Allen County Airport Authority
City of Battle Creek, Michigan (W. K. Kellogg Airport)
Toledo-Lucas County Port Authority, Toledo, Ohio
City of Lake Havasu, Arizona
City of Yuma, Arizona
Town of Marana, Arizona
Greenville Spartanburg Airport Commission, Greer, South Carolina
City of Cleveland, Ohio
Glynn County Airport Commission - Brunswick, Georgia
Town of Schaumburg, Illinois
Napa County, California
Metropolitan Nashville Airport Authority, Nashville, Tennessee
Wichita Airport Authority, Wichita, Kansas

Airport
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CURRICULUM VITAE

NAME: Michael A. Hodges, MAI

FIRM NAME: ABS Aviation Consultancy, Inc. d/b/a
Airport Business Solutions

ADDRESS: 13529 Prestige Place, Suite 108
Tampa, Florida 33635-9772

PHONE: (813) 269-2525

EDUCATION

Graduate of the University of Tennessee with a Bachelor of Arts Degree - Major in Philosophy.

PROFESSIONAL AND TECHNICAL COURSES

Currently certified in the program of continuing education as required by the Appraisal Institute.

Completed requirements for MAI member designation of the Appraisal Institute to include peer review of appraisal assignments, completion of a demonstration appraisal report on an income-producing property, experience rating, and educational courses.

Attended numerous professional courses and seminars relative to real estate appraisal such as Capitalization Theory and Techniques, Case Studies in Real Estate Valuation, Real Estate Appraisal Principles, Basic Valuation, Residential Valuation, Investment Analysis, Standards of Professional Practice, and Report Writing and Valuation Analysis, as presented by the American Institute of Real Estate Appraisers and the Appraisal Institute.

BACKGROUND AND EXPERIENCE

President and CEO of *ABS Aviation Consultancy, Inc. d/b/a Airport Business Solutions*, a diverse aviation valuation and consulting firm which specializes in the analysis of airports, fixed base operations, and other aviation-related properties for lease negotiation, acquisition, litigation, leasehold and going-concern valuation, and bankruptcy, as well as providing specialized airport management consulting, to include policy development, to airports of all sizes. Additional expertise offered in the area of financial self-sufficiency analysis for general aviation airports and through-the-fence access agreements and operations.

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Managing Director of *Airport Business Solutions International, A.E.C.* (*ABSI*), the international consulting and advisory affiliate of *Airport Business Solutions*. *ABSI* has provided a myriad of services to airports throughout North and South America, Asia, and Europe. Using our extensive and diverse experience, *ABSI* has assisted airports throughout the world in such areas as business plan development and implementation, concessions planning and management, air cargo assessments, airline agreement negotiation, terminal design analysis, parking assessment, rental car analysis, general aviation operations and management, non-aeronautical land development, financial modeling, and full or partial airport privatization assessments.

President and CEO of *MH-BT FBO Holdings, Inc.*, an airport and FBO management services entity providing interim management to airports and fixed base operations in transition from public to private operation or during operational start-up.

Managing Member of *ABS Aviation Management Services, LLC*, an airport and FBO management services entity providing interim management to the MidCoast Regional Airport in Hinesville, Georgia. MidCoast Regional Airport is a joint-use civilian/military airport in southeastern Georgia.

President of Kompass Partnerships Company Ltd, a Hong Kong company providing advisory services to U.S. and Chinese companies seeking strategic partnerships to facilitate global expansion.

Vice President and Part Owner in the firm of Hodges, McArthur, & Dunn, P.C. Real Estate Appraisers and Consultants from 1990 through 1995. Hodges, McArthur and Dunn, P.C. was a full-service real estate appraisal and consulting firm with offices in Knoxville, Nashville, and Memphis, Tennessee, and Atlanta, Georgia. Responsibilities included appraisals, general feasibility studies, and market analyses on a variety of property types involved in financing, acquisition, condemnation, bankruptcy, litigation, and estate valuation.

Founder and President of HMD Aviation Appraisal Group in 1994, a division of Hodges, McArthur & Dunn, P.C. HMD Aviation Appraisal Group was a real estate appraisal and consulting firm which specialized in the valuation of the real estate aspect of fixed base operations and other aviation-related properties for lease negotiation, acquisition, litigation, leasehold valuation, and bankruptcy.

