



COUNTY OF HUMBOLDT

For the meeting of: 9/12/2022

File #: 22-1215

To: Board of Supervisors

From: Aviation

Agenda Section: Consent

SUBJECT:

Resolution Authorizing the Humboldt County Department of Aviation to Accept the U.S. Department of Transportation (DOT) Small Community Air Services Development Program (SCASDP) Grant Offer in the amount of \$850,000

RECOMMENDATION(S):

That the Board of Supervisors:

1. Adopt the attached resolution authorizing the Humboldt County Director of Aviation, or a designee thereof, to execute all documents related to the SCASDP Grant No DOT-OST-2022-0003-0004;
2. Authorize the Director of Aviation to execute SCASDP grant offer No. DOT-OST-2022-0003-0004; and
3. Authorize the Director of Aviation, or designee, to sign future amendments to the above-mentioned grant agreement after review by County Counsel, Risk Management and County Administrative Office.

SOURCE OF FUNDING:

FAA-SCASDP Grant

Aviation Enterprise Fund (3530-381100)

DISCUSSION:

The Small Community Air Service Development Program (SCASDP) is a grant program designed to help small communities address air service and airfare issues by allowing communities to self-identify air service deficiencies and propose alternate solutions.

The SCASDP application submitted by the Department of Aviation for SCASDP fiscal year (FY) 2021 identified the lack of a northbound service in and out of the California Redwood Coast-Humboldt County Airport (ACV). With the current airline routes out of ACV, passengers must first travel south to connect to final destinations that are actually north of ACV. These destinations include multiple communities in the states of Alaska, Washington, Oregon, Idaho, Montana, amongst others. As such,

the goal of the application was to work with an airline to develop a northbound route to Seattle-Tacoma International Airport (SEA). A new ACV-SEA connection would increase the competition amongst airlines at ACV, provide more options to travelers and the community, and improve efficiency for the traveling public.

The Department of Aviation was able to identify in the grant application previous success utilizing a SCASDP Grant for developing the ACV-DEN (Denver International Airport) connection with United Airlines. A SCASDP Grant that was issued in 2012, was extended multiple times, and then utilized in 2019 for the start of ACV-DEN service. The 2012 SCASDP provided financial support through a Minimum Revenue Guarantee (MRG) for United Airlines to start that new route. A minimal amount of the MRG was utilized as the route started out very successfully and has continued to show strong demand, and performance, for United Airlines ever since (outside of impacts from the COVID-19 Pandemic). The new SCASDP Grant would be utilized in a similar fashion for an ACV-SEA route to be developed.

On August 3, 2022, the US Department of Transportation issued Small Community Air Service Development Program Grant offers to 25 applicants from 20 different states. The Humboldt County, Department of Aviation was the successful recipient of Grant Offer #DOT-OST-2022-0003-0004 in the amount of \$850,000. The funding will be used for an MRG and marketing to initiate and support nonstop service on a major air carrier between Arcata and Seattle-Tacoma International Airport. Alaska Airlines has filed a letter of support.

The U.S DOT accepted, approved, and has submitted a grant offer with a cumulative maximum obligation of \$850,000 as follows:

US DOT Maximum Obligation (68%)	Local Share (32%)	TOTAL Project Cash Cost (100%)
\$850,000	\$400,000	\$1,250,000

FINANCIAL IMPACT:

The total maximum obligation to the US DOT of the above-mentioned grant is \$850,000, or 68%. The local share is \$400,000, or 32%. The local share funds on previous SCASDP MRG Grants were held and paid through Redwood Region Economic Development Commission (RREDC) and \$175,000 has already been raised of the \$400,000 local share responsibility. The remaining \$225,000 will either be paid for through community fund raising or CARES Act Funding. Budget adjustments will be included in the FY 2022-23 adopted budget.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by providing community-appropriate levels of service ; and seeking outside funding sources to benefit Humboldt County needs.

OTHER AGENCY INVOLVEMENT:

United States-Department of Transportation

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board of Supervisors may choose to not to authorize the Director of Aviation to execute the Grant Offer for the above-referenced air service development grant. However, this alternative is not recommended because the County would be forfeiting \$850,000 that will be used toward the recruitment and retention of a northbound flight that is strongly supported by the community.

ATTACHMENTS:

1. Resolution No. _____
2. Grant Offer, No. DOT-OST-2022-0003-0004

PREVIOUS ACTION/REFERRAL:

Board Order No.: N/A

Meeting of: N/A

File No.: N/A