

County of San Diego – Airports
Request for Proposal (RFP) 101
Workshop Summary

2 October 2012

3:00 PM – 5:00 PM

To: Attendees
From: County of San Diego, Airports
Subject: Airports RFP 101
Staff: Peter Drinkwater, Lee Ann Lardy, Marc Baskel, Eric Nelson, John Otto, Anne Baldwin

At the request of interested citizens Airports held a workshop with general information regarding Airports Request for Proposal process. This workshop did not deal with any specific information, such as the RFP for the 70 acres, but provided more general information about leasing, engineering and operational issues addressed during the RFP process.

INTRO

“The Request for Proposal (RFP) process helps assure County Airports build toward the future.” - *Pete Drinkwater, Director of Airports*

The private sector has to have good reasons to invest their money on county airports property thereby enhancing value to the community. The good reasons are based on the reliable nature of government to provide stability and infrastructure to support the private investment. Since County Airports doesn't receive any taxpayer funds to operate or improve their facilities private investment is critical.

LEASING AND DEVELOPMENT

“I'm happy for the opportunity to explain our leasing program to the public. People are interested to learn airport development is well planned to meet airport needs and provides economic benefits to the community.” - *Lee Ann Lardy, Project Manager for Airport Properties.*

The presentation covered the process and benefits of the leasing and development program at County Airports. It included an overview of existing development at Gillespie Field, highlighting aviation and industrial businesses. The presentation previewed potential projects for the future which include Marshall Avenue Business Park, Forrester Creek Business Park and Cajon Air Center.

ENGINEERING AND AVIATION OPERATIONS

“Our goal is to provide the public with a functional and well planned aviation development opportunity that benefits from the availability of new engineering technologies.” - *Eric Nelson, County Airports Engineer*

The presentation provided a general concept of the layout and function of the proposed 70 acre parcel development. In addition, the presentation touched upon the plans to utilize new 3-D virtual reality design models that will allow future RFP proposals to be viewed and evaluated in virtual 3-D.

GENERAL REQUEST FOR PROPOSALS

“Requests for Proposal are designed to give interested parties as much information as possible and allow them to fairly compete on a level playing field for opportunities to develop land at County Airports.” - *Anne Baldwin, Sr. Real Property Agent for Airport Properties*

This presentation provided an overview of the Request for Proposals (RFP) process in general, and how this process is used by County in the private development of their Airports-owned properties. Before an RFP is issued, County Airports must establish the need for development and set the criteria to be considered by potential developers. The RFP process allows County Airports to advertise and award development opportunities, through a public, competitive, and objective process, resulting in innovative and exciting developments that are beneficial to the public and also in the best interest of County Airports. The presentation included the typical elements of a published RFP package as well as the components typically required for submitting a response. It outlined the opportunities for public input into, and review of, RFP’s published by County Airports, and ended with a summary of the standard selection process for awarding the development opportunity.

QUESTIONS & ANSWERS

COUNTY OF SAN DIEGO AIRPORTS
WELCOME
AIRPORTS REQUEST FOR PROPOSAL 101

AIRPORTS RFP 101 PRESENTATION OVERVIEW

- Airports Organization – Pete Drinkwater
- Mission/Vision/Staffing
- Financial/Revenue & Economic Self-Sufficiency
- 8 County Owned/Operated Airports

- Leasing & Development – Lee Ann Lardy
- Engineering & Aviation Operations – Eric Nelson
- Request for Proposal Process – Anne Baldwin

∞ Questions/Discussion ∞

ROADS VS. RUNWAYS

Build a mile of road and you go a mile.
 Build a mile of runway and you can go anywhere!

AIRPORTS MISSION STATEMENT

To operate and maintain, safely, efficiently, and cost effectively County Airports as part of the National Air Transportation System in conformance with Federal, State, and local regulations without cost to the County General Fund.