Staff Appraiser with Hodges and Wallace Appraisal Associates from 1982 through 1990. Responsibilities included research, appraisals, general feasibility studies and market analyses on a variety of property types involved in financing, acquisition, condemnation, bankruptcy, litigation, and estate valuation.

COURT EXPERIENCE

Qualified as an expert witness in various courts in Florida, Georgia, Tennessee, Kentucky, Arizona, and California on various valuation, management, financial and operational issues on airports, aviation businesses and aviation-related properties.

TERRITORY

Airport Business Solutions is based in Tampa, Florida, with satellite offices in Denver, Colorado, Boston, Massachusetts, Jacksonville, Florida, and Fort Myers, Florida. The firm has completed a variety of assignments throughout the United States, Asia, Europe and Latin America, to include valuation, consultation, and miscellaneous advisory services.

AFFILIATIONS AND DESIGNATIONS

Elected to Membership in the Appraisal Institute with an MAI designation on April 20, 1994 - Member No. 10,333.

State of Florida - Certified General Appraiser - License No. RZ2770

Pennsylvania State Certified General Appraiser - Certificate No. GA-001626-R

State of Georgia - State Certified General Real Property Appraiser - License No. CG004018

Member of the Appraisal Institute's Young Advisory Council in 1994, 1995 and 1996

Corporate Member of the National Air Transportation Association (NATA)

Corporate Member of the American Association of Airport Executives (AAAE)

Member of AAAE's Non-Hub/GA Airport Committee

Corporate Member of the National Business Aviation Association (NBAA)

Member of Aircraft Owners and Pilots Association (AOPA)

CURRICULUM VITAE

NAME: Roberta "Bobbi" Thompson

TITLE: Executive Vice President

FIRM NAME: Airport Business Solutions

ADDRESS: 17040 Pleasure Road
Cape Coral, Florida 33909

PHONE: (239) 573-9647

EDUCATION

Graduate of Ohio State University with a Bachelor of Science Degree - Major in Aviation Management

PROFESSIONAL AND TECHNICAL COURSES

Multi-Engine Pilot with over 3500 hours as pilot-in-command. Federation Aeronautique Internationale *Diplome de Record*

Numerous professional training programs for airport management and operations, including aviation technical and aviation financial courses. Completed Aircraft Rescue and Firefighting Training course.

Environmental technical training programs including: Storm Water Pollution Prevention Plan permits and permit applications, environmental compliance programs with special emphasis on audits for airports, underground storage tanks, navaids, air traffic control towers and construction planning. Occupational Safety and Health compliance training for a variety of airport applications. Pollution Prevention evaluation and application training

BACKGROUND AND EXPERIENCE

Executive Vice President with *Airport Business Solutions*, a diverse valuation and consulting firm headquartered in Tampa, Florida, with satellite offices in Boston, Massachusetts, Denver, Colorado, Jacksonville, Florida, and Fort Myers, Florida. The firm specializes in the valuation and analysis of airports, fixed base operations, and other aviation-related properties for lease negotiation, acquisition, litigation, leasehold and going-concern valuation, and bankruptcy, as well as providing rates and charges analysis and policy development on general aviation facilities. Additional expertise offered in the areas of airport privatization and financial self-sufficiency analysis for general aviation airports.

BACKGROUND AND EXPERIENCE (Continued)

Chief Operating Officer of *MH-BT FBO Holdings, Inc.*, an airport and FBO management services entity providing interim management to airports and fixed base operations in transition from public to private operation or during operational start-up.

Partner in *ABS Aviation Management Services, LLC*, an airport and FBO management services entity providing interim management to the Midcoast Regional Airport in Hinesville, Georgia. Midcoast Regional Airport is a joint-use civilian/military airport in southeastern Georgia.

Senior Program Manager for JAYCOR Environmental from 1994 to 1997. JAYCOR is a government contractor. Had direct responsibility for all aviation related projects, to include managing national, regional and local projects for the Federal Aviation Administration. Completed environmental and safety compliance audits at over 1,100 FAA facilities in two years. The audits included in-depth analysis, recommended solutions and cost projections.

Director of Airport Services for COMARCO in the private contract management of five Los Angeles County-owned airports from 1991 to 1994. Duties included planning, organization, administration, coordination, operations and maintenance of all five airports. Additional responsibilities included property development, lease management, lease negotiations, land use planning, grant applications, construction projects, community relations, tenant interactions, and budget preparation and financial management.

Director of Aviation Programs for Osource Environmental from 1989 to 1991. Project Manager for deicing study at O'Hare International Airport and multiple underground storage tank projects including closures and remediation task at airports across the country.

