

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS - LAND USE
WEDNESDAY, DECEMBER 08, 2021**

MINUTE ORDER NO. 6

SUBJECT: ADOPT MCCLELLAN-PALOMAR AIRPORT MASTER PLAN UPDATE, CERTIFY MASTER PLAN ENVIRONMENTAL IMPACT REPORT, AND PROVIDE DIRECTION ON AIRPORT SUSTAINABILITY (DISTRICT: 5)

OVERVIEW

McClellan-Palomar Airport (Palomar) is located in the City of Carlsbad and is one of eight airports owned and operated by the County of San Diego (County), at no cost to the General Fund. Palomar was constructed on County-owned property, and when it opened in 1959, the surrounding area consisted mainly of agricultural uses. Over the last 60 years, light industrial, commercial, and recreational uses have developed around the airport. The City of Carlsbad annexed the airport in 1978, citing economic benefits including significant tax revenues for the City and increased services for the County. Today, the airport serves the community and region as a vital air transportation hub, an emergency services facility, and an economic engine that supports 2,590 local jobs and generates \$72 million in tax revenues and \$461 million in economic activity annually.

Palomar is a federally funded public-use airport and part of the national air transportation system. The Federal Aviation Administration (FAA) regulates this system and by federal law, airport owners and operators, such as the County, cannot restrict the size or type of aircraft landing or taking off from an airport. The FAA provides airports with guidance to safely accommodate the types of aircraft that use an airport, which is the foundation for the safety enhancements identified in the Palomar Master Plan Update (MPU). The FAA generally provides up to 90% grant funding for safety improvements; however, an approved and current Airport Layout Plan, which is included as part of the Master Plan, is required to be eligible for funding.

On December 16, 2015 (3), the County Board of Supervisors (Board) directed staff to update the Master Plan for Palomar. The Master Plan is a 20-year planning road map for airport capital improvements that emphasizes safety. The most recent Master Plan for Palomar, completed in 1997, had reached the end of its 20-year planning period. On September 25, 2013 (2), the Board considered the findings of a 2013 Feasibility Study, which studied a longer runway. The Board directed staff to focus the MPU on safety improvements for the aircraft currently using the airport while remaining within the existing airport property boundaries.

On October 10, 2018 (1) the Board approved the MPU and certified the Program Environmental Impact Report (PEIR). On November 6, 2018, a petition for Writ of Mandate and complaint was filed by Citizens for a Friendly Airport, challenging the Board's decision. On January 26, 2021, the Superior Court (Court) filed a Minute Order upholding the Final PEIR analysis and dismissing the claims, except on two items. While the Court determined the PEIR's noise analysis was generally adequate, the Court found the Final PEIR should have included supplemental noise analysis for areas farther from Palomar. In addition, the Court ruled that an amendment to the conditional use permit (CUP) with the City of Carlsbad must be sought if the design status of the airport is changed to accommodate the design critical aircraft.

On March 4, 2021, the Court ordered the County to set aside all approvals associated with the October 10, 2018, decision, which included the approval of the MPU, certification for the Final PEIR, and related actions, within 60 days. On May 5, 2021 (13), the Board rescinded the MPU and de-certified the PEIR and related environmental findings pursuant to the Court’s order.

The County has now completed the additional noise analysis, as directed by the Court, and updated the PEIR and MPU to address the potential need for an amendment to the CUP. Staff has also developed options for the Board’s consideration that would demonstrate the County’s leadership in sustainability.

This is a request for the Board to: (1) select the airport design standard for Palomar, including a potential runway extension, which will increase federal grant funding eligibility, and allow the County to pursue safety enhancement projects to protect aircraft currently using Palomar. The Board will select either: (2A) adopt the MPU and take the actions in Item 3 below relating to the Final PEIR, or (2B) not adopt the MPU.

If Recommendation 2A is selected to adopt the MPU, then, together with its action to adopt the MPU, the Board must (3) certify the associated Final PEIR and supporting documents, which, with the added noise analysis, is consistent with the direction of the Superior Court.