COUNTY AIRPORTS

Our Vision

- Member of the County Family
- Enhance the Value of Public Assets
- Leader in Our Core Business
- Catalyst for Aviation/Business Development
- Innovator in Regional Air Transportation
- Partner with Communities

COUNTY AIRPORTS STAFFING

- 1 Director
- 1 Program Coordinator
- 2 Engineering
- 5 Financial/Administrative Analysts
- 3 Clerical
- 7 Real Property
- 9 Maintenance
- 4 Airport Managers
- 3 Operations Coordinators
- 35 Positions

AIRPORTS FINANCIAL

- AEF is Self-supporting and Functions Similar to Private Business
- No Support Received From General Fund or Any County Fund
- Finance Section Responsible For:
 - Budget /Fiscal Planning
 - Grants/Airport Improvements
 - Contracts

AIRPORTS REVENUE SOURCES

- Rents and Leases - Aviation and Industrial
- Passenger Facility Charges (PFC)
- Parking Revenue
- Customs Fees
- Landing Fees
- Tie down Fees
- Royalties From Fuel Flowage
- Permits

AIRPORTS FINANCIAL

REVENUE, EXPENSES AND RESERVE

FISCAL YEAR 2004 - 2012



* Carry Forward \$0.9 M

GRANT INFORMATION

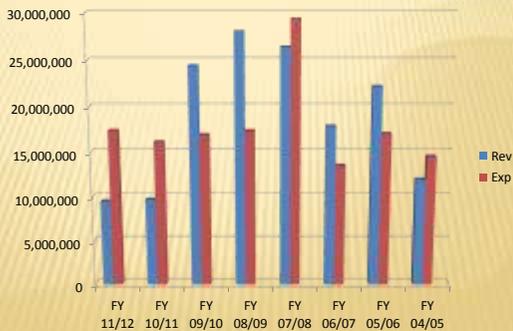
Airports Receives Grant Funding from Two Primary Sources:

- Federal Aviation Administration
- State of California Division of Aeronautics

FAA Awards Two Types of Grants:

- Discretionary
- Entitlement

REVENUE/EXPENSE HISTORY 2004 - 2012



OUR COMMUNITY



GILLESPIE FIELD ASSETS



MCCLELLAN-PALOMAR AIRPORT



MCCLELLAN-PALOMAR AIRPORT



RAMONA AIRPORT



FALLBROOK COMMUNITY AIRPARK



BORREGO VALLEY AIRPORT



JACUMBA AIRPORT



AGUA CALIENTE AIRSTRIP



OCOTILLO AIRSTRIP



AIRPORTS RFP 101

LEASING & DEVELOPMENT - LEE ANN LARDY





Leasing and Development at County Airports

Lee Ann Lardy
Project Manager,
Airports Real Estate



County of San Diego

Overview

- Goals
- Sources for Development
- Review and Approval
- Gillespie Field
- Current Development
- Future Projects



Development Goals

1. Provide Transportation Facilities
2. Comply with Safety Standards
3. Provide Aviation Service
4. Benefit Local Economy
5. Revenue to Operate Airport

Looking to Develop at the Airport?



Sources for Development

Proposals



Request For Proposal Process

Proposals

Review

Finalize

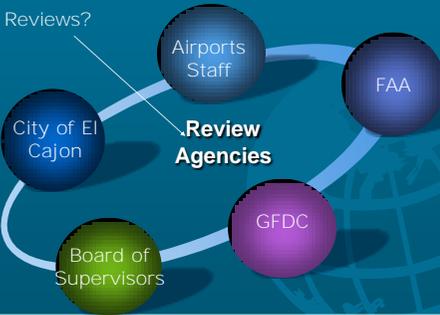
Meet Minimum
Qualifications
Review Concepts
Short List

Selection
Committee
• Engineering
• Operations
• GFDC
• EDEDC

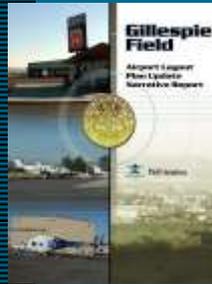
Negotiate
Major & Minor
Deal Points
Finalize
Agreements

Development Review

Who Reviews?



GF Narrative Report



- GF Narrative Report completed 2005 by P&D Aviation
- Aviation Demand forecasts through 2025
- Established current deficiencies in T-hangars and conventional hangars
- Demand for hangars will increase by 2025/2027

Projected Rent Revenue 12/13

	Annual Revenue
Palomar	\$ 2,488,000
Gillespie	\$ 6,297,000
Ramona	\$ 318,000
Fallbrook	\$ 464,000
Borrego	\$ 21,000
Jacumba	\$ 200
Total	\$ 9,588,200

County Airports Mean Business!