President of Aviation Sales, Inc. from 1978 to 1989, a 55-employee fixed base operation with two locations in Ohio. One is located on an international airport, while the second is situated on a general aviation reliever airport. The position also required serving in the capacity of Airport Manager at the reliever airport.

TERRITORY

Airport Business Solutions is based in Tampa, Florida, with satellite offices in Denver, Colorado, Boston, Massachusetts, Jacksonville, Florida, and Fort Myers, Florida. The firm has completed a variety of assignments throughout the United States, Asia, Europe and Latin America, to include valuation, consultation, and miscellaneous advisory services.

AFFILIATIONS AND DESIGNATIONS

Member of American Association of Airport Executives (AAAE)

Member of AAAE's Non-Hub/GA Airports Committee and Environmental Committee

Member of the National Air Transportation Association (NATA)

Board of Directors of the National Air Transportation Association (NATA) - 1986 through 1989

Member of NATA's Airports Committee

Member of the Air Force Association

Member of the National Aeronautic Association

White House Delegate on Small Business

Who's Who in American Women and Who's Who in Business & Finance

CURRICULUM VITAE

NAME: Randy D. Bisgard

TITLE: Senior Vice President

FIRM NAME: Airport Business Solutions

FIRM ADDRESS: 15231 E. Radcliff Drive
Aurora, Colorado 80015

PHONE: (303) 627-4776

EDUCATION

Attended Metropolitan State College of Denver – Achieved three years towards degree and major in Aviation Management. Interest and minors also included the areas of Architectural Drawing, Meteorology, and Business.

Attended numerous aviation related training and personal development programs through employers and industry trade associations.

Hold Private Pilots Certificate – Single Engine Land

BACKGROUND AND EXPERIENCE

Senior Vice President with *Airport Business Solutions*, a diverse valuation and consulting firm headquartered in Tampa, Florida, with satellite offices in Fort Myers, Florida, Denver, Colorado, Jacksonville, Florida, and Boston, Massachusetts. The firm specializes in the valuation and analysis of airports, fixed base operations, and other aviation-related properties for lease negotiation, acquisition, litigation, leasehold and going-concern valuation, and bankruptcy, as well as providing rates and charges analysis and policy development on general aviation facilities. Additional expertise offered in the areas of airport privatization and financial self-sufficiency analysis for general aviation airports.

Mr. Bisgard is a professional advisor to aviation management providing expertise in the area of facility design/development, financial analysis, valuation studies, marketing, advertising, and training. His career as a problem solver includes over 30 years continuous employment in the aviation industry including 16 years at an international air carrier airport.

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Director of Training for Integrated Airline Services, a national cargo handling company. Responsible for operational control of all safety and training functions for a nationwide network of 24 airline and cargo handling stations. Provided the development and overview of training and operations manuals, training procedures, "train-the-trainer" programs, and employee testing/certification. Developed a safety orientation and mentoring plan for new employees entitled the *BuddySafe System.* This program addresses personal safety and ramp awareness issues.

Senior Associate with Aviation Resource Group International - Consulted with aviation service company clientele regarding various business and operational issues such as facility design and development, operational reviews, financial analysis, valuation studies, regional market studies, and marketing and advertising. Conducted all marketing and advertising activities including the coordination of the firm's trade show and convention activities, resulting in a continuous expansion of client base every year.

Senior Associate with the Aviation Training Institute - Wrote, produced, and managed the development of a nine-module comprehensive video-based aviation safety and customer service training program. This award-winning program is recognized as the industry standard for ramp safety training and has contributed to a substantial reduction in employee turnover and ramp accidents for ATI clientele. Initiated training program development budget, and ultimately managed the sale and distribution of multiple training products to hundreds of aviation businesses around the world.

Corporate Manager of Marketing for Jet Aviation Denver, Inc.- Direct supervision of all customer service and facilities personnel. Developed additional customer base in the area of fuel sales to corporate flight departments. Established competitive fuel pricing structures along with extensive direct mail and telephone call campaigns resulting in improved departmental revenues.

Corporate Manager of Marketing for Jet Aviation America - Responsible for system-wide corporate marketing that included over 20 domestic and international locations. Developed a new trade show display, new corporate brochure, pilot handouts, corporate slide presentation, and a new media advertising campaign which resulted in the repositioning of Jet Aviation as a major competitor in the U.S. marketplace.