(4) If the MPU and associated Final PEIR are adopted and certified, provide direction to staff on sustainability options, with staff’s recommendation being to pursue an airport system-wide sustainability plan that will position the County to become a leader in aviation-based sustainability across the region.

If Recommendation 2B is selected to not adopt the MPU, then the Board will direct staff to evaluate other airport classifications; return to the Board for further direction upon evaluation and establish appropriations based on prior year Airport Enterprise Fund (AEF) Balance of \$1,100,000.

(5) If the MPU is not adopted, the Board can also direct staff to prepare a new Master Plan for Palomar Airport and provide direction on the inclusion of a sustainability plan.

**RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER**

See the Background Section of the Board Letter under Airport Design Standards and Attachment H for additional details on the Airport Master Plan Update options.

1. Select the airport design standard, including a potential runway extension:

Airport Design (Pick One)	AND	Runway Extension (Pick One)
Option A. B-II Enhanced Facility: Current design enhanced with installation of an Engineered Material Arresting System (EMAS), which is like a runaway truck ramp for aircraft AND		1.None
		2.200 feet
		3.Up to 900 feet
Option B. B-II Enhanced Facility Now and Condition D-III Modified Standards Compliance in the Future: Same as Option A, and adding future D-III design standards conditioned on addressing the Conditional Use Permit and Runway Protection Zone requirements		1.None
		2.200 feet
		3.Up to 900 feet

and returning to the Board to consider D-III design standards and a runway extension option AND	
Option C. D-III Modified Standards Compliance: This alternative reconfigures the airport to meet the D-III design standards. It would shift the runway 123 feet to the north to provide the required separation between the runway and taxiway and includes the installation of EMAS on both ends of the runway AND	1.370 feet
	2.800 feet

2. McClellan-Palomar Airport Master Plan Update:

Option A. Adopt the McClellan-Palomar Airport Master Plan Update based on the option selected above under Recommendation 1 related to airport design standard, including a potential runway extension, together with the actions in Item 3 below.

OR

Option B. Do Not Adopt the McClellan-Palomar Airport Master Plan Update (Attachment H) and direct staff to evaluate other airport classification options and return to the Board for further direction upon evaluation **AND** establish appropriations of \$1,100,000 in the Airport Enterprise Fund (AEF) Spending Plan to provide funds for the evaluation of other airport classification options based on prior year available AEF fund balance. **(4 VOTES)**

3. If Recommendation 2A is selected, then certify and adopt the McClellan-Palomar Airport Master Plan Update Environmental Documents together with its action to adopt the MPU:

If the Board adopts the McClellan-Palomar Airport Master Plan Update (Attachment H), then certify that the Final Program Environmental Impact Report (PEIR), SCH No. 2016021105 has been completed in compliance with California Environmental Quality Act (CEQA) and CEQA Guidelines, that the Final PEIR was presented to the Board, that the Board reviewed and considered the information contained therein, and that the Final PEIR reflects the independent judgment and analysis of the Board (Attachment B); **AND**

- A. Adopt the Findings Concerning Mitigation of Significant Environmental Effects pursuant to Section 15091 of CEQA Guidelines (Attachment C); **AND**
- B. Adopt the Statement of Location and Custodian of Record (Attachment E); **AND**
- C. Adopt the decision and explanation regarding recirculation of draft PEIR (Attachment F); **AND**
- D. Adopt the Mitigation Monitoring and Reporting Program prepared in accordance with Section 15097 of CEQA Guidelines (Attachment G).

4. If Recommendation 2A is selected to Adopt the McClellan-Palomar Airport Master Plan Update, then provide direction on a sustainability plan by selecting one of the following options:

Option A. Direct staff to prepare a McClellan-Palomar Airport Sustainability Plan

OR

Option B. Direct staff to prepare a County Airports System Sustainability Plan with a priority on implementing sustainability measures for McClellan-Palomar Airport [*Staff Recommendation*]

5. If Recommendation 2B is selected to Not Adopt the McClellan-Palomar Airport Master Plan, provide direction on the inclusion of a sustainability plan with a new Master Plan:

Direct staff to prepare a new Master Plan for McClellan-Palomar Airport with Integrated Sustainability AND establish appropriations of \$4,500,000 in the Airport Enterprise Fund (AEF) Spending Plan to provide funds for development of a Master Plan for McClellan-Palomar Airport with Integrated Sustainability based on prior year available AEF fund balance. **(4 VOTES)**

EQUITY IMPACT STATEMENT

The eight airports owned and operated by the County of San Diego, Public Works, Airports (County Airports) provide vital air transportation hubs, emergency response facilities, and economic engines. The County pursues delivery of services at County Airports and actively works to remove barriers, encourage participation, and provide competitive opportunities for small businesses that traditionally have less working capital and business owners and managers that may be socially and economically underserved, through public outreach and added consideration in our procurement and leasing selection criteria

County Airports connect rural, suburban, and urban communities, businesses, and people by facilitating over 518,000 commercial (using small 30 to 70 passenger aircraft), corporate (up to approximately 20 passengers), government, and private aircraft operations annually. As bases for CalFire, US Forest Service, Sheriff Aerial Support to Regional Enforcement Agencies, and Mercy Air, County Airports ensure the readiness and rapid response of emergency services for community members, including underserved communities. County Airports are home to over 100 aeronautical and non-aeronautical businesses. Through rents and user fees, County Airports are 100% self-funded, allowing General Fund revenues to be used for other priorities.

FISCAL IMPACT

Funds for this request are included in the Fiscal Year (FY) 2021-22 Operational Plan for the Master Plan Update (MPU). If the current MPU is approved with an accompanying sustainability plan, this request will result in no change in the Airport Enterprise Fund (AEF) for FY 2021-2022.

If the Board directs staff to not adopt the Palomar Airport Master Plan, evaluate other airport classification options and return to the Board for further guidance upon evaluation (Recommendation 2B) or to prepare a new Master Plan with integrated sustainability (Recommendation 5), this request will result in costs of up to \$4.5 million in consultant services and staff costs for FY 2021-22. The funding source is the prior year available AEF fund balance. There will be no change in net General Fund cost and no additional staff years.

The proposed actions will not commit the County to construct any facilities or improvements and will not financially obligate the County. Staff will return to the Board at a future date for approval to advertise and award construction contracts as projects are fully designed, and for any necessary appropriations as funding becomes available for implementing the Board's selected MPU alternative. It is expected the projects will be completed in phases over the 20-year planning period, and staff will seek authorization to apply for federal and State grants in future years.

BUSINESS IMPACT STATEMENT

The Federal Aviation Administration (FAA) identifies Palomar as a National Primary Commercial Service Airport in the National Plan of Integrated Airports System, indicating both its national significance and its eligibility for federal grant funding for airport improvements. The FAA-certified Palomar for air carrier service in 1996, which grants airlines the authority to offer scheduled flights to the community and the greater San Diego region. The FAA-certified smaller, less-active airports, like Palomar, to become commercial service airports that offer regional service for 30 to 70 passenger aircrafts, with the focus to make services affordable for the region without compromising safety and operational capabilities. After Palomar was certified for Regional Service, airlines offered flights to Los Angeles and Phoenix using small, 30-passenger aircraft. This Regional Service at Palomar increased to an annual peak of 78,519 passengers in 2000. Beginning in 2008, airlines began to discontinue the use of this type of aircraft. The newer regional aircraft cannot operate at Palomar due to its short runway length, and Regional Service ended in 2015.

With continued interest of residents and stakeholders, the MPU contemplated future Regional Service at Palomar. However, there are several factors that limit Regional Service, such as the runway length, design standards, pavement strength, aircraft parking areas, and passenger terminal capacity. The runway length and design standards are the most critical. Palomar has a single 4,897-foot runway. Within the contiguous United States, there are no airports with runways less than 5,000 feet that have commercial air service.

Regional Service using small, regional, 30 to 70 passenger aircraft could provide additional revenues to the Airport Enterprise Fund (AEF) from commercial landing fees, parking, and fuel flowage; restaurant and rental car concessions; and vehicle parking. Also, the FAA currently allocates \$150,000 in Airport Improvement Program Entitlement grant funding to Palomar annually, which would increase to a minimum of \$1 million, if Palomar were to have over 10,000 commercial passengers per year, using small, passenger aircraft. The FAA also allows commercial service airports to collect a Passenger Facility Charge (PFC) from airlines to help pay for needed capital improvements. PFCs could generate up to \$2 million in additional revenue annually.

In addition to more and closer air travel options, Regional Service at Palomar using small, regional, 30 to 70 passenger aircraft also has potential economic benefits to employees, businesses, and municipalities in North County and the region. The McClellan-Palomar Airport Economic Impact Analysis Report determined that, without Regional Service using small, regional, 30 to 70 passenger aircraft, Palomar currently supports 2,590 jobs and generates \$461 million in economic activity and \$72 million in tax revenue. Without further development, Palomar would support an estimated 3,380 jobs and generate \$596 million in economic activity and \$94 million in tax revenues in 2036. The MPU presented today forecasted the ability of the airport to accommodate up to 575,000 passengers annually, on small, regional, 30 to 70 passenger aircraft. In this scenario, Palomar's economic activity would almost double, with an estimated 6,720 jobs and generate \$1.0 billion in annual economic activity and \$160 million in annual tax revenues.

ACTION:

ON MOTION of Supervisor Desmond, seconded by Supervisor Lawson-Remer, the Board of Supervisors took the following actions:

1. Certified and adopted the McClellan-Palomar Airport Master Plan Update Environmental Documents together with its action to adopt the MPU (Ref. Board Letter Recommendation 3): Certified that the Final Program Environmental Impact Report (PEIR), SCH No. 2016021105 has been completed in compliance with California Environmental Quality Act (CEQA) and CEQA Guidelines, that the Final PEIR was presented to the Board, that the Board reviewed and considered the information contained therein, and that the Final PEIR reflects the independent judgment and analysis of the Board; AND
 - A. Adopted the Findings Concerning Mitigation of Significant Environmental Effects pursuant to Section 15091 of CEQA Guidelines (Attachment C); AND
 - B. Adopted the Statement of Location and Custodian of Record (Attachment E); AND
 - C. Adopted the decision and explanation regarding recirculation of draft PEIR (Attachment F); AND
 - D. Adopted the Mitigation Monitoring and Reporting Program prepared in accordance with Section 15097 of CEQA Guidelines (Attachment G).
2. Selected the airport design standard, including a potential runway extension (Ref. Board Letter Recommendation 1):

Option B. B-II Enhanced Facility Now and Condition D-III Modified Standards Compliance in the Future: Same as Option A, and adding future D-III design standards conditioned on addressing the Conditional Use Permit and Runway Protection Zone requirements and returning to the Board to consider D-III design standards and a runway extension option **AND**

Runway Extension of 200 feet that allows a variance of up to 10% if needed.
3. Selected the McClellan-Palomar Airport Master Plan Update (Ref. Board Letter Recommendation 2):

Option A. Adopted the McClellan-Palomar Airport Master Plan Update based on the option selected under Board Letter Recommendation 1 related to airport design standard, including a potential runway extension, together with the actions in Item 1 above.
4. Provided direction on a sustainability plan by selecting (Ref. Board Letter Recommendation 4):

Option B. Directed staff to prepare a County Airports System Sustainability Plan with a priority on implementing sustainability measures for McClellan-Palomar Airport
5. Directed the Chief Administrative Officer to submit a letter to the Federal Aviation Administration (FAA) and work with the local congressional delegation that requests the following:
 - a. Establishment of quiet hours
 - b. If quiet hours are unable to be acquired, establish a fee structure that increases fees for aircraft flying during quite hours

AYES: Vargas, Anderson, Lawson-Remer, Fletcher, Desmond

State of California)
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER
Clerk of the Board of Supervisors



Signed
by Andrew Potter