Benefits of Airport Development

- Jobs
- Airport Revenue
- Economic Active
- Induced Activity
- Government Revenue



Gillespie Field Economic Benefits

- Economic Impact Study prepared by CIC Research
- Annual Gillespie Field Economic Benefit
 - Direct \$403 M / 3,164 jobs
 - Total Economic Activity \$919 M / 6,250 jobs
 - Gov Revenue \$9.9 M local /\$51.2 M federal/state
- 2025 (After Development) Annual Projection
 - Direct \$530 M / 4,190 jobs
 - Total Economic Activity \$1.2 B / 8,250 jobs
 - Gov Revenue \$13 M local /\$67.2 M federal/state

What's so great about this Airport?

Location!

- Great Weather
- Air Traffic Control Tower
- Central Location
- Convenient for East County Residents
- Close to Downtown
- Close to Area Attractions/Beaches



Fixed Based Operators



Borden

Fixed Based Operators



*Aircraft
Storage
Spaces*

Fixed Based Operators



*So Cal Aircraft
Repair*

Fixed Based Operators



*Gillespie Field
Partners*

Fixed Based Operators



*Gillespie Air
Center*

Fixed Based Operator



*El Cajon
Flying Service*



Fixed Based Operators



*Safari
Aviation*



Fixed Based Operators



*San Diego
Aircraft*



Fixed Based Operators



Allen Airways



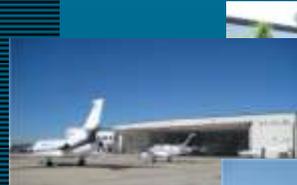
Fixed Based Operators



Speer Field



Fixed Based Operators



Jet Air



Fixed Based Operators



Sky Harbor

Fixed Based Operators



Classic Aircraft



Community Services



• *Mercy Air*



• *Sheriff ASTREA*



Community Assets



San Diego Air and Space Museum



Community Events



Wings Over Gillespie



Industrial Development



Gillespie Field Industrial Park



Industrial Development

*GKN
Chemtronics*



Industrial Development

Veridian



Industrial Development

*Gillespie Field
Business
Park*



Gillespie Field– The Future

*On the
Horizon . . .*

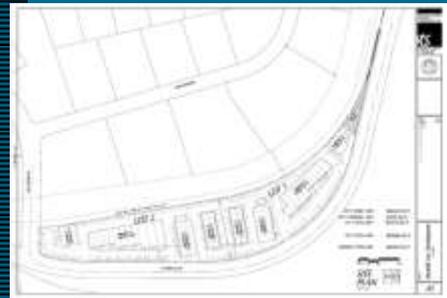


Marshall Avenue Business Park



Marshall Avenue
Industrial
Development
2 phases with
total of 8 acres
130,000 sq ft
light industrial
space
Developer
Dentt
Development
Company

Proposed Site Plan:



Marshall Avenue Business Park

- Two phases
 - Phase I - 18 months
 - Phase II - 36 months
 - Phasing will ensure industrial market not saturated
- The project will provide:
 - spaces suitable for new businesses
 - local jobs
 - Revenue to support Airport System

Forrester Creek Industrial Park



Forrester Creek Industrial Park

3 phases with
440,000 sq ft of
office, light
industrial and
warehouse space
Developer -
Pacific Scenes

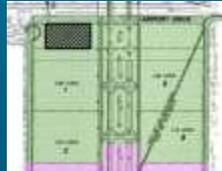


CAJON AIR CENTER



Cajon Air Center: Private Development

- 4 parcels in initial development phase - Total 21.5 Acres
 - \$300K annual revenue
 - \$29.5M in private investment
 - 700 construction jobs / 200 aviation jobs
- Meets Gillespie Field needs for years to come



Thank you!