Manager of Marketing/Construction Development for Jet Aviation - Responsible for redeveloping the image and facilities of the former Atlas Aircraft facility in Denver, to include a new marketing campaign, collateral materials, and new facilities. He also served as the Project Manager on a multi-million dollar facility improvement package which included a new 10,000 square foot executive terminal and 300,000 square feet of ramp and site improvements. Responsibilities included design development work, direct interface with architects and engineers, the selection of a general contractor, construction monitoring in the field, and controlling the disbursement of funds.

BACKGROUND AND EXPERIENCE (Continued)

Director of Marketing Services at Combs Gates Denver - Managed the advertising and marketing support for the FBO division of the Gates Learjet Corporation, including media advertising, collateral materials, direct mail, promotional programs, and trade show activities. In addition, he was the Corporate Training Director and standardized the training programs and procedures for all Combs Gates locations. He developed and produced a seven-part audio-visual line service-training program for in-house use, and also produced a non-proprietary line-training program that was marketed to other aviation service organizations.

TERRITORY

Airport Business Solutions is based in Tampa, Florida, with satellite offices in Denver, Colorado, Boston, Massachusetts, Jacksonville, Florida, and Fort Myers, Florida. The firm has completed a variety of assignments throughout the United States, Asia, Europe and Latin America, to include valuation, consultation, and miscellaneous advisory services.

AFFILIATIONS AND DESIGNATIONS

National Business Aviation Association

American Association of Airport Executives

National Air Transportation Association

Aircraft Owners & Pilots Association

National Safety Council

American Society for Training and Development

CURRICULUM VITAE

NAME: Mark R. Davidson, A.A.E.

FIRM NAME: Airport Business Solutions

ADDRESS: 2809 Hidden Stagecoach Road
Jacksonville, Florida 32223

PHONE: (904) 445-8555

EDUCATION

Graduate of University of North Florida with a Master of Business Administration.

Graduate of Jacksonville University with a Bachelor of Science Degree - Major in Aviation Management.

PROFESSIONAL AND TECHNICAL COURSES

Currently accredited (A.A.E.) by the American Association of Airport Executives. Compliant in the program of continuing education as required.

Certified private pilot by the Federal Aviation Administration for single engine land operations.

Certified by Embry-Riddle Aeronautical University to instruct courses such as Airport Management, Airport Planning and General Aviation Business.

Attended numerous professional workshops and seminars relative to airport management and fixed based operations such as Aviation Law, Passenger Facility Charges, Contract Tower, Exxon Fuel Quality, Leadership, Diversity, Safety, Security, and Time Management.

BACKGROUND AND EXPERIENCE

Vice President with *Airport Business Solutions*, a diverse aviation valuation and consulting firm which specializes in the analysis of airports, fixed base operations, and other aviation-related properties for lease negotiation, acquisition, litigation, leasehold and going-concern valuation, and bankruptcy, as well as providing specialized airport management consulting, to include policy development, to airports of all sizes. Additional expertise offered in the area of financial self-sufficiency analysis for general aviation airports.

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Solutions

BACKGROUND AND EXPERIENCE (Continued)

General Manager of *ABS Aviation Management Services, LLC*, an airport and FBO management services entity providing interim management to the Midcoast Regional Airport in Hinesville, Georgia. Midcoast Regional Airport is a joint-use civilian/military airport in southeastern Georgia.

Director of Aviation for Eagle County Regional Airport from 2002 to 2003. Eagle County Regional Airport in Vail, Colorado is a non-hub commercial airport that is served by five major airlines and numerous general aviation operators in the Colorado Rocky Mountains. Responsible for managing all aspects of the operation and supporting the County Commissioners' vision to make Eagle County Regional the airport of choice.

Cecil Field Airport Manager for the Jacksonville Airport Authority from 2001 to 2002. Cecil Field is a general aviation reliever airport in Jacksonville, Florida that was converted from the United States Navy in 1998. Duties include managing staff, budgeting, planning future development, marketing, public relations and other day-to-day endeavors that arise.

Herlong Airport Manager for the Jacksonville Port Authority, 1998 to 2001. Herlong Airport is a general aviation reliever airport that supports the corporate and recreational users. Responsible for managing the airport and the fixed based operation (FBO). This includes sale of fuel, business development, capital improvements, public relations and aircraft operations.

Operations Specialist for the Jacksonville Port Authority from 1995 to 1998. Responsible for assisting in the day-to-day operational management of Jacksonville International Airport, which is a medium hub airport in Jacksonville, Florida. This includes passenger safety, federal regulation compliance, aircraft operations, landside activity, the monitoring of business activity on the airport, and the supervision of staff.

Aviation Properties Specialist for the Jacksonville Port Authority from 1996 to 1997. Interfaced with airport management, tenants and other entities involved in contractual/business arrangements; negotiated the terms of airport use and lease agreements.

Project Accountant for the Jacksonville Port Authority from 1994 to 1995. Responsible for cost accounting regarding capital improvements for both the aviation and marine divisions.

Communication Dispatcher for the Jacksonville Port Authority from 1992 to 1994. Responsible for directing personnel to emergency/non-emergency situations.

TERRITORY

Airport Business Solutions is based in Tampa, Florida, with satellite offices in Denver, Colorado, Boston, Massachusetts, Jacksonville, Florida, and Fort Myers, Florida. The firm has completed a variety of assignments throughout the United States, Asia, Europe and Latin America, to include valuation, consultation, and miscellaneous advisory services.

AFFILIATIONS AND DESIGNATIONS

Accredited Member of the American Association of Airport Executives (AAAE)

Corporate Member of the National Air Transportation Association (NATA)

Corporate Member of the National Business Aviation Association (NBAA)

Vice Chairman of Northeast Region Continuing Florida Aviation System Planning Process (CFASPP) for 2002

Member of the Southeast Chapter of American Association of Airport Executives (SEC/AAAE) 1998 - 2002.

Member of the Florida Airports Council (FAC) 1998 - 2002

Member of the Jacksonville Super Bowl XXXIX Aviation Committee 2001.

Member of the Jacksonville Aviation Historical Society 1999-2001

Airport Representative for the Aircraft Owners and Pilots Association (AOPA) 2000

Vice Chairman and Historian Alpha Eta Rho1989 - 1992

CURRICULUM VITAE

NAME: Sarah E. Smith

TITLE: Director of Environmental Services

FIRM NAME: Airport Business Solutions

ADDRESS: 8A Porter Road
Boxford, Massachusetts 01921

PHONE: (978) 352-5086

EDUCATION

B.S. Geology, Montana State University, Bozeman, Montana (1982)

PROFESSIONAL AND TECHNICAL COURSES

U.S. Forest Service Fire Fighters Certification (1984)
OSHA Hazardous Waste Emergency Response Certification (annual 1987 -1998)
Site Supervisor Course for Hazardous Waste Sites (1988)
OSHA, DOT, and EPA Regulatory Overview (1995)
Dangerous Goods Certification Training (1998)

BACKGROUND AND EXPERIENCE

Environmental Consultant to *Airport Business Solutions*, a diverse valuation and consulting firm headquartered in Tampa, Florida, with satellite offices in Denver, Colorado, Jacksonville, Florida, Boston, Massachusetts, and Fort Myers, Florida. The firm specializes in the valuation and analysis of airports, fixed base operations, and other aviation-related properties for lease negotiation, acquisition, litigation, leasehold and going-concern valuation, and bankruptcy, as well as providing rates and charges analysis and policy development on general aviation facilities. Additional expertise in financial self-sufficiency analyses for general aviation airports.

Director of Environmental Affairs since 1993 with Signature Flight Support responsible for environmental compliance, fuel facility design and construction and environmental Health & Safety at 40 locations, in 24 states nationwide. Established a process for benchmarking compliance with environmental rules and regulations and performed routine audits to monitor compliance. Technical strategic oversight and litigation support for sites with recognized environmental conditions. Performed Environmental Site Assessments to identify potential liability and environmental risk for acquisitions of FBOs.

Airport Business Solutions

BACKGROUND AND EXPERIENCE (Continued)

Environmental consultant (1986-1993) for industrial, manufacturing, agricultural, and petroleum clientele. Developed and implemented complex environmental remediation plans and risk-based audits.

Contract geologist (1982-1985) in the Rocky Mountain Region of the U.S. specializing in seismology planning, geologic evaluations and related surface and subsurface measurements. Principal areas of responsibility and experience included identification of productive geologic formations for oil drilling operations for layout of seismograph lines and testing.

TERRITORY

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AFFILIATIONS AND DESIGNATIONS

Registered Professional Geologist (P.G.)

American Association of Petroleum Geologists

National Water Well Association

National Air Transportation Association (NATA)

American Association of Airport Executives (AAAE)