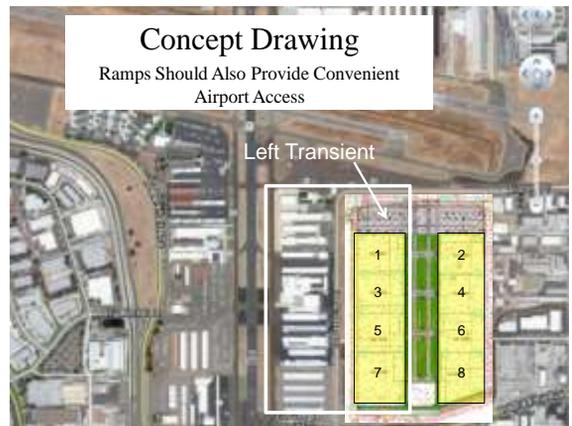
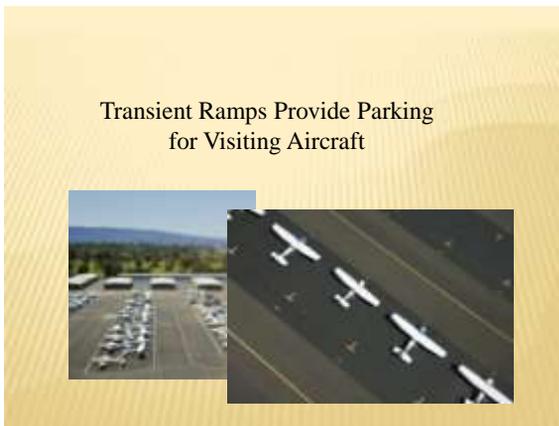
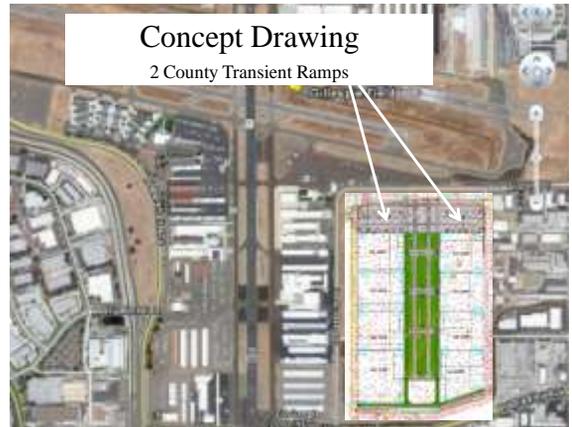
Airports RFP 101

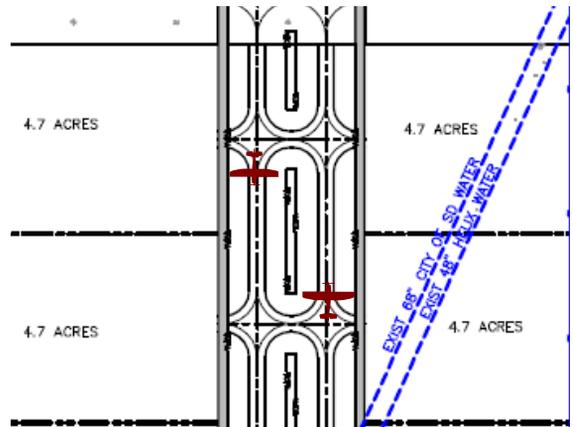
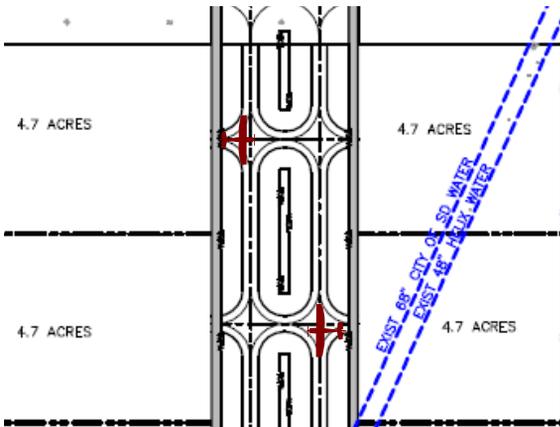
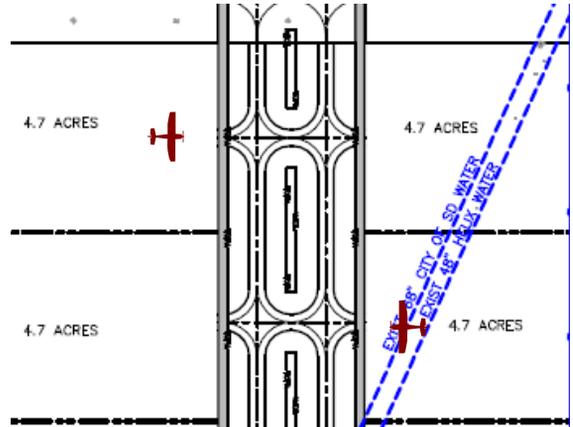
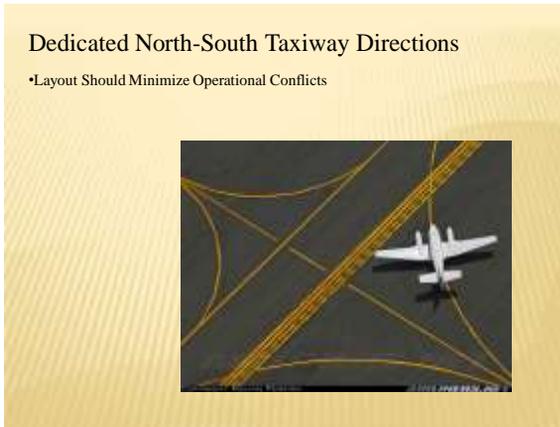
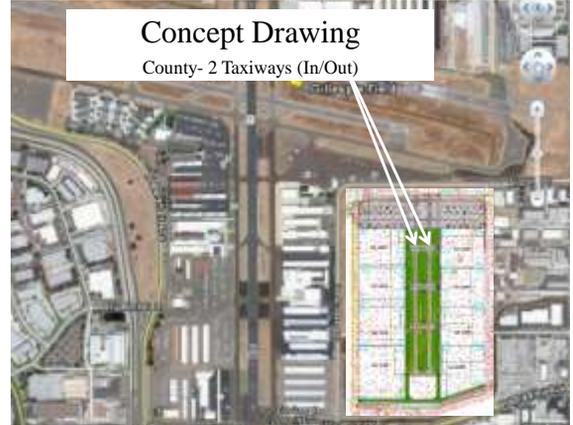
→ Engineering & Aviation Operations – Eric Nelson

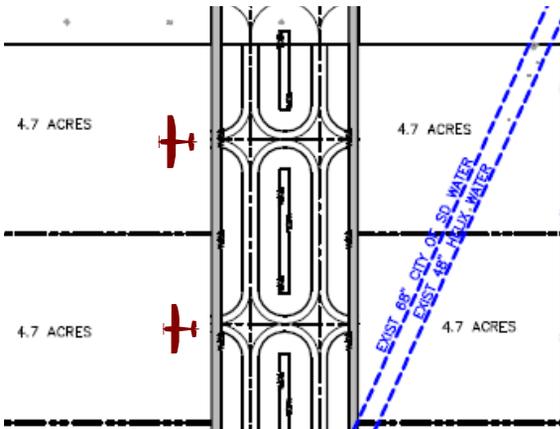
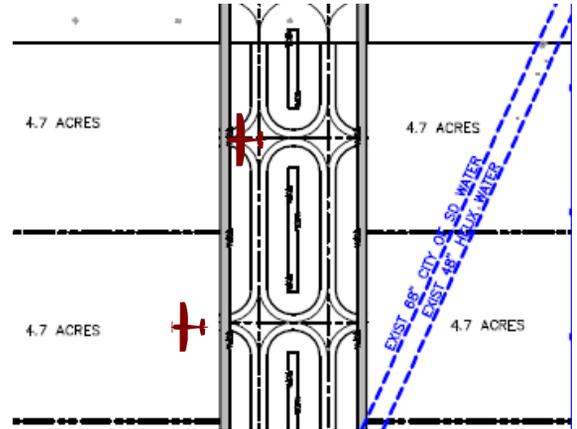
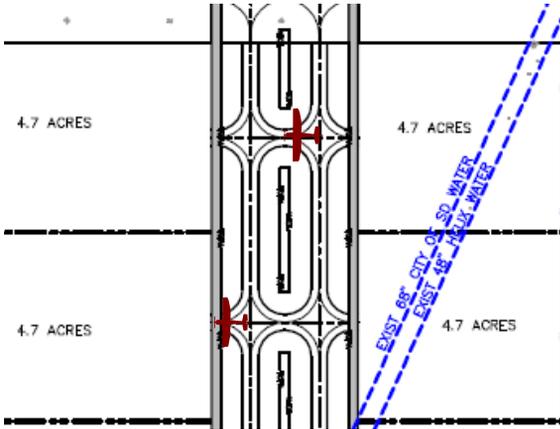
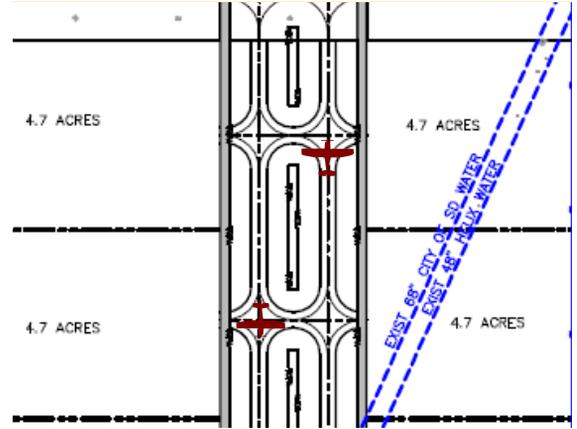
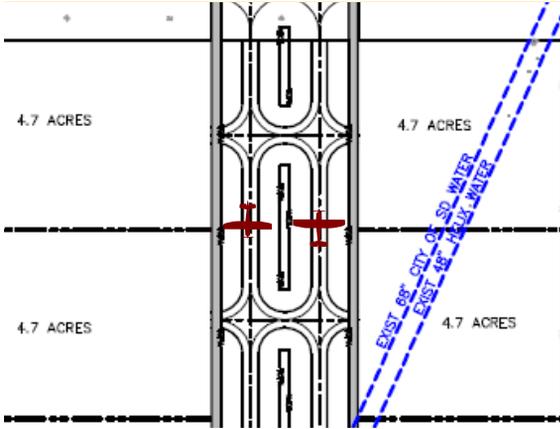
ENGINEERING & AVIATION OPERATIONS

Conceptual Project Development Example for Cajon Air Center

All images to follow are purely speculative and subject to change. These examples are shown for conceptual purposes only.



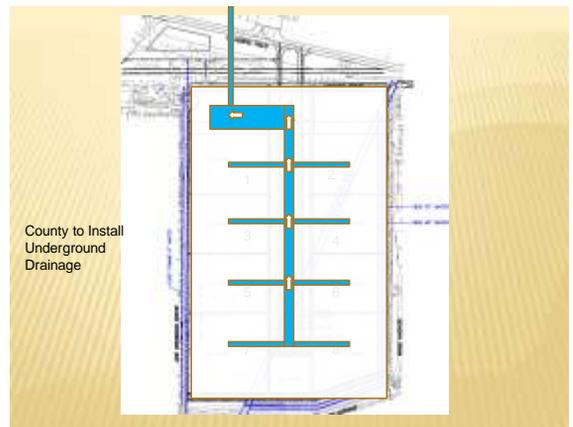
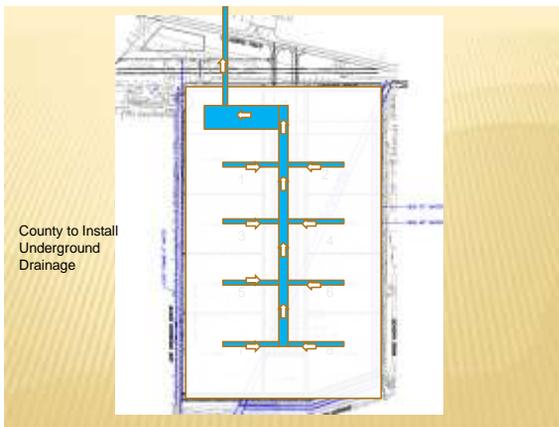
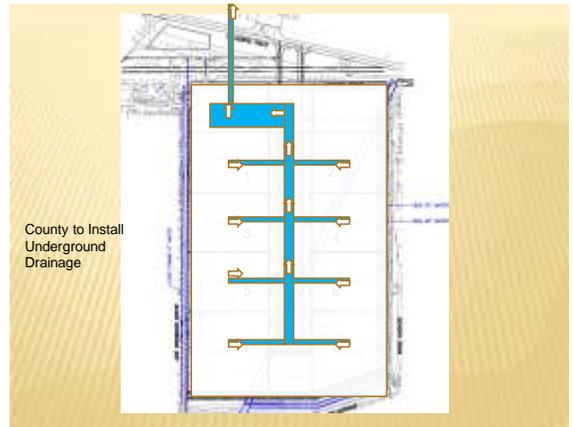
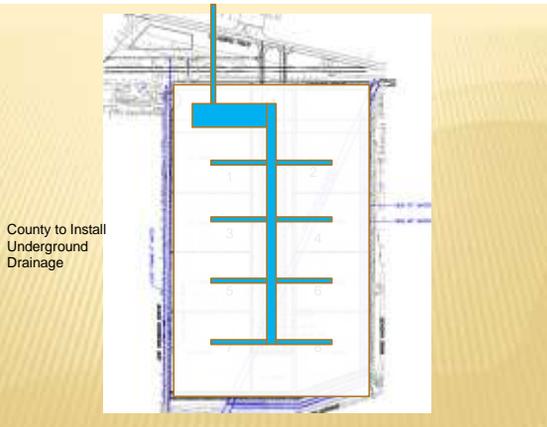
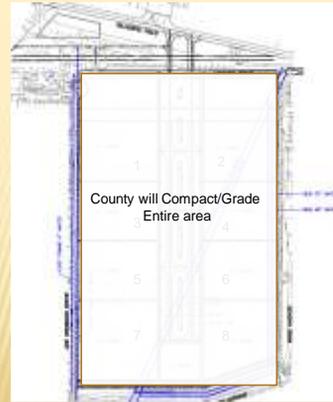


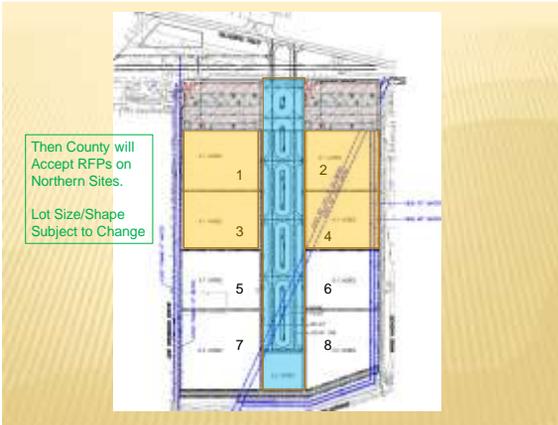
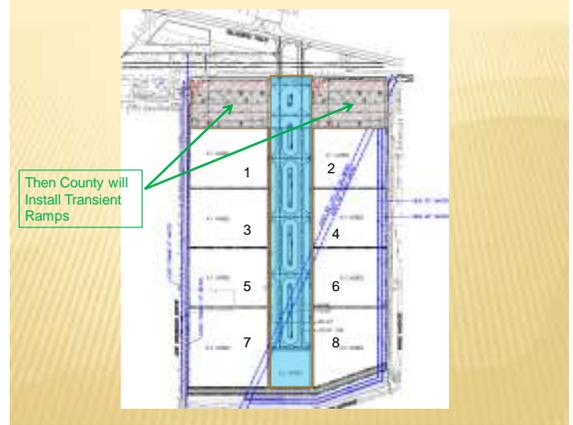
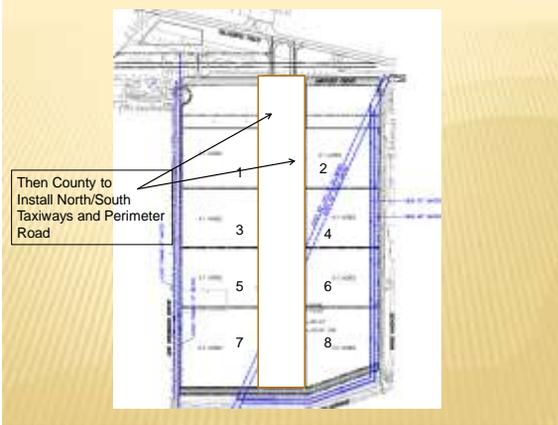


Conceptual Project Development Example

All images to follow are purely speculative and subject to change. These examples are shown for conceptual purposes only.

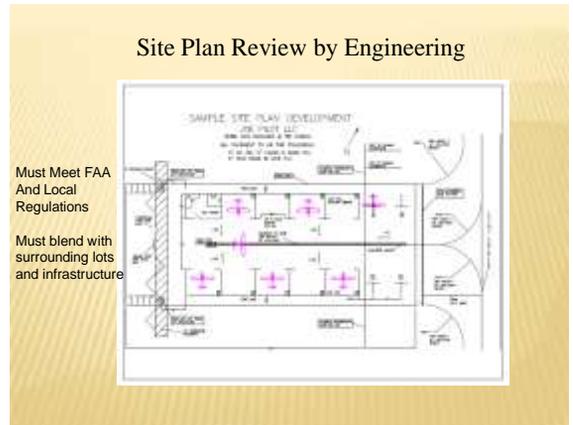
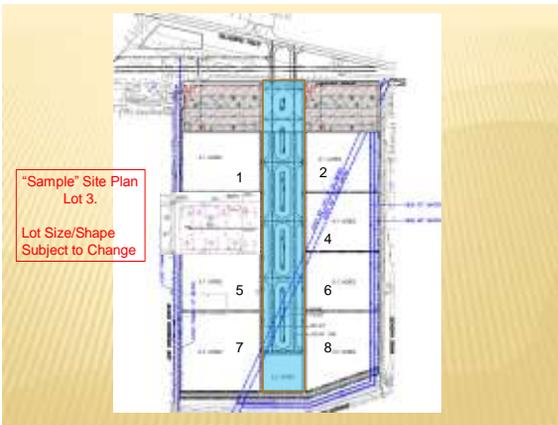
County Will Install Site Infrastructure





Conceptual RFP Development
Lot 3 Example

Images are purely speculative and subject to change. Examples is for conceptual purposes only.



Future Request for Proposals (RFPs)

- County will Supply 3-D Land Model
- Applicant will Submit 3-D RFPs



Sample Virtual 3-D Airport Model

- Every Point Exists in 3-D Virtual Reality



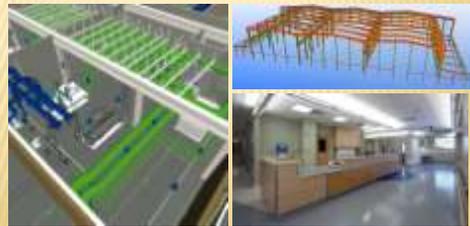
Sample 3-D RFP Concept Models

- Each Concept Works from Same 3-D Virtual Model
- Each Concept Can be Viewed in Virtual Reality



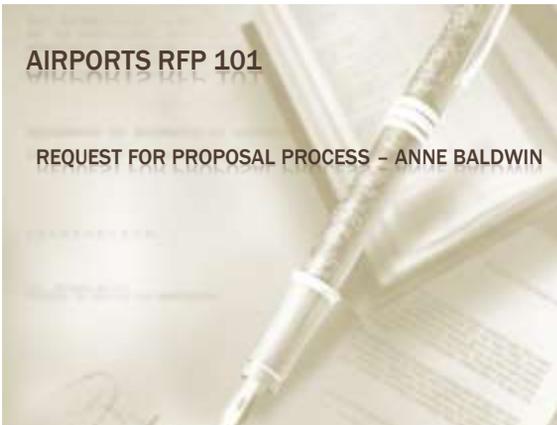
High Detail Capabilities

Our goal is to provide the public with a functional and well planned aviation Development opportunity that benefits from the availability of new engineering technologies



AIRPORTS RFP 101

REQUEST FOR PROPOSAL PROCESS - ANNE BALDWIN



SAN DIEGO COUNTY AIRPORTS REQUEST FOR PROPOSAL (RFP) PROCESS



AIRPORTS RFP 101 WORKSHOP
OCTOBER 2, 2012
GILLESPIE FIELD LOBBY
EL CAJON, CA

What is a Request For Proposals?



When is an RFP Needed?

- Establish Need
 - ▣ Meet Forecasted Demand
 - ▣ Long-range Planning
- Generate Revenues
 - ▣ Self-sustainability
 - ▣ **No local Tax Dollars**



Planning for the RFP

- Environmental Review
- Development Standards
- Minimum Base Rent
- Development/Traffic Impact Fees
- Project Phasing



Why an RFP?

- Promotes Innovation
- Assures Level Playing Field
- **Fairest and Best Way to Select Private Developers**



What Will Be In RFP?

TYPICAL RFP COMPONENTS

- Timeline
- Site Description / Intended Use
- Minimum Financial Terms
- Development/Performance Standards
- Proposed Agreement
- Submittal Guidelines & Requirements
- Evaluation Criteria



Public Input into the RFP



- Presented to Airports Advisory Group
- Info Online in Advance of Meeting
- RFP Subject to Change Until Published
- Suggestions From GFDC/Public



Publication of the RFP



- RFP Issued
- Widely Advertised
 - ▣ Newspapers/Publications
 - ▣ Internet Posting
 - ▣ Direct Mail

Due Date for Response

Pre-Proposal Conference



What's In Submittal Package?

- Letter of Interest/Business Plan
- Preliminary Design Plan
- Proposal Fee
- Company Info/ Team Profiles
- Proposed Economic Terms
 - ▣ Rent & Capital Improvements
- Acceptance of Proposed Agreement
 - ▣ Language & Key Terms



Criteria for Selection

- Meets Identified Need
- Design Plan
- Team Experience
- Financial Strength
- Balance
- Track Record
- Financial terms



Selection



All Proposals Evaluated Based on Published Criteria



Short List for Presentations



Selection Panel

After Selection . . .



Conclusion

□ RFPs GIVE SAME OPPORTUNITY TO ALL INTERESTED PARTIES



QUESTIONS